

For the period from January 1, 2010 to December 31, 2010

Dear Investor:

An independent committee was originally established for the National Bank Securities Mutual Funds in 2004 to provide advice to the manager regarding certain conflicts of interest in mutual fund management. On April 30, 2007, National Bank Securities Inc., the manager of the National Bank Securities Mutual Funds, reconstituted the independent committee as the Independent Review Committee of the National Bank Securities Mutual Funds (the "IRC") in accordance with *National Instrument 81-107, Independent Review Committee for Investment Funds*.

Pursuant to National Instrument 81-107, the IRC is required to review the conflict of interest matters submitted to it by the manager of the National Bank Securities Mutual Funds for approval or recommendation, depending on the nature of the conflict of interest matter. The IRC's focus is on the question of whether the manager's proposed action achieves a fair and reasonable result for the fund. In performing its duties, the IRC meets regularly and ends each meeting in camera, without the attendance of any representative of the manager or any entity related to the manager.

This report provides information regarding the activities of the IRC for the period from January 1, 2010 to December 31, 2010.

At least once per year, the IRC reviews and assesses the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the National Bank Securities Mutual Funds, and also conducts a self-assessment of the IRC's independence, compensation and effectiveness.

The members of the IRC look forward to continue working with the manager in the best interest of the National Bank Securities Mutual Funds.

"signed"

Yves Julien

Chair of the Independent Review Committee
of the National Bank Securities Mutual Funds

Members of the Independent Review Committee of the National Bank Securities Mutual Funds

Members of the Independent Review Committee	Residence	First Appointed to the Independent Review Committee
Jean-François Bernier ^{1, 2}	Boucherville, Quebec	April 30 th , 2007
Jean Durivage ^{1, 2, 3}	Lac Brome, Quebec	April 30 th , 2007
André D. Godbout ^{1, 2}	Montreal, Quebec	April 30 th , 2007
Yves Julien (Chair) ^{1, 2, 3}	Montreal, Quebec	April 30 th , 2007
Jacques Valotaire ^{1, 3}	Longueuil, Quebec	April 30 th , 2007

1. The Independent Review Committee of the National Bank Securities Mutual Funds is also the Independent Review Committee of the Meritage Portfolios and of the Jarislowsky Fraser Funds.

2. Also a member of the Independent Review Committee of Non Protected Notes from National Bank of Canada.

3. Also a member of the Independent Review Committees of Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Income Trust II.

There were no changes in the composition of the independent review committee since its inception on April 30th, 2007.

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Holdings of Securities

(a) National Bank Securities Mutual Funds

On the date hereof, the percentage of securities of each series of the National Bank Securities Mutual Funds beneficially owned, directly or indirectly, in aggregate, by all members of the independent review committee of the National Bank Securities Mutual Funds did not exceed ten per cent.

(b) Investment Fund Manager

On the date hereof, the percentage of securities of each class or series of voting or equity securities of National Bank Securities Inc. (the manager of the National Bank Securities Mutual Funds) or National Bank of Canada (its parent company) beneficially owned, directly or indirectly, in aggregate, by all members of the independent review committee was less than 0.05 per cent.

(c) Service providers

On the date hereof, the percentage of securities of each class or series of voting or equity securities of any company or other entity providing services to the National Bank Securities Mutual Funds or National Bank Securities Inc. (the manager of the National Bank Securities Mutual Funds) beneficially owned, directly or indirectly, in aggregate, by all members of the independent review committee was less than 0.05 per cent.

Compensation and Indemnities

For the period from January 1, 2010 to December 31, 2010, the aggregate compensation paid to the members of the independent review committee of the National Bank Securities Mutual Funds (the "IRC") (in this capacity and in their capacity as members of the independent review committees of other investment funds managed by National Bank Securities Inc. and/or its affiliates) was \$129,000. This amount was allocated among the National Bank Securities Mutual Funds and other investment funds managed by National Bank Securities Inc. and/or its affiliates in a manner that is considered to be fair and reasonable by the manager of the National Bank Securities Mutual Funds.

In compliance with National Instrument 81-107, the compensation paid to the IRC during the period from January 1, 2010 to December 31, 2010 was set by the members of the IRC.

At least annually, the IRC reviews its compensation, giving consideration to the following, *inter alia*:

1. the best interests of the funds;
2. industry best practices, including industry averages and surveys on IRC compensation;
3. the number, nature and complexity of the funds for which the IRC acts; and
4. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member.

The National Bank Securities Mutual Funds paid no indemnities to the IRC during the period.

Conflict of Interest Matters

The manager of the National Bank Securities Mutual Funds has policies and procedures in place to address each of the conflict of interest matters listed below. With respect to items 1 to 14 and 6 to 12 below, the IRC has issued standing instructions to the manager of the National Bank Securities Mutual Funds that require the manager to comply with its policies and procedures and to report periodically, and at least annually, to the IRC.

During the period from January 1, 2010 to December 31, 2010, the manager of the National Bank Securities Mutual Funds has relied on the following approvals and recommendations granted by the IRC in accordance with National Instrument 81-107.

Approvals

1. *Transactions in securities of a related issuer*: The IRC has provided its approval for the National Bank Securities Mutual Funds to make or hold, in compliance with the IRC's standing instructions, an investment in the securities of an issuer related to the

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National Bank Securities Mutual Funds, the manager or an entity related to the manager (as defined in National Instrument 81-107).

