

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Short-term and Income Funds

Altamira Corporate Bond Fund

For the period ended December 31, 2011

This annual management report of fund performance contains financial highlights, but does not contain the annual financial statements of the mutual fund. A copy of the annual financial statements can be obtained on request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Securities Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at www.nbc.ca/financial_reports, by visiting SEDAR's website at www.sedar.com, or by contacting your advisor.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objectives and Strategies

The objective of the Altamira Corporate Bond Fund is to provide regular high current income while ensuring sustained growth in long-term capital through direct investments or investments in other funds, mainly through Canadian and U.S. debt securities.

The portfolio manager carefully analyzes the credit of each security and evaluates its risk, relative return and the economic situation to confirm the selection and relative weighting of each holding in the portfolio. This is done to identify bonds with attractive return potential. He also takes economic considerations and their impact on interest rates into account. The duration favoured by the portfolio manager depends on whether interest rates are expected to rise or fall.

Risks

Among the various risks associated with an investment in the Fund, the risk related to interest rate fluctuations predominated in March, April, November and December, as a surge in bond rates sapped the Fund's performance.

Credit risk predominated throughout the year—the uncertainty brought about by the financial crisis in Europe caused investors to flee riskier securities in favour of government issues, resulting in wider credit spreads. In this context, certain corporate issues turned in poorer performances than their federal peers.

The global investment risk of the Fund remains as described in the simplified prospectus. The Fund is suitable for investors seeking exposure to corporate debt securities and who are prepared to tolerate low to moderate risk.

Results of Operations

For the twelve-month period ended December 31, 2011, the Altamira Corporate Bond Fund Investor Series units returned 6.32% compared to 8.24% for the Fund's benchmark, the DEX Corporate Index (CA\$). Unlike the index, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for returns of the Advisor Series, F Series and O Series. Returns of the Advisor Series, F Series and O Series may vary, mainly because of fees and expenses.

Interest rate fluctuations, the volume of new issues, domestic and international economic data, quarterly corporate results and the climate of uncertainty arising from outside factors (geopolitical tensions in the Middle East/North Africa, earthquake in Japan, European sovereign debt crisis) had major impacts on corporate bond yields over the year.

Despite high market volatility, corporate bonds generated a positive return over the period due mainly to declining federal bond rates, which are the basis for their valuation. While the decline in federal bond rates helped drive up their valuations (which are inversely correlated with rates), corporate bonds also gained ground, albeit to a lesser extent.

In the first quarter, a favourable economic outlook and positive quarterly results stoked demand for corporate bonds, driving their valuations up. However, a large number of new issues, the climate of uncertainty brought about by tensions in the Middle East and the tsunami in Japan, combined with rising bond rates hindered their progress.

Corporate bonds posted better returns in the second and third quarter than in Q1, despite more mixed interest in them, owing to high levels of risk aversion from investors and the release of disappointing economic figures. Greater fears of a default in Greece and contagion to neighbouring countries, combined with the release of worse-than-expected economic indicators, led investors to seek shelter in lower-risk vehicles such as federal bonds (at the expense of corporate bonds). While federal bond rates nosedived, the downturn in corporate rates was more muted. Corporate bonds nevertheless gained value (albeit modestly compared to federal bonds), allowing the Fund to post a positive return.

In the fourth quarter, multiple concerted actions by European Union member nations, the European Central Bank, the International Monetary Fund and certain non-European central banks to attempt to resolve the continent's sovereign debt crisis, coupled with more encouraging economic data somewhat reassured investors and revived demand for corporate issues.

Over the period, the portfolio manager reduced the portfolio's duration and risk exposure (particularly by buying BBB-rated issues). Some bonds were also sold to increase the portfolio's cash reserves, with a view to purchasing upcoming new issues. While adopting a more defensive profile proved particularly lucrative, a shorter duration than the benchmark somewhat limited the Fund's growth when rates trended bearish over the year. Although the underweight in Infrastructure proved profitable, the overweight in Financials and the selection of certain issues in the sector drained value, particularly Manulife and Bank of America. Lastly, GTAA and CIBC allowed us to enhance returns, as did the underweight in Yellow Pages (which suffered a substantial downturn).

