



DELEGATED

PORTFOLIO • SERVICE

*Discretionary Portfolio
Management*




NATIONAL
BANK
FINANCIAL

*Managing
the world's
most important
investments:
yours!*

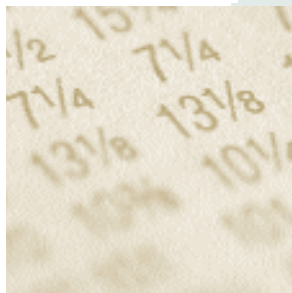
National Bank Financial is a full-service investment dealer, which traces its origins to 1902. The firm offers a wide range of integrated services to a large clientele of individual, institutional, corporate and government investors. Our total capital base exceeds \$500 million, and annual revenues are approximately \$600 million.

The company has more than 2,700 employees located in 89 offices across Canada, the United States and Europe. Our 820 Investment Advisors manage close to \$30 billion in assets for some 260,000 individual investors across Canada. The Investment and Corporate Banking group, which operates out of Toronto, Calgary and Montreal, helps governments and corporations with their equity and debt financing needs and provides expertise in the area of mergers, acquisitions and divestitures. A separate team of 130 professionals serves the needs of pension fund companies and other institutional investors in Canada, the U.S., Europe and Australia. From our Research Department offices in Montreal, Toronto, Winnipeg, Calgary and Vancouver, experts closely follow 230 corporations in the TSE 300 index, as well as many smaller companies.

National Bank Financial is a 100%-owned subsidiary of the National Bank of Canada. With an asset base of \$70 billion, the National Bank of Canada – one of Canada's seven main chartered banks – constitutes a reliable and dynamic partner.



Our Delegated Portfolio Service provides a solid structure in which your portfolio can reach its full growth potential, while keeping pace with a constantly changing investment environment.



Contents

Your investments are your future	4
What is discretionary portfolio management?	6
Delegated Portfolio Service: A customized solution	8
How does it work?	10
Top professionals at your service	12
Is this for me?	14



Your investments

Not that long ago, when it became clear that a simple savings account could no longer meet your financial needs, you didn't hesitate to consult an Investment Advisor. Your advisor's experience, understanding of the various markets, and access to first-class economic and financial research meant you got the best possible advice, which helped you make more enlightened decisions.

are your future

Managing your own portfolio can be an extremely complex affair these days. Anticipating market developments, and assessing the impact of fiscal, economic, social and political variables on your investments is a most demanding job. And yet, your future depends on how well it's done!

Now, your assets have grown, and making those decisions is taking up an increasing amount of time and energy. Wouldn't it be nice to *delegate* the daily management of your portfolio to a team of specialists, so that you can turn your attention to other matters? After all, managing investments is a job in itself... and it's probably not the one you're being paid for.

That's why we'd like to tell you about our **Delegated Portfolio Service** – an accessible, flexible, creative discretionary portfolio management service.



What is discretionary

portfolio management?

Discretionary portfolio management is simply a way of assigning the right person to the right job.

With discretionary portfolio management, clients whose assets have reached a certain level can delegate complete management of those assets to a team of investment experts.

The service adds a new dimension to your relationship with your Investment Advisor. Whereas your advisor serves as a consultant, helping you build your portfolio and make the best investment decisions, the portfolio management service acts on a *discretionary* basis: you delegate the decision-making authority to a specialized team, which, in accordance with your investment objectives, does what it thinks best to make your assets grow, and takes care of the necessary transactions without consulting you every time.

The details of your personal financial situation are determined at the start, and you can make adjustments, as required. You will be kept informed of all activity: in addition to the usual administrative documents (transaction confirmations, portfolio statements, etc.), each quarter you will receive a personalized report containing an analysis of all transactions, an evaluation of your portfolio, and a calculation of the return on your investments.

Choosing discretionary portfolio management is like having your own, personal *Delegate*, who looks after your daily interests in the complex world of money and finance.



