



meritage
PORTFOLIOS®

Agile. Diligent. Proactive.

nbinvestments.ca/meritage



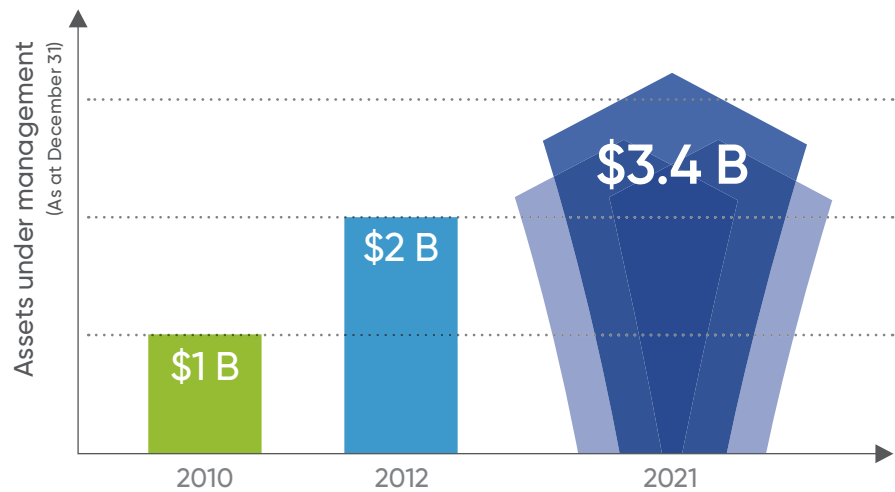
**NATIONAL
BANK**

INVESTMENTS

What is Meritage?

Launched in 2006, Meritage Portfolios® offer an objectively managed solution featuring mutual funds and exchange-traded funds (ETFs).

As at December 31, 2021, Meritage Portfolios had \$3.4 billion in assets under management.



Open architecture.
Endless opportunities.

The success of Meritage depends on partnerships with renowned portfolio managers, which complement each other and are selected for their expertise and performance history.

See the list of the portfolio managers at nbinvestments.ca.

Culture and benefits

▶ Agile

Our open architecture structure allows us to select among the world's top portfolio managers and provide you with their investment expertise. This structure gives us the agility required to operate in the complex world of investing.

▶ Diligent

To create Meritage Portfolios, we use a three-stage selection process to identify the best mutual funds and ETFs on the market for each asset class. Next, an in-depth analysis allows us to determine which funds are complementary in order to create optimal solutions.

▶ Proactive

In a context where financial markets evolve constantly, a continuous monitoring of all the funds and ETFs that make up Meritage Portfolios is essential. This disciplined approach allows us to be prepared for any eventuality, such as a portfolio manager change.

Investing in the power of people™

Being the leading open architecture in Canada, National Bank Investments (NBI) is dedicated to providing diverse investment solutions to meet your evolving needs.

We strive to be the best option for client portfolios. More than ever, we're investing in the power of people.

Evidence-based decisions

Through our robust due diligence process, we model our analyses to remain truly rational.

Adding value through active management

We manage a dynamic mix of active and passive solutions. Our competitive advantage lies in our selection of portfolio managers across all asset classes to actively manage different risk factors for greater returns when markets are inefficient.

Our investment beliefs

Risk management

We carefully budget the risk in our portfolios through an optimal diversification of styles, factors and portfolio managers.

Focused investment strategy

Fundamental to NBI's success, following this investment process brings in the best investment results.

Integration of ESG criteria

When selecting portfolio managers for Meritage Portfolios:

- ▶ We evaluate, among other things, the integration of ESG criteria into their investment process as well as their resources and data sources.
- ▶ We recognize their expertise and respect their management philosophy and investment decisions, while encouraging them to adopt the best responsible investment practices.

This process leads to profitable results for our clients and the planet.

The power to choose

NBI has the freedom to choose portfolio managers in order to offer investment solutions with optimal risk-return ratio. Here are our six selection criteria for portfolio managers:

OP4 governance process	
Organization	Strong organization with top-tier investment culture
People	Stable team of investment professionals
Process	Proven management processes to select securities, build portfolios and manage risk
Portfolio	Optimized portfolio construction that follows the investment process and ensures sound diversification
Performance	Strong and predictable risk-adjusted returns
ESG+	Integration of Environment, Social and Governance criteria

Our open architecture structure relies on conducting ongoing due diligence and ensuring full accountability.