Recent Developments

Markets remained turbulent in the final months of 2011, due to fears Greece could default on its sovereign debt and the risk of contagion to neighbouring countries, particularly Italy and Spain. While a host of measures have been proposed to attempt to resolve the European sovereign debt crisis, and draconian austerity measures have been adopted by the most heavily indebted nations, some pundits fear a recession on the "old continent", which could have a potential impact on worldwide economic growth in the coming year.

In 2012, the portfolio manager will keep a close eye on developments in the European crisis, as it could have a major influence on interest rate movements and the performance of corporate bonds, depending on investors' risk aversion.

If the climate of uncertainty brought about by the turbulence in Europe dissipates, investors may abandon fixed-income securities for riskier asset classes such as equities. These circumstances could result in an increase in bond rates and potentially weaken the Fund's return (since valuations are inversely correlated with rates). Demand for corporate issues may however increase, as they tend to mirror stock markets, albeit in a more muted fashion, which could partially offset this impact. Conversely, should eurozone problems drag on, investors may continue to favour fixed-income issues as a safe haven, which would help the Fund's performance—although corporate issues' returns may lag somewhat compared to lower-risk bonds, such as federal issues. The Fund's more defensive profile compared to its benchmark may prove beneficial in this context.

Moreover, although the portfolio manager favours caution due to the prevailing uncertainty in Europe, China and the Middle East, he somewhat reduced the overweight in federal issues in the fourth quarter, further to the release of encouraging economic news in the U.S. and concerted efforts by central banks and government authorities to attempt to resolve the European sovereign debt crisis.

In the coming months, the portfolio manager intends to maintain the Fund's defensive profile while continuing to keep a watchful eye out for investment opportunities as they arise to enhance the portfolio's return, particularly when new issues appear.

While markets may experience high volatility in the coming months, the portfolio manager remains optimistic for the longer term, particularly if companies continue to post respectable results and the main economic indicators improve. Moreover, investors' marked interest for higher yielding issues should help boost demand for corporate bonds.

Accounting Standards Changes

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that all publicly accountable enterprises would be required to report under International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) for fiscal years beginning on or after January 1, 2011. However, in January 2011, the AcSB approved a deferral of the effective date of entry in force of IFRS from January 1, 2011 to January 1, 2013 for investment companies that are currently applying the Accounting Guideline AcG-18 "Investment Companies".

In December 2011, the AcSB decided to defer the date of application of IFRS to January 1, 2014 to ensure that investment companies will not have to modify their actual accounting treatment for entities in which they have control while the IASB is completing the standard about investment companies it plans to publish.

Consequently, the Funds will publish their first audited financial statements in accordance with IFRS for the year ending December 31, 2014 and will present comparative figures in accordance with IFRS for the year ending December 31, 2013, including an opening balance sheet as at January 1, 2013.

In order to prepare for the transition to IFRS, management has established a project, formed a dedicated project team and put in place a formal governance structure. The project team reports on a regular basis to the executive committee and the steering committee, committees that are made up of senior levels of management from all relevant departments. To date, the project has proceeded as planned.

Management has developed a detailed project plan, assessed the resource requirements for its implementation and continued staff training. It has already identified the main differences between existing Canadian GAAP and current IFRS. Exceptions and optional exemptions on the transition date have also been analyzed. In addition, management has identified the following main differences that would likely affect the funds financial statements:

Scope	Current treatment under Canadian GAAP	IFRS treatment
Classification of holders' units/shares – Funds with more than one series.	Units/shares are presented as equity instruments.	Units/shares are presented in liabilities.
Classification of holders' units/shares – Funds with one series.	Units/shares are presented as equity instruments. No distinction is made between retained earnings and the capital issued.	Units/shares are presented as equity instruments. Distinction to be made between retained earnings and the capital issued.
Consolidation of financial statements of controlled entities in the financial statements of the Funds.	The Funds are exempt from consolidation with AcG-18.	Consolidation is applicable for controlling Funds. The financial statements of the two entities have to be consolidated. The Funds must meet very specific criteria to consolidate their financial statements. Consequently, only a minority of the Funds are affected by the consolidation. The consolidation will not affect the data of the Funds' daily evaluations. However, the IASB issued in August 2011 an exposure draft that will allow for the Funds to be exempt from consolidation under certain conditions.
Presentation of the statement of cash flows in the financial statements.	No statement of cash flows to be presented.	Presentation of the statement of cash flows in the financial statements of each of the Funds.
Future income taxes – Trust Funds.	No future income taxes to be presented.	Recognition of assets or future income taxes liabilities if applicable.

