

Bond Basket

What is a Basket?

It is an investment model that is managed by a professional portfolio manager on a discretionary basis in your brokerage account. You directly own its underlying securities and receive the dividends and/or interest paid.

Investment Strategy

The Bond Basket is mainly composed of investment grade bonds. The portfolio manager will adjust his strategy according to the direction of interest rates, generally shortening duration when interest rates go up and increasing it when rates go down. The portfolio manager will also look for the best corporate bonds and take advantage of spreads between government and corporate bonds. In addition, the manager will look for companies with credit ratings that can improve. Your Investment Advisor may provide you with the complete Investment Policy Statement.

Details

Investment horizon

| | | | |
|------------------|------------------------|------------------|------------------|
| Less than 1 year | At least 1 year | At least 3 years | At least 5 years |
|------------------|------------------------|------------------|------------------|

Code 844076

Inception Date: January 29, 1998

Initial minimum investment: \$58,137 CAD*

Subsequent investment: \$29,068 CAD*

Portfolio Manager:

Alphafixe Capital Inc.

Benchmark:

FTSE Canada Universe Bond Index

* Contingent on the market value of the Basket and accrued interests/dividends at the time of purchase.

Risk Management

This investment is not guaranteed and its value can go down as well as up.

| | | | | |
|------------|---------------|--------|----------------|------|
| Low | Low to Medium | Medium | Medium to High | High |
|------------|---------------|--------|----------------|------|

How much does it cost?

The fees you pay depend on the type of agreement you signed with your investment advisor. This agreement prevails over the following table. Should you have no such signed agreement, the following charges apply.

| Investment | Fees |
|-------------|-------|
| \$1 or more | 0.75% |

Mandate Statistics

| | |
|-------------------|-------|
| Average Coupon | 3.25% |
| Yield to Maturity | 2.62 |
| Average Duration | 7.16 |

Asset Allocation



| | |
|---------------------------|--------|
| Canadian Government Bonds | 54.63% |
| Canadian Corporate Bonds | 43.51% |
| Foreign Corporate Bonds | 1.61% |
| Cash and Equivalents | 0.24% |
| US Equity | 0.01% |

Top Holdings (%)

| | |
|--|---------------|
| NBI Sustainable Canadian Corporate Bond ETF (NSCC) | 32.17% |
| Ontario Province 4.70% 02-Jun-2037 | 13.63% |
| Ontario Province 2.40% 02-Jun-2026 | 8.50% |
| Bank of Nova Scotia 2.38% 01-May-2023 | 6.38% |
| Canada Housing Trust No 1 1.80% 15-Dec-2024 | 6.08% |
| Ontario Province 1.35% 08-Sep-2026 | 5.74% |
| Royal Bank of Canada 2.35% 02-Jul-2024 | 4.67% |
| Canada Government 5.75% 01-Jun-2033 | 4.56% |
| Quebec Province 5.00% 01-Dec-2038 | 3.97% |
| Quebec Province 3.50% 01-Dec-2045 | 3.93% |
| Total | 89.63% |

Calendar Returns (%)

| YTD | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------|-------|------|------|------|------|------|
| -3.20 | -2.92 | 8.65 | 7.25 | 0.97 | 3.34 | 2.13 |

Annualized Returns (%)

| 1 month | 3 month | 6 month | 1 year | 3 year | 5 year | 10 year | Since Inception |
|---------|---------|---------|--------|--------|--------|---------|-----------------|
| -3.20 | -1.20 | -3.76 | -5.20 | 2.54 | 2.66 | 3.01 | 4.90 |

Returns before management fees

Disclosure

This summary may not contain all the information you need. Refer to the Discretionary Management Agreement for more detailed information. Should you require further information, please contact your National Bank Financial Investment Advisor. You can have access to this summarized fact sheet and the Disclosure Statement at <http://nbfwm.ca/en/baskets>.

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