

Statement of Policies respecting Conflicts of Interest

Securities regulation applicable in Canada requires dealers and advisers to comply with certain rules in relation to conflicts of interest, particularly with respect to disclosure in regard to such conflicts of interest.

Purpose of this document

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact. We consider a conflict of interest to be any circumstance where the interests of different parties, such as the interests of a client and those of CABN Investments, Division of National Bank Investments Inc. ("CABN Investments"), are inconsistent or divergent.

We take reasonable steps to identify all existing material conflicts of interest, and those that we would reasonably expect to arise. We then assess the level of risk associated with each conflict. We avoid any situation that would entail a serious conflict of interest or represent too high a risk for clients or market integrity. In any other situation entailing a conflict of interest, we ensure that appropriate measures are implemented to control the conflict of interest effectively.

The purpose of this Statement of Policies respecting Conflicts of Interest is to inform you of the nature and extent of conflicts of interest that may affect the services CABN Investments provides to you.

Conflicts of interest

The situations in which CABN Investments could be in a conflict of interest, and the way in which CABN Investments intends to respond to such conflicts, are described below.

Relationships with parties related or connected to CABN Investments

"Related issuer" means, in respect of CABN Investments, an issuer of securities over which CABN Investments exercises a controlling influence (for example, through the ownership of, or direction or control over voting securities) or an issuer of securities that exercises a controlling influence over CABN Investments. In this context, the term "influence" means having the power, directly or indirectly, to exercise a controlling influence over the management and policies of the company, whether alone or in combination with one or more other persons or companies. In some jurisdictions, some connected issuers may be considered related issuers.

"Connected issuer" means, in respect of CABN Investments, an issuer that has, or any related issuer of which has, any indebtedness to, or other relationship with (i) CABN Investments, or (ii) a related issuer of CABN Investments, or (iii) a director, officer or partner of CABN Investments or (iv) a director, officer or partner of a related issuer of CABN Investments that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities. Accordingly, an issuer is "connected" to CABN Investments if, due to indebtedness or other relationships, a prospective purchaser of securities of the connected issuer might question the independence of CABN Investments from the issuer.

As of May 1st, 2018, the list of related issuers of CABN Investments which are reporting issuers under Canadian securities legislation is as described hereunder. A concise statement of the relationship between CABN Investments and each related issuer is also provided:

National Bank of Canada: National Bank of Canada is a bank incorporated under the Bank Act (Canada) and is a reporting issuer that holds indirectly 100% of the voting and equity shares of the Corporation.

Canadian Credit Card Trust II: This trust is a trust whose administrator is National Bank of Canada and whose securities are publicly distributed. Consequently, Canadian Credit Card Trust is deemed to be a related issuer.

NBC Asset Trust: This trust is a closed-end trust whose voting units are held by National Bank of Canada. Consequently, NBC Asset Trust is deemed to be a related issuer.

NBI Funds: National Bank Investments Inc., a wholly-owned subsidiary of National Bank of Canada, is the manager of all NBI Funds (including the NBI Jarislowky Fraser Funds, NBI Westwood Fund, NBI Portfolios, NBI Private Portfolios, NBI SmartData Funds and NBI SmartBeta Funds). Fiera Capital Corporation is the portfolio manager of most of the NBI Funds.

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Investment Grade Managed Duration Income Fund : National Bank Financial Inc., which is one of the Agents and the Promoter, is an affiliate of a Canadian chartered bank which has been requested to provide the Fund with a loan facility or prime brokerage facility, the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units, maintaining liquidity and funding redemptions.

Meritage Portfolios: National Bank Investments Inc., a wholly-owned subsidiary of National Bank of Canada, is the manager of the Meritage Portfolios. National Bank Trust Inc., a wholly-owned subsidiary of National Bank of Canada, is the portfolio manager of all Meritage Portfolios. Certain Meritage Portfolios are classes of shares of National Bank Funds Corporation.

U.S. Banks Income & Growth Fund : National Bank Financial Inc., which is one of the Agents and the Promoter, is an affiliate of a Canadian chartered bank which has been requested to provide the Fund with a loan facility or prime brokerage facility the proceeds of which would be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units, maintaining liquidity and funding redemptions. Consequently, the Fund may be considered a “connected issuer” of National Bank Financial Inc. under applicable securities legislation.

Alberta Clients

CABN Investments has the relationship described above with the related issuers listed in this Statement of Policies and the National Bank of Canada group. CABN Investments or its directors, officers or other employees may, from time to time, recommend that you trade in, or provide to you advice about, a security issued by such related and connected issuers. If you wish to have further information concerning the relationship between CABN Investments and such related and connected issuers, please contact us.

It is the policy of CABN Investments to comply fully with all applicable laws and to make all required disclosure. In addition, CABN Investments ensures that any dealings or connected issuers would take account of the client's situation.