Management has completed an evaluation on how adoption of IFRS will impact information technology and required developments have been made. It is currently assessing how adoption of IFRS will impact operations, internal controls and preparing financial statements.

The implementation phase has begun. The Funds will produce their statement of financial position (opening balance) as at January 1st, 2013 «transition date». In order to present the interim financial statements as at June 30, 2014 under IFRS, the comparative financial statements, those as at June 30, 2013, will be prepared with IFRS over the coming period.

At this point, management does not expect that the transition to IFRS will have a significant impact on net assets or net asset value per unit or the Funds commercial agreements. Rather, it expects that this transition will impact the presentation and disclosure of financial statements. Please note that the requirements in effect at the time of first publication of IFRS financial statements (December 31, 2014), economic conditions prevailing at that date, as well as various choices of accounting policies adopted are factors that will influence the final impact of IFRS on the statement of financial position of the Funds.

Related Party Transactions

National Bank of Canada (“the Bank”) and its affiliated companies’ roles and responsibilities related to the Fund are as follows:

Trustee

Natcan Trust Company (“NTC”), a wholly owned subsidiary of the Bank, is the Fund’s trustee. In this capacity, it is the legal owner of the Fund’s investments.

Fund Manager

The Fund is managed by National Bank Securities Inc. (“NBS”), which is a wholly-owned subsidiary of the Bank. Therefore, NBS provides or ensures the provision of all general management and administrative services required by the Fund’s current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Fund reimbursed the Fund Manager for operating expenses, at cost, incurred in administering the Fund, including trustee, record-keeping, custodial, legal, audit, investor servicing, and securityholder reporting fees.

As described under the heading Management Fees, the Fund pays annual management fees to NBS as consideration for its services.

Portfolio Advisor

Management of the Fund’s portfolio has been delegated by NBS to Natcan Investment Management Inc. (“Natcan”), a corporation of which the Bank is the majority shareholder. In that capacity, Natcan provides the Fund with portfolio management services, including trading, carrying out transactions and brokerage services. The fees payable to Natcan are calculated by applying a percentage to the average net asset value under management for each month.

Performance fees may be payable by NBS if the performance criteria set for the National Bank Funds are met.

Distribution of Fund Units

NBS acts as Distributor for the Fund. In this capacity, NBS buys, sells and swaps securities through Bank branches and the National Bank Securities Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund units are also offered by National Bank Direct Brokerage Inc., CABN Investments Inc. National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a commission representing a percentage of the average daily value of the securities held by their clients.

Transfer Agent and Custodian

Natcan Trust Company (“NTC”) acts as registrar for the Fund’s securities and the names of unitholders. NTC also acts as the Fund’s custodian. The fees for NTC’s custodial services are based on the standard rates in effect at NTC.

Brokerage Fees

The Fund may pay broker’s commissions at market rates to a corporation affiliated with NBS. The brokerage fees paid by the Fund for the period are as follows:

	Year ended December 31, 2011
Total brokerage fees	\$2,556.43
Brokerage paid to National Bank Financial	—

Holdings

As at December 31, 2011, National Bank Securities held 5,301.27 Fund units for a value of \$56,167.41, which represented 0.01% of the net asset value of the Fund at that date. Transactions between National Bank Securities and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

Independent Review Committee Approvals and Recommendations

The Fund followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- a) Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- b) Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- c) Purchasing or selling securities to another investment fund managed by the manager or a company in the same group;
- d) Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);

e) Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with National Bank Securities policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to National Bank Securities and without taking into account any consideration relevant to an entity related to National Bank Securities. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