Delegated
A customized

The inherent advantage of being able to delegate the delicate task of managing your investments is clear. Even more important – and this is a fundamental point for **Delegated Portfolio Service** managers – is that your portfolio be managed specifically in accordance with your needs, objectives and any personal investment constraints.

Portfolio Service: solution

Our Delegated Portfolio Service is a discretionary portfolio management service designed for your specific financial situation.

Some investors, for example, require a regular income. Others have legal restrictions to contend with. A certain degree of volatility is acceptable for those who want to maximize their long-term growth, while others have a lower tolerance for risk. In other words, each investor is unique.

That's why portfolio managers must comply – to the letter – with the management *parameters* established for your financial situation and investor profile. This is exactly the kind of personalized approach you'll find with our **Delegated Portfolio Service**.



How

1. Eligibility criteria

Our **Delegated Portfolio Service** is available for portfolios of \$100,000 or more. If you aren't eligible right now, but have investments with other institutions that would allow you to qualify, this is the perfect time to transfer everything to us, so that you can ensure the same quality management for all your assets.

does it work?

*Signing on for our **Delegated Portfolio Service** is a simple, yet comprehensive process that helps you define the objectives your managers must aim for, and the restrictions within which they must operate.*

2. Establishing your objectives and investment criteria

The first step in the process is to establish precisely the criteria that will determine how your investments are managed. Your Investment Advisor can help you do this by having you answer a number of key questions. Since you are about to delegate the management of your entire portfolio, we will make sure you pay special attention to certain factors that you may not have had to consider before.

3. Proposed investment framework and parameters

Delegated Portfolio Service managers will work with your Investment Advisor to develop an investment framework that meets the criteria you have established. This approach will define your investor profile, specify investment parameters, and suggest an asset mix that meets your objectives. To help you understand the thinking behind this proposal, your advisor will explain how a typical port-

folio would be constructed for your profile. You'll see the historic returns such a portfolio has produced, and the degree of volatility over time. You'll be able to make the most informed decision and make any adjustments you see fit. When you are completely satisfied with the proposed portfolio, all that remains are a few administrative formalities to officially register you for our **Delegated Portfolio Service**. After that, the portfolio managers take over day-to-day management.

4. Management and follow-up

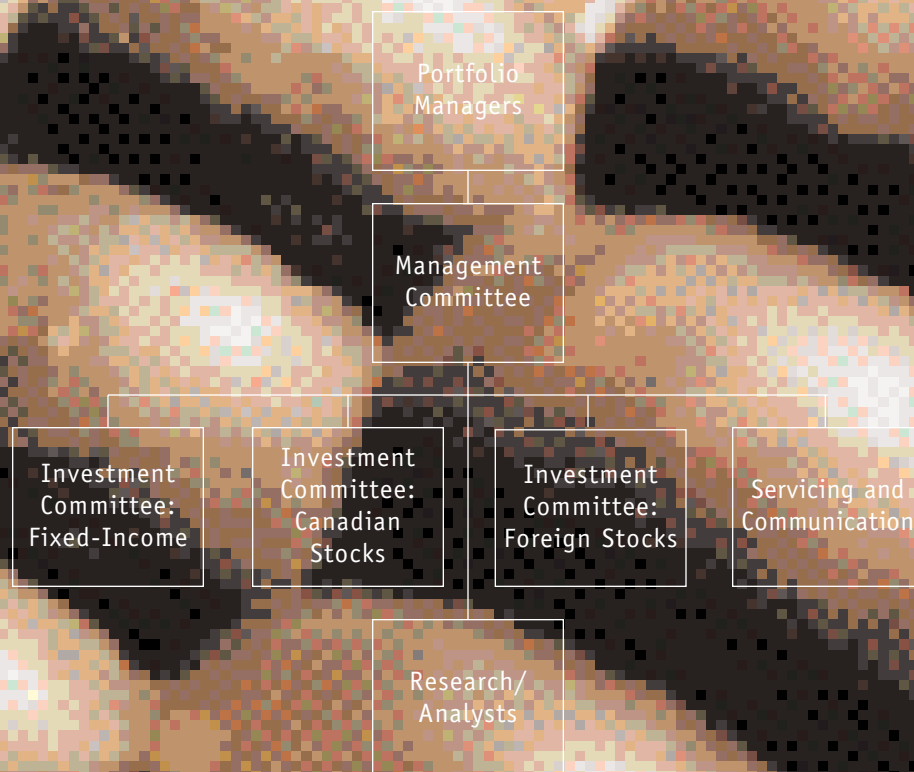
Our very best strategic resources will be employed to ensure you an optimum return. You'll receive quarterly reports from your portfolio manager, detailing all your investments and including the following information:

- all securities, listed by asset category, showing the percentage of each in your portfolio;
- a summary of maturity dates for all fixed-income securities;
- a cash-flow projection report;
- a comment on how financial markets are evolving;
- a report on the portfolio's performance.

You will also receive an annual statement of capital gains and losses, along with a report of interest and dividend income, to help you prepare your income tax return.

Naturally, your portfolio will have to be adjusted as your needs and financial situation change. After a certain amount of time, it's important to examine your results vis-a-vis your objectives, confirm your degree of comfort with the portfolio that has been constructed, and make any necessary changes. In this regard, our **Delegated Portfolio Service** offers an advantage that you can't fully appreciate until you benefit from it, i.e. being able to quickly alter your course of action.

Top professionals



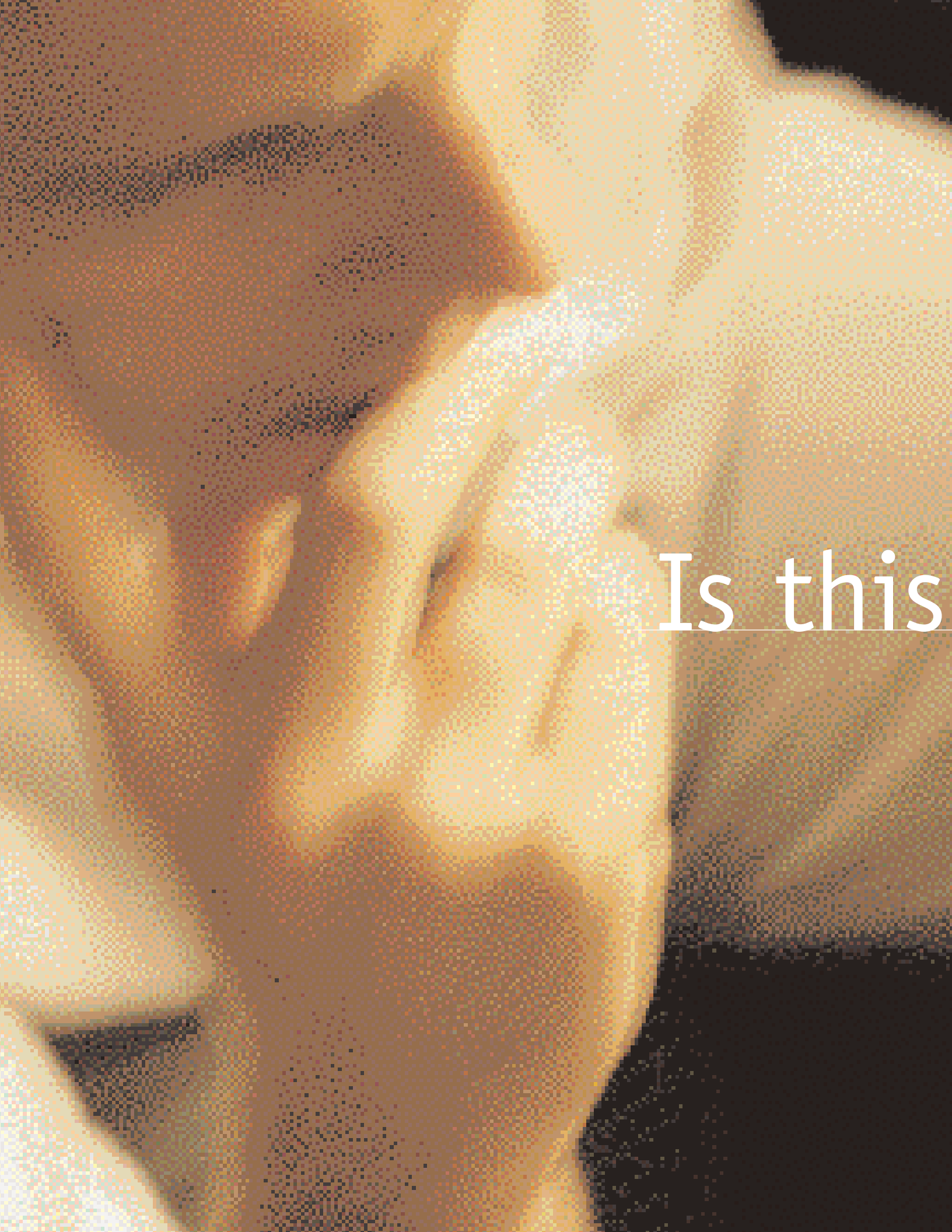
Delegated Portfolio Service managers integrate the Management Committee's conclusions on economic and market developments into their decision-making process. Members of the Management Committee include all portfolio managers, plus economists and strategists who specialize in various types of assets. The Committee receives analyses and data from three investment committees