CABN Investments affiliation with National Bank of Canada and its subsidiaries makes it necessary to put in place certain policies aimed at dealing with any potential conflicts of interest and ensuring that the best interest of CABN Investments clients is preserved.

CABN Investments is a duly registered mutual fund dealer. In addition, National Bank of Canada, the principal shareholder of CABN Investments, is also an important shareholder of the following dealers and advisers, meaning it directly or indirectly holds more than 10% of any class or series of voting Investments inc.

Related registrants*

- National Bank Investments Inc.
- CABN Investments Inc.
- National Bank Financial Inc.
- National Bank of Canada Financial Inc.
- NBC Financial Markets Asia Limited
- NBF International S.A. - in Switzerland only
- Natcan Trust Company
- National Bank Trust Inc.
- Fiera Capital Funds Inc.
- Maple Securities (UK) Limited - in United Kingdom only
- Nest Wealth Asset Management Inc.

National Bank Investments Inc. is therefore related to the above-mentioned registrants. Although there may be overlaps among the directors and officers of these companies, all of these companies are operated as separate legal entities.

These entities may, from time to time, cooperate in offering products and services for the benefit of our clients

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but there is no exchange of client information among these companies without a client's express prior written consent or unless the information is reasonably necessary in order to provide a specific product or service.

Conflicts of interest of CABN Investments representatives

In the ordinary course of performing their duties, our officers, representatives and agents may find themselves in situations where their personal interests are in conflict with those of a client.

The Code of Ethics of National Bank of Canada establishes basic principles by which its employees' conduct is guided, which principles, among other things, prohibit an employee from:

- (a) using confidential information acquired in the course of or in connection with his or her duties, or exploiting a situation, for the purpose of obtaining an advantage of any kind;
- (b) accepting gifts, entertainment and compensation that could influence decisions to be taken in the course of performing his or her duties; and
- (c) engaging in activities that could interfere or conflict with his or her duties.

CABN Investments will not permit any of its representatives to engage in activities outside the scope of their duties, including, but not limited to, serving as a director of a company or other entity, without first ensuring that such activities do not compromise the interests of CABN Investments' clients.

In addition, CABN Investments ensures that its practices for compensating and remunerating its representatives are not inconsistent with its obligations to its clients.

CABN Investments also has a Compliance Manual dealing with situations relating specifically to its activities, which manual reiterates that our representatives must never favour their own interests to the detriment of their responsibilities toward clients and CABN Investments.

Other conflicts of interest

From time to time, other potential or actual conflicts of interest may arise. CABN Investments undertakes to continue taking the steps necessary to identify and respond to such situations fairly and reasonably, in keeping with the standard of care to which we are subject in our relationships with our clients.

This Statement of Policies respecting Conflicts of Interest of CABN Investments will be updated should there be any evolution with respect to material conflicts of interest.

Head Office of National Bank Investments Inc.

Under the existing regulations, National Bank Investments Inc. is required to notify you of the following information:

- (a) Its head office is located in the Province of Quebec.
- (b) It is a non-resident company in the other Canadian provinces and territories.

The names and addresses of the agents of National Bank Investments Inc. in the provinces other than Quebec where it carries on its activities are set out below:

ALBERTA

Corrina R. McInnes
Bennett Jones LLP
4500 Bankers Hall East
855 - 2nd Street SW
Calgary (Alberta) T2P 4K7

BRITISH COLUMBIA

Marnie J. Russell
Lawson Lundell LLP
1600 – 925 West Georgia Street
Vancouver (British Columbia) V6C 3L2

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MANITOBA

Arlene CcCann-Solberg
Thompson Dorfman Sweatman LLP
2200 – 201 Portage Avenue
Winnipeg (Manitoba) R3B 3L3

NEW-BRUNSWICK

Maxine Hiscock, Corporate Paralegal
McInnes Cooper CSD Services Inc.
570 Queen Street, suite 600
P.O. Box 610
Fredericton NB E3B 5A

NOVA SCOTIA

Sherri Rafuse, Corporate Paralegal
McInness Cooper
1969 Upper Water Street – Suite 1300
Purdy's Wharf Tower II
Halifax NS B3J 3R7

PRINCE EDWARD ISLAND

Ms. Kathy Furness
McInness Cooper
141 Kent Street, Suite 300, McInness Cooper Building
Charlottetown PE C1A 1N3

SASKATCHEWAN

Robert N. Millar
McGougall Gauley LLP
1500 – 1881 Scarth Street
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NEWFOUNDLAND ET LABRADOR

Caroline Watton, Paralegal
McInness Cooper
10 Fort William Place, 5th Floor
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NORTHWEST TERRITORIES

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YUKON

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200 -204 Lambert Street
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