Administrative and Operating Services

The Bank provides the Fund with certain services, including accounting, reporting and portfolio valuation services. The costs incurred for these services are paid by the manager to the Bank.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

Investor Series / Advisor Series

The Fund's Net Assets per Unit⁽¹⁾

	2011	2010
Net Assets, beginning of year	\$ 10.17	\$ 10.00
Increase (decrease) from operations		
Total revenue	\$ 0.48	\$ 0.30
Total expenses	\$ (0.19)	\$ (0.13)
Realized gains (losses)	\$ 0.06	\$ 0.02
Unrealized gains (losses)	\$ 0.30	\$ (0.19)
Transaction costs on purchase and sale investments	\$ —	\$ —
Total increase (decrease) from operations⁽²⁾	\$ 0.65	\$ —
Distributions:		
From income (excluding dividends)	\$ 0.29	\$ 0.14
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ 0.02
Return of capital	\$ —	\$ —
Total annual distributions⁽³⁾	\$ 0.29	\$ 0.16
Net Assets as at December 31, 2011 and last day of years shown	\$ 10.52	\$ 10.17

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The net asset value per security presented in the financial statements differ from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

	2011	2010
Total net asset value (000's) ⁽¹⁾	\$ 380,252	\$ 385,409
Number of units outstanding ⁽¹⁾	36,061,699	37,807,602
Management expense ratio ⁽²⁾	1.79 %	1.78 %
Management expense ratio before waivers or absorptions	1.86 %	2.19 %
Trading expense ratio ⁽³⁾	— %	— %
Portfolio turnover rate ⁽⁴⁾	118.95 %	189.20 %
Net asset value per unit	\$ 10.54	\$ 10.19

⁽¹⁾ This information is provided as at December 31, 2011 and last day of years shown.

⁽²⁾ Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio's turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Financial Highlights

F Series

The Fund's Net Assets per Unit⁽¹⁾

	2011	2010
Net Assets, beginning of year	\$ 10.19	\$ 10.00
Increase (decrease) from operations		
Total revenue	\$ 0.48	\$ 0.28
Total expenses	\$ (0.10)	\$ (0.08)
Realized gains (losses)	\$ 0.06	\$ 0.02
Unrealized gains (losses)	\$ 0.28	\$ 0.14
Transaction costs on purchase and sale investments	\$ —	\$ —
Total increase (decrease) from operations⁽²⁾	\$ 0.72	\$ 0.36
Distributions:		
From income (excluding dividends)	\$ 0.36	\$ 0.16
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ 0.02
Return of capital	\$ —	\$ —
Total annual distributions⁽³⁾	\$ 0.36	\$ 0.18
Net Assets as at December 31, 2011 and last day of years shown	\$ 10.55	\$ 10.19

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The net asset value per security presented in the financial statements differ from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

	2011	2010
Total net asset value (000's) ⁽¹⁾	\$ 96	\$ 62
Number of units outstanding ⁽¹⁾	9,059	6,085
Management expense ratio ⁽²⁾	0.99 %	0.99 %
Management expense ratio before waivers or absorptions	9.62 %	19.12 %
Trading expense ratio ⁽³⁾	— %	— %
Portfolio turnover rate ⁽⁴⁾	118.95 %	189.20 %
Net asset value per unit	\$ 10.58	\$ 10.22

⁽¹⁾ This information is provided as at December 31 of years shown.

⁽²⁾ Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio's turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Financial Highlights

O Series

The Fund's Net Assets per Unit⁽¹⁾

	2011	2010
Net Assets, beginning of year	\$ 10.22	\$ 10.00
Increase (decrease) from operations		
Total revenue	\$ 0.48	\$ 0.29
Total expenses	\$ —	\$ (0.02)
Realized gains (losses)	\$ 0.07	\$ 0.04
Unrealized gains (losses)	\$ 0.25	\$ 0.05
Transaction costs on purchase and sale investments	\$ —	\$ —
Total increase (decrease) from operations⁽²⁾	\$ 0.80	\$ 0.36
Distributions:		
From income (excluding dividends)	\$ 0.46	\$ 0.17
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ 0.03
Return of capital	\$ —	\$ —
Total annual distributions⁽³⁾	\$ 0.46	\$ 0.20
Net Assets as at December 31, 2011 and last day of years shown	\$ 10.58	\$ 10.22