at your service

*When you choose our
**Delegated Portfolio
Service**, you get more than
just a personal manager:
you get a whole team
dedicated to analyzing
markets and the economy
to ensure the best possible
investment decisions.*

that meet regularly to review strategy and determine which securities to buy for our portfolios. Based on the comments and recommendations of these various committees, **Delegated Portfolio Service** managers make decisions about how to administer your portfolio.

Our **Delegated Portfolio Service** also benefits from the support of our Research Department, which is one of the best in the country, according to the independent evaluation firm Brendan Wood International. This team of more than 30 professional analysts prepares detailed reports on general economic conditions and issues recommendations on the potential presented by the different securities analyzed. **Delegated Portfolio Service** managers also make use of similar studies prepared by a number of independent research firms.



Is this

for me?

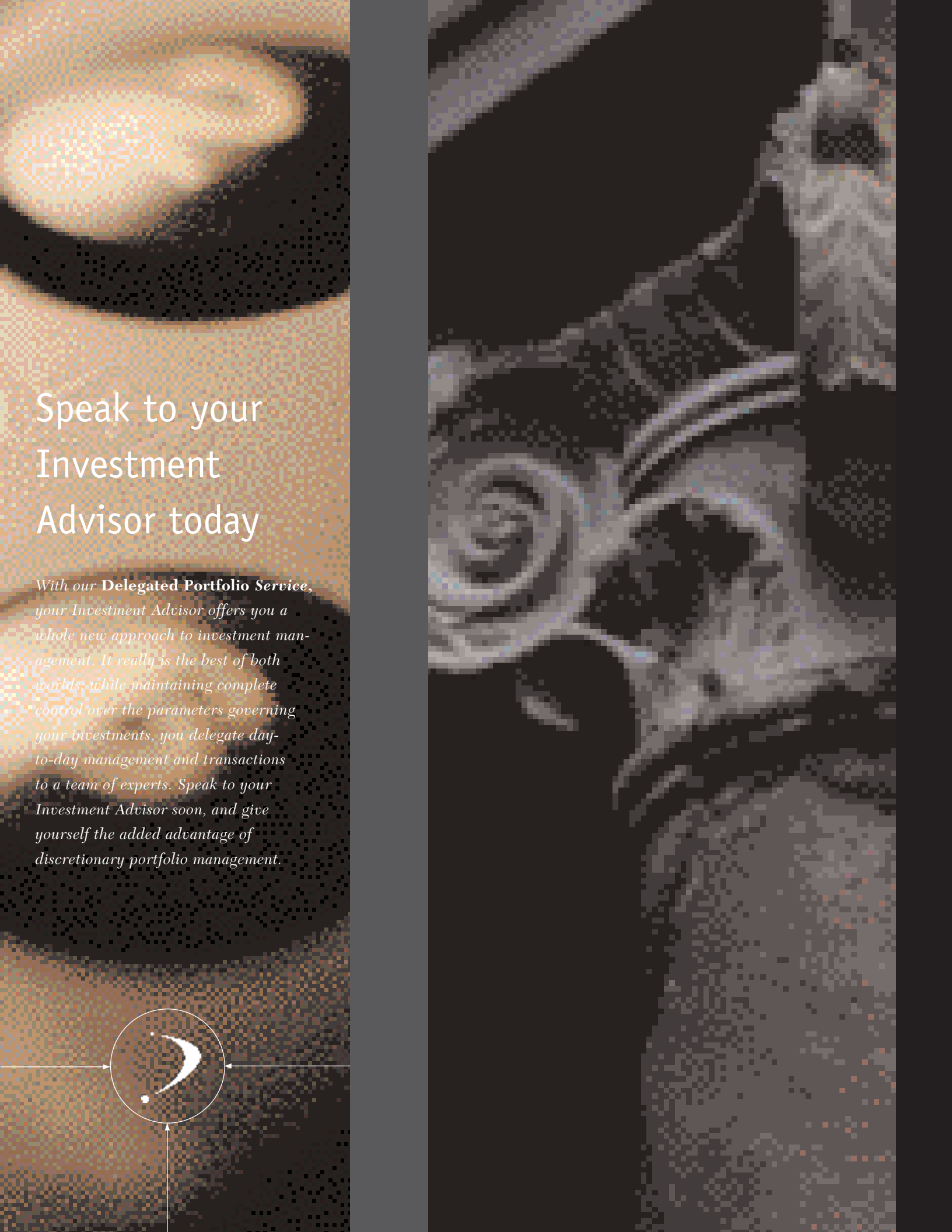
*Our **Delegated Portfolio***

***Service** can be an attractive option for clients who would rather entrust the daily management of their portfolios to a team of professionals.*

Ask yourself the following questions:

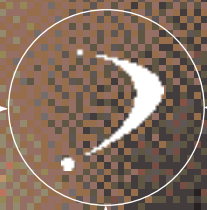
- Do you have more than \$100,000 in assets with us?
- If not, do you have assets in other institutions that would allow you to qualify?
- Are you beginning to find that managing your investments (studying your advisor's recommendations, making decisions, etc.) is becoming a bit of a burden?
- Is it important to you that your investments be analyzed by a team of experts and managed in accordance with your specific objectives?
- Is it important to you that you receive regular and complete statements of your investments, including a calculation of how your portfolio is performing?

If you answered yes more than once, discretionary portfolio management is probably a good idea for you. We suggest that you ask your Investment Advisor for complete details.



Speak to your Investment Advisor today

*With our **Delegated Portfolio Service**, your Investment Advisor offers you a whole new approach to investment management. It really is the best of both worlds, while maintaining complete control over the parameters governing your investments, you delegate day-to-day management and transactions to a team of experts. Speak to your Investment Advisor soon, and give yourself the added advantage of discretionary portfolio management.*



NATIONAL
BANK
FINANCIAL

MANAGING THE WORLD'S
MOST IMPORTANT INVESTMENTS:

YOURS!

www.nbfinancial.com