2. *Inter-fund trading:* The IRC has provided its approval for the National Bank Securities Mutual Funds to purchase and sell, in compliance with the IRC's standing instructions, securities amongst the National Bank Securities Mutual Funds or with investment funds or managed accounts that are managed by the manager or any of its affiliates.
3. *Trading in securities underwritten by a related underwriter:* The IRC has provided its approval for the National Bank Securities Mutual Funds to invest, in compliance with the IRC's standing instructions, in securities of an issuer underwritten by an entity related to the manager (as defined in National Instrument 81-107).
4. *Transactions in debt securities with a related party:* The IRC has provided its approval for the National Bank Securities Mutual Funds to purchase, in compliance with the IRC's standing instructions, debt securities from, and sell debt securities to, a related party acting as principal.
5. *Changing Auditors:* The IRC has provided its approval in respect of the replacement of the auditors of most of the National Bank Securities Mutual Funds by Raymond Chabot Grant Thornton LLP.

The IRC is not aware of any instance in which the manager of the National Bank Securities Mutual Funds acted in a conflict of interest matter without meeting any condition imposed by the IRC in its approval.

Recommendations

6. *Management fee rebates:* The IRC has provided its positive recommendation in respect of making special arrangements (regarding *management fees, redemptions, etc.*) with entities related to the manager (as defined in National Instrument 81-107) and large unitholders.
7. *Expense eligibility and allocation:* The IRC has provided its positive recommendation in respect of charging the National Bank Securities Mutual Funds for eligible expenses incurred in operating the funds (*operating expenses*) and allocating such operating expenses among the funds.
8. *Fair Value Pricing:* The IRC has provided its positive recommendation in respect of fair value pricing of the National Bank Securities Mutual Funds' portfolio securities to reflect their fair market value.
9. *Related suppliers fees and quality monitoring:* The IRC has provided its positive recommendation in respect of monitoring by the manager of fees charged and quality of services provided by service providers that are related to the manager or in a material business relationship with the manager.
10. *Monitoring of portfolio managers' conflicts of interests:* The IRC has provided its positive recommendation in respect of monitoring by the manager of conflict of interest matters present at the portfolio manager and sub-adviser levels, including without limitation: (i) portfolio manager's and sub-adviser's employees' conflicts of interest (personal trading, disclosure and confidentiality and whistle-blowing), (ii) fair allocation of securities (among, on one hand, the National Bank Securities Mutual Funds and, on the other hand, between the National Bank Securities Mutual Funds and the portfolios of other clients of the portfolio manager or sub-adviser), (iii) broker selection and trade allocation, (iv) soft dollar arrangements, (v) proxy voting and other corporate actions regarding related issuers, and (vi) correction of portfolio manager or sub-adviser material errors.
11. *Correcting material errors:* The IRC has provided its positive recommendation in respect of correcting material errors made by the manager of the National Bank Securities Mutual Funds in calculating net asset value and processing purchases, redemptions and exchanges of securities of the funds.
12. *Manager's employees' conflicts of interest:* The IRC has provided its positive recommendation in respect of the treatment of certain conflicts such as personal trading, disclosure, confidentiality and whistle-blowing.

The IRC is not aware of any instance in which the manager of the National Bank Securities Mutual Funds acted in a conflict of interest matter referred to the IRC for which it did not give a positive recommendation. The IRC is not aware of any instance in which the manager of the National Bank Securities Mutual Funds acted in a conflict of interest matter without meeting the conditions imposed by the IRC in its recommendation.

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Funds covered by this report:

National Bank Money Market Fund	AltaFund Investment Corp.
National Bank Corporate Cash Management Fund	National Bank Canadian Opportunities Fund
National Bank Treasury Management Fund	National Bank Small Cap Fund
National Bank U.S. Money Market Fund	Altamira Quebec Growth Fund
National Bank Short Term Canadian Income Fund	National Bank Global Equity Fund
National Bank Mortgage Fund	Omega Global Equity Fund
National Bank Bond Fund	Omega Global Opportunities Fund
Altamira Income Fund	Omega Consensus American Equity Fund
Altamira Long Term Bond Fund	Altamira U.S. Equity Fund
National Bank Dividend Fund	Omega Consensus International Equity Fund
Altamira Global Bond Fund	Altamira European Equity Fund
Altamira Corporate Bond Fund	Altamira Asia Pacific Fund
Altamira High Yield Bond Fund	Altamira Japanese Opportunity Fund
Omega Preferred Equity Fund	Omega Emerging Markets Fund
National Bank Monthly Secure Income Fund	Altamira Global Small Company Fund
National Bank Monthly Conservative Income Fund	National Bank Strategic Yield Fund
National Bank Monthly Moderate Income Fund	Altamira Resource Fund
National Bank Monthly Income Fund	Altamira Energy Fund
National Bank Monthly High Income Fund	Altamira Precious and Strategic Metal Fund
National Bank Monthly Equity Income Fund	Altamira Science and Technology Fund
National Bank Secure Diversified Fund	Altamira Health Sciences Fund
National Bank Conservative Diversified Fund	Altamira Canadian Index Fund
National Bank Moderate Diversified Fund	Altamira U.S. Index Fund
National Bank Balanced Diversified Fund	Altamira U.S. Currency Neutral Index Fund
National Bank Growth Diversified Fund	Altamira International Index Fund
Altamira Dividend Fund Inc.	Altamira International Currency Neutral Index Fund
Altamira Tactical Asset Allocation Fund	National Bank Protected Canadian Bond Fund
Omega High Dividend Fund	National Bank Protected Retirement Balanced Fund
National Bank Canadian Equity Fund	National Bank Protected Growth Balanced Fund
Omega Canadian Equity Fund	National Bank Protected Canadian Equity Fund
Altamira Canadian Equity Growth Fund	National Bank Protected Global Fund