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. The net asset value per security presented in the financial statements differ from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

Ratios and Supplemental Data

	2011	2010
Total net asset value (000's) ⁽¹⁾	\$ 57,839	\$ 46,595
Number of units outstanding ⁽¹⁾	5,451,130	4,546,177
Management expense ratio ⁽²⁾	0.02 %	0.02 %
Management expense ratio before waivers or absorptions	0.02 %	0.05 %
Trading expense ratio ⁽³⁾	— %	— %
Portfolio turnover rate ⁽⁴⁾	118.95 %	189.20 %
Net asset value per unit	\$ 10.61	\$ 10.25

⁽¹⁾ This information is provided as at December 31 of years shown.

⁽²⁾ Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁴⁾ The Fund's portfolio's turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Fund pays annual management fees to the Manager for its management services. The fees are calculated based on a percentage of the Fund’s daily net asset value before applicable taxes and are paid on a monthly basis. A portion of the management fees paid by the Fund covers trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily covers investment management and general administration services. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series		Management Fee	Distribution	Others [†]
Investor Series		1.50%	50.00%	50.00%
Advisor Series*	Front end	1.50%	16.67%	83.33%
	Back end		50.00%	50.00%
	Low-Load 1 to 3 years 4 years plus		16.67%	83.33%
F Series		0.75%	0.00%	100.00%
O Series		N/A**	0.00%	100.00%

^(*) Excluding sales commissions paid on the Advisor Series with low load and back end fees, which are not paid for out of the management fees.

^(**) There are no management fees paid by the Fund. Unitholders in the O Series pay a negotiated administration fee directly to National Bank Securities.

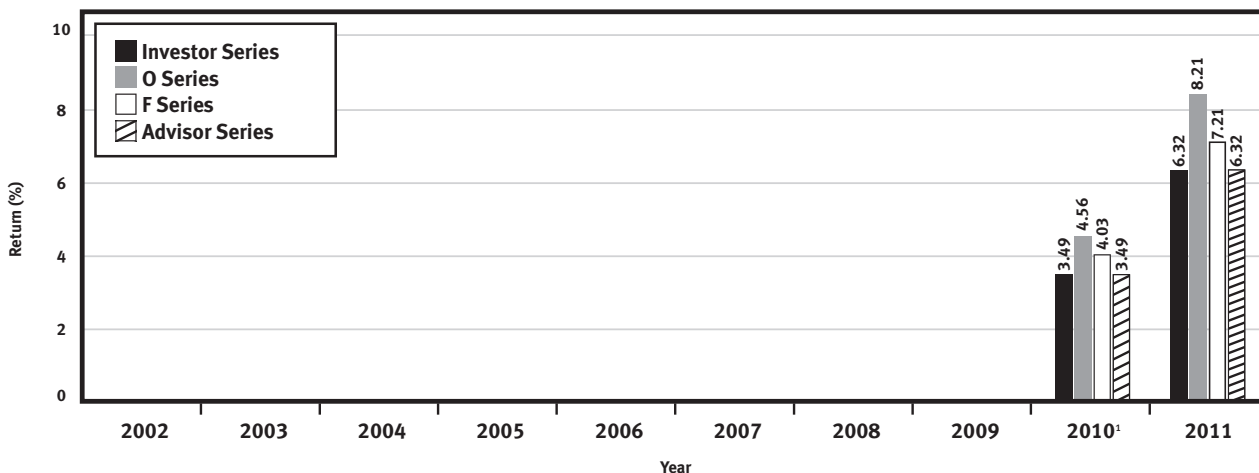
^(†) Includes all costs related to management, investment advisory services, general administration and profit.

Past Performance

Information on the Fund’s past performance is presented in the graphs below. The graphs assume that fund distributions during the periods presented were reinvested in full in additional fund securities and do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a Fund or series of a Fund does not necessarily indicate how it will perform in the future.

