NBI Secure Portfolio
Series R-2

This document contains key information you should know about the NBI Secure Portfolio. You can find more detailed information in the fund’s simplified prospectus. Ask your representative for a copy, contact the manager, National Bank Investments Inc. ("NBI"), at 1-888-270-3941 or send an email to investments@nbc.ca or visit our website at www.nbinvestments.ca.

Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.

This Series is generally closed to new purchases.

Quick facts
Fund code: NBC6931
Date series started: May 19, 2017
Total value of fund on March 31, 2019: $408.6 million
Management expense ratio (MER): 1.58%

Fund manager: National Bank Investments Inc. ("NBI")
Portfolio manager: National Bank Trust Inc.
Distribution: Net income, end of each month, may include a significant return of capital component (automatically reinvested in additional securities, unless the investor chooses differently). Net income not distributed and capital gains, special distribution in December (must be reinvested).

Minimum investment: $500 (initial), $50 (additional), $25 (systematic)

What does the fund invest in?
The investment objective of the fund is to ensure high current income and some medium term capital appreciation. To achieve this, it invests primarily in a diversified range of fixed income and equity mutual funds (which may include exchange-traded funds ("ETFs")). The fund invests in Canadian and global securities.

The charts below give you a snapshot of the fund’s investments on March 31, 2019. The fund’s investments will change over time.

Top 10 Investments (as at March 31, 2019)
1. NBI Bond Fund, Series O 29.1%
2. NBI Corporate Bond Fund, Series O 15.1%
3. NBI Unconstrained Fixed Income Fund, Series O 9.4%
4. NBI Global Tactical Bond Fund, Series O US 9.1%
5. NBI Preferred Equity Fund, Series O 6.4%
6. NBI High Yield Bond Fund, Series O 5.1%
7. NBI Global Equity Fund, Series O 4.8%
8. NBI Canadian Bond Index Fund, Series O 4.5%
9. NBI SmartData U.S. Equity Fund, Series O 2.6%
10. NBI Canadian Equity Index Fund, Series O 2.3%

Total percentage of top 10 investments: 88.4%
Total number of investments: 19

Investment Mix (as at March 31, 2019)
Asset Allocation
- Corporate Bonds 25.6%
- Foreign Bonds 11.3%
- Provincial Bonds 10.2%
- US Equity 8.3%
- US Bonds 7.4%
- Federal Bonds 6.4%
- Canadian Equity 6.2%
- Preferred Shares 6.1%
- International Equity 5.4%
- Municipal Bonds 3.7%
- Asset Backed Securities 3.2%
- Cash, Money Market and Other Net Assets 3.0%
- Mortgage Backed Securities 2.6%
- Exchange Traded Funds 1.0%
- Derivative Products -0.4%

Sector Allocation
- Bonds 64.6%
- Financials 7.1%
- Cash, Money Market and Other Net Assets 5.9%
- Asset Backed Securities 3.2%
- Industrials 3.0%
- Energy 2.9%
- Information Technology 2.9%
- Mortgage Backed Securities 2.6%
- Consumer Discretionary 2.3%
- Consumer Staples 2.0%
- Health Care 1.8%
- Communication Services 1.4%
- Utilities 1.1%
- Exchange Traded Funds 1.0%
- Materials 0.9%
- Real Estate 0.6%
- Derivative Products -3.3%

How risky is it?
The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund’s returns change over time. This is called “volatility”.

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating
NBI has rated the volatility of this fund as low.
This rating is based on how much the fund’s returns have changed from year to year. It doesn’t tell you how volatile the fund will be in the future. This rating can change over time. A fund with a low risk rating can still lose money.

No guarantees
Like most mutual funds, this fund doesn’t have any guarantees. You may not get back the money you invest.
How has the fund performed?
This section tells you how Series R-2 securities of the fund have performed over the past year. Returns are after expenses have been deducted. These expenses reduce the fund’s returns.

Year-by-year returns
This chart shows how Series R-2 securities of the fund performed in the last year. The series dropped in value in the last year. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

Best and worst 3-month returns
This table shows the best and worst returns for Series R-2 securities of the fund in a 3-month period over the past year. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

<table>
<thead>
<tr>
<th>Return</th>
<th>3 months ending</th>
<th>If you invested $1,000 at the beginning of the period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Return</td>
<td>5.2%</td>
<td>March 31, 2019</td>
</tr>
<tr>
<td>Worst return</td>
<td>-3.0%</td>
<td>December 31, 2018</td>
</tr>
</tbody>
</table>

Average return
The annual compounded return of Series R-2 securities of the fund was 1.60% since its inception. If you had invested $1,000 in this series since inception, your investment would now be worth $1,030.

Who is this fund for?
Investors who:
• are looking to invest for the short to medium term (at least one year);
• are looking for a turnkey solution composed of several asset classes in order to achieve a fully diversified portfolio;
• are looking for a high level of current income and some capital appreciation over the medium term.

A word about tax
In general, you’ll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA).
Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

How much does it cost?
The following tables show the fees and expenses you could pay to buy, own and sell Series R-2 units of the fund. The fees and expenses — including any commissions — can vary among series of the fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

1. Sales Charges
There are no charges when you purchase your securities through NBI. Other representative’s firm may charge you a fee.

2. Fund expenses
You don’t pay these expenses directly. They affect you because they reduce the fund’s returns. As of December 31, 2018, the fund’s expenses were 1.62% of its value. This equals $16.21 for every $1,000 invested.
How much does it cost? (cont’d)

<table>
<thead>
<tr>
<th>Management expense ratio (MER)</th>
<th>Annual rate (as a % of the fund’s value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is the total of the fund’s management fee (including the trailing commission) and operating expenses (including fixed rate administration fee). NBI waived some of the fund’s expenses. If it had not done so, the MER would have been higher.</td>
<td>1.58%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trading expense ratio (TER)</th>
<th>Annual rate (as a % of the fund’s value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>These are the fund’s trading costs.</td>
<td>0.04%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Expenses</th>
<th>Annual rate (as a % of the fund’s value)</th>
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<tbody>
<tr>
<td></td>
<td>1.62%</td>
</tr>
</tbody>
</table>

More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and/or advice that your representative and their firm provide to you.

NBI pays the trailing commission to your representative’s firm. It is paid from the fund’s management fee and is based on the value of your investment. The rate for this series of the fund is up to 0.50% of the value of your investment each year. This equals $5.00 each year for every $1,000.00 invested.

3. Other fees

You may have to pay other fees when you buy, hold, sell, switch or convert securities of the fund.

<table>
<thead>
<tr>
<th>Fee</th>
<th>What you pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term trading fee</td>
<td>2% of the value of the securities you redeem or switch within 30 days of purchase may be charged by NBI. This fee goes to the fund.</td>
</tr>
<tr>
<td>Other fees</td>
<td>Registered Account termination fee, only if the registered investment account is with NBI.</td>
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</tbody>
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What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund securities within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact your representative or NBI for a copy of the fund’s simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund’s legal documents.

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To learn more about investing in mutual funds, see the brochure Understanding mutual funds, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.