Fund selection process

We carefully choose between 30 and 50 of the best mutual funds and ETFs on the market using our unique fund selection process.



1. Screening

5,000 FUNDS AND 2,000 ETFs

Focus on proven funds

2. Quantitative analysis

200 TO 400 FUNDS AND ETFs

Seek added value

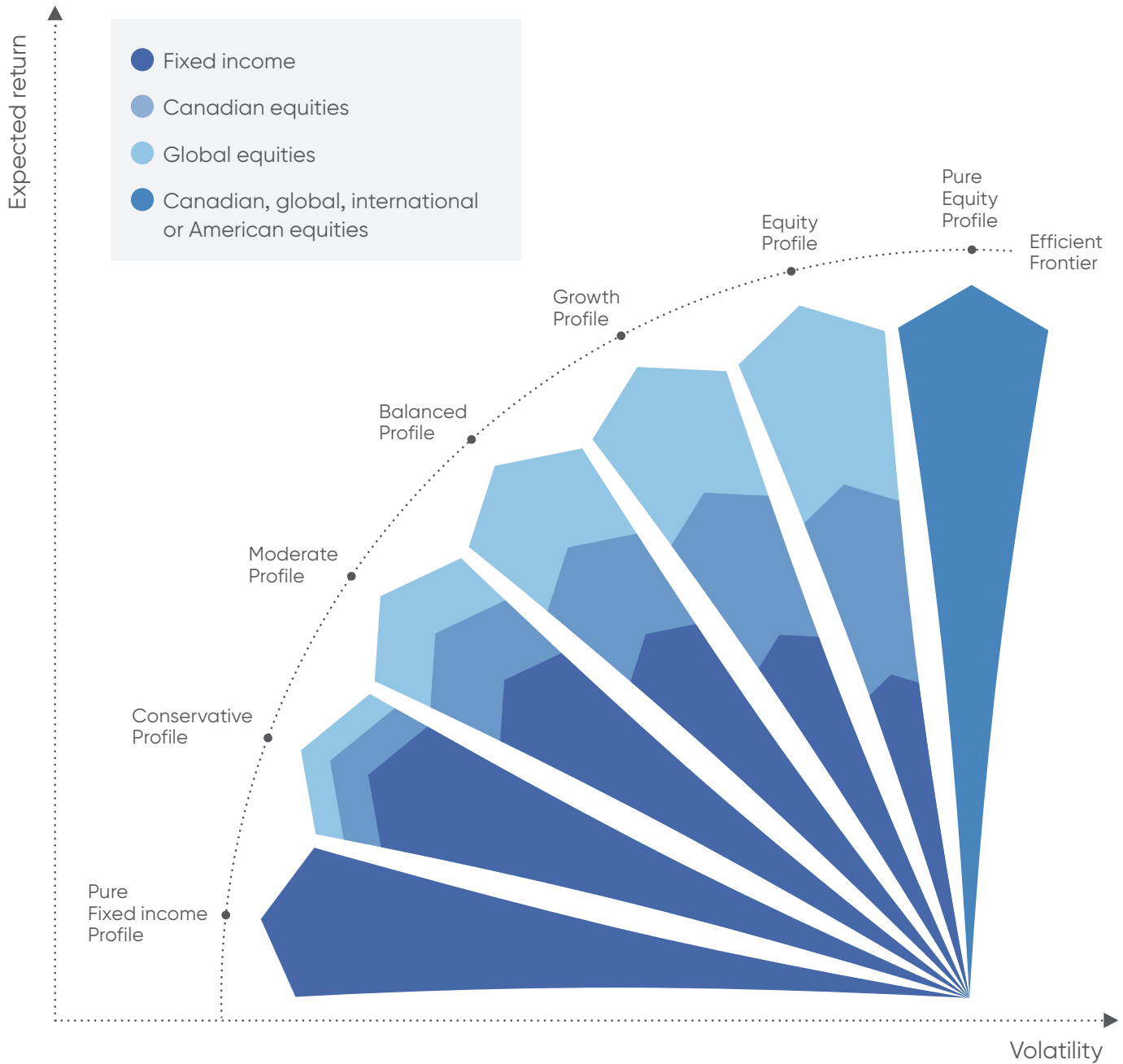
3. Final selection

20 TO 30 FUNDS AND 10 TO 20 ETFs

Make informed choices

A solution for your investor profile

Meritage Portfolios provide a wide range of solutions, based on various criteria and suited for all investor profiles. Regardless of your objectives, investment horizon and risk tolerance, there is a Meritage Portfolio that is right for you.



Asset allocation

When constructing Meritage Portfolios, we pay particular attention to balancing risk and optimal return of investments, in accordance with economic and financial forecasts.

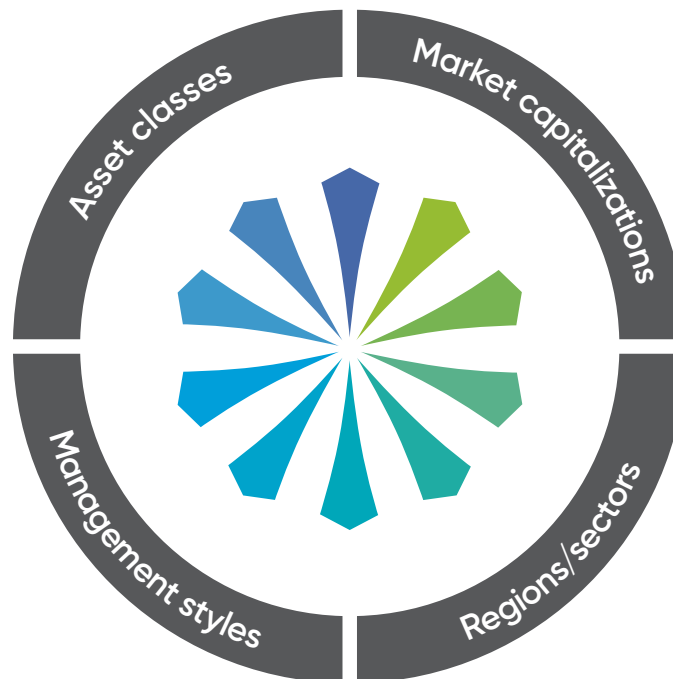
Once a fund has been selected and its weighting within a Meritage Portfolio determined, NBI will continue to monitor the Portfolio closely to make sure that the underlying funds and ETFs meet our selection criteria and that they are fulfilling their purpose within the Portfolios.

Optimal diversification

Meritage Portfolios offer optimal exposure and diversification by asset class, geographic region and sector, market capitalization and management style, all within an integrated range of model portfolios.

- ▶ Bonds
- ▶ Equities
- ▶ Emerging markets

- ▶ Value and deep value
- ▶ Blend
- ▶ Growth
- ▶ Bottom-up
- ▶ Top-down
- ▶ Multiple fixed income strategies



- ▶ Small
- ▶ Mid
- ▶ Large

- ▶ Optimal geographic and sector coverage
- ▶ No restrictions

Two types of Meritage Portfolios

1. Meritage Equity, Investment, Income and Global Portfolios

A combination of optimal asset allocation and renowned portfolio managers within a diverse range of solutions.

← Value added

An optimal blend of actively managed funds.

← Automatic rebalancing

To meet their target asset allocation and prevent overexposure in any specific asset class, Meritage Equity, Investment, Income and Global Portfolios are automatically rebalanced when:

- ← the market value of an underlying fund deviates more than 2.5% from its target asset allocation;
- ← an asset class varies by more than 5%.

← Portfolio construction

First, the objective of the Portfolio and the optimization factors are determined. Subsequently, NBI establishes potential range of returns, volatility and correlation for main asset classes through consultation with our investment experts.

With the investment objectives and quantitative parameters well established, we carry out optimization to maximize the risk/return ratio.