Annual Returns

The following bar chart shows the Fund’s annual performance in each of the last years shown and illustrates how the Fund’s performance has changed from year to year. It shows in percentage terms how an investment made on the first day of the period would have increased or decreased by the last day of the period for each year.



¹Returns for the period from June 1st, 2010 (inception date) to December 31, 2010.

Annual Compounded Performance

The following table shows the Altamira Corporate Bond Fund annual compound total return for the indicated periods ended on December 31, 2011. The annual compound total return is compared to the Fund's benchmark, the DEX corporate bond Index (CA\$) Index calculated on the same compound basis. A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

Investor Series ¹	Since inception	1 year
Altamira Corporate Bond Fund	6.22%	6.32%
DEX Corporate Bond Index (CA\$)	8.20%	8.24%

¹Inception date: June 1, 2010.

Advisor Series ²	Since inception	1 year
Altamira Corporate Bond Fund	6.22%	6.32%
DEX Corporate Bond Index (CA\$)	8.20%	8.24%

²Inception date: June 1, 2010.

F Series ³	Since inception	1 year
Altamira Corporate Bond Fund	7.13%	7.21%
DEX Corporate Bond Index (CA\$)	8.20%	8.24%

³Inception date: June 1, 2010.

O Series ⁴	Since inception	1 year
Altamira Corporate Bond Fund	8.12%	8.21%
DEX Corporate Bond Index (CA\$)	8.20%	8.24%

⁴Inception date: June 1, 2010.

The DEX Corporate Bond Index represents the corporate bond component of the DEX Universe Bond Index. It includes short-term bonds (1 to 5 years), medium-term bonds (5 to 10 years) and long-term bonds (10 years or more).

Summary of Investment Portfolio

Portfolio Top Holdings

	% of Net Asset Value
Toronto-Dominion Bank, Floating, due December 14, 2016	2.4
Manulife Financial (Corp.) L.P., Floating, due December 15, 2016	2.3
Government of Canada, 5.00%, due June 1, 2037	2.2
Bank of Nova Scotia, Floating, due March 27, 2013	1.9
Government of Canada, 5.75%, due June 1, 2029	1.8
Bank of Montreal, 2.96%, due August 2, 2016	1.7
General Electric Capital Canada Funding Co., 4.24%, due June 8, 2015	1.7
Goldman Sachs Group Inc., 4.10%, due November 3, 2015	1.6
American Express Canada Credit Corp., 4.85%, due October 3, 2014	1.5
Greater Toronto Airport, 4.53%, due December 2, 2041	1.4
Canadian Imperial Bank of Commerce, Floating, due April 30, 2015	1.4
TransCanada Pipelines Ltd., 6.28%, due May 26, 2028	1.4
Royal Bank of Canada, 4.71%, due December 22, 2014	1.4
Intact Financial Corp., 4.70%, due August 18, 2021	1.3
Sherritt International Corp., 8.00%, due November 15, 2018	1.3
Cash and cash equivalents	1.1
Royal Bank of Canada, 3.36%, due January 11, 2016	1.1
Rogers Communications Inc., 5.34%, due March 22, 2021	1.1
Scotiabank Capital Trust, 7.80%, due June 30, 2019	1.1
Toronto-Dominion Bank, Floating, due April 2, 2015	1.1
Bank of Montreal, 3.49%, due June 10, 2016	1.1
Morgan Stanley, 4.85%, due February 3, 2016	1.0
Canadian Imperial Bank of Commerce, 3.10%, due March 2, 2015	1.0
Royal Bank of Canada, 2.68%, due December 8, 2016	1.0
Bank of Nova Scotia, 3.34%, due March 25, 2015	1.0
	35.9

Fund net asset value. \$438,186,222

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available. Consult our Web site www.nbc.ca/financial_reports.

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

Term Allocation

	% of Net Asset Value
1 to 5 years	46.3
5 to 10 years	31.5
More than 10 years	21.1
Cash and cash equivalents	1.1

Asset Mix

	% of Net Asset Value
Corporate Bonds	91.8
Federal Bonds	4.0
Foreign Bonds	1.4
Provincial Bonds	1.3
Municipal Bonds	0.4
Cash and cash equivalents	1.1