Once the optimal asset allocation is determined, we verify the results obtained in comparison to the expected returns and risk parameters of the underlying funds selected for the Portfolio.

Optimization is completed again each year to ensure that the Portfolio's asset allocation remains optimal.

Governance process

ANNUAL

Optimization and review of positioning based on current market conditions and competition

QUARTERLY

Review of underlying funds with regards to performance, risk metrics and performance attribution

MONTHLY

Review of performance and risk metrics of Meritage Portfolios

AD HOC

Analysis following a major event on an underlying fund

2. Meritage Tactical ETF Portfolios

Markets are constantly evolving. There are times when they create opportunities either to reduce risk or to earn potentially higher returns. In such cases, it is useful to tactically deviate from the initially targeted asset allocation.

← Value added

An optimal blend of some of the best low-cost ETFs on the market and tactically managed asset allocation based on market conditions.

← Tactical asset allocation

Meritage Tactical ETF Portfolios undergo a review process during which the asset allocation and choice of underlying ETFs are subject to periodic adjustments in order to reflect market conditions.

Our investment experts determine the target asset allocation of Meritage Tactical ETF Portfolios.

← Portfolio construction

The tactical biases that we want to leverage are determined quarterly.

To adapt to the evolution of financial markets, certain deviations can be implemented by overweighting or underweighting the ETFs currently found in the Portfolios.

These deviations seek to create added value for the Portfolios while helping mitigate short-term volatility.

Performance attribution is carried out each month to ensure optimal risk management.

Governance process

ANNUAL

Optimization and review of positioning based on current market conditions and competition

QUARTERLY

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MONTHLY

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AD HOC

Analysis following a major event on an underlying fund



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PORTFOLIOS®

Like the investment world, Meritage Portfolios are constantly evolving.

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2006

Launch of the first Meritage Portfolios in F Series and Advisor Series

2007

Addition of two new Meritage Equity Portfolios

2011

Introduction of T Series

2013

Launch of the Meritage Diversified Fixed Income Portfolio

2014

Launch of the Meritage Global Balanced Portfolio and the T5 and F5 Series

2021

Several Meritage Portfolios celebrate their 5 or 15 years of existence

2016

Launch of Meritage Global Portfolios and Meritage Tactical ETF Portfolios

2015

Implementation of the High Net Worth Plan, to which Meritage Portfolios are eligible

High Net Worth Plan*

The more assets you hold in Meritage Portfolios, the more you can save. In order to qualify for the management fee reduction plan for high net worth investors, you must invest at least \$100,000 in one eligible Meritage Portfolio** or \$250,000 in several Meritage Portfolios. Visit nbinvestments.ca for full details.

- ▶ Fully automated rebates
- ▶ Greater flexibility to attain minimum thresholds
- ▶ Competitive pricing
- ▶ Allowing your advisor more time to focus on providing you with the best service

*The management fee reduction plan for high net worth investors only applies to the series of the National Bank Mutual Funds and/or Meritage Portfolios (the "Funds") that are eligible. The amount equivalent to the management fee reduction takes the form of a rebate or a distribution, which is automatically reinvested in additional securities of the same series of the applicable National Bank Mutual Fund and/or Meritage Portfolio. For more information about the management fee reduction plan for high net worth investors, please see the National Bank Mutual Funds prospectus and/or the Meritage Portfolios prospectus.

**The minimum amount of \$100,000 must be held in securities of the same series, denominated in the same currency and bought under the same purchase option, if applicable.

Meritage Portfolios[®]: a solution for every investor profile

Talk to your advisor to determine your profile

▶ **Meritage Tactical ETF Portfolios**

Moderate | Balanced | Growth | Equity

▶ **Meritage Global Portfolios**

Conservative | Moderate | Balanced | Growth | Growth Plus

▶ **Meritage Income Portfolios**

Diversified Fixed Income | Conservative | Moderate | Balanced | Growth | Growth Plus

▶ **Meritage Investment Portfolios**

Conservative | Moderate | Balanced | Growth | Growth Plus

▶ **Meritage Equity Portfolios**

Canadian | Global | International | American

This list is given for information purposes only and may change without notice.
For the most recent list, visit nbinvestments.ca/meritage.

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