

G L O B A L ♦ D I G I T

GLOBAL DIVERSIFIED INVESTMENT GRADE INCOME TRUST, SERIES 2004-1

FUND OVERVIEW

- Global DIGIT (TSX : DG.UN) is a trust providing investors with mezzanine exposure to the credit performance of three globally diversified portfolios. These portfolios are comprised of structured exposure to corporate debt, mortgage-backed securities and asset-backed securities.
- In order to provide this exposure, Global DIGIT entered into three credit default swaps (the "Financial Contracts") with Deutsche Bank (the "Bank"). Global DIGIT granted security to the Bank in order to secure its obligations under such Financial Contracts.
- Global DIGIT will not incur any losses under any of the Financial Contracts resulting from defaults under the mortgage-backed or asset-backed securities ("Contingent Exposures") included in a given portfolio until the corporate debt ("Primary Exposures") notional amount in each portfolio has been reduced to zero subsequent to credit events (bankruptcy, failure to pay or loss event), in which case the security granted to secure its obligations will most probably be exhausted, representing a total loss to the unitholders. Therefore unitholders are unlikely to ever be exposed to the Contingent Exposures.
- One of the objectives of Global DIGIT is to provide investors, since September 7, 2009, with a floating distribution rate targeted to be 2.00% over the applicable one-month CDOR rate. The current one-month CDOR rate is 1.20143%. The regular distributions paid by Global DIGIT to unitholders are treated as return of capital and as such, these distributions are not taxable. However, the net income realized by Global DIGIT, if any, and paid out to unitholders will be taxable as part of the unitholders' income. Unitholders who dispose of their units prior to maturity will generally realize a capital gain or loss. In the absence of any default resulting in losses to the portfolios, the maximum amount to be repaid by Global DIGIT to the unitholders at maturity will be \$9.35 per unit.
- Global DIGIT has two layers of protection. As of March 31, 2011, the first layer of subordination levels ranged from 2.90% to 7.50% of the notional amount of the Primary Exposures, meaning that each Primary Exposure may sustain losses up to a maximum of its subordination level, before being affected. The Primary Exposures cover credit risk up to a range of between 4.60% to 9.50% depending on the portfolio.
- In the event that the subordination level is reduced to zero, any further losses could affect each respective Financial Contract. The Financial Contracts benefit from a second layer of protection, over and above the subordination level, known as the First Loss Protection. This First Loss Protection is equal to, 0.95%, 1.60% and 0.80% of the notional amount of its respective portfolio, for each of the Financial Contracts. Once the First Loss Protection has been reduced to zero and if the respective portfolios continue to suffer further losses, the amounts payable to unitholders at maturity will be reduced accordingly and the monthly distribution amounts will also be reduced.
- A distribution of \$0.027 will be paid on April 14, 2011 to holders on record as at March 31, 2011.
- As of March 31, 2011, the Net Asset Value per Unit was \$5.28.

RATINGS DISTRIBUTION – STANDARD & POOR'S EQUIVALENT RATINGS

Primary Exposures

The ratings below pertain to the full underlying corporate portfolios; however unitholder's exposures are specific to the tranches stated above.

	Mar-11	Feb-11	Jan-11
AAA	1.3%	1.3%	1.3%
AA+	0.6%	0.6%	0.6%
AA	2.4%	2.4%	2.4%
AA-	3.2%	3.2%	3.2%
A+	5.8%	5.8%	5.8%
A	13.9%	13.9%	13.7%
A-	11.3%	12.3%	12.3%
BBB+	13.3%	12.4%	12.6%
BBB	9.6%	9.2%	9.2%
BBB-	13.5%	13.9%	13.7%
BB+	3.0%	3.0%	3.2%
BB	1.5%	1.3%	1.3%
BB-	6.2%	6.0%	4.3%
B+	3.7%	3.9%	5.6%
B	2.4%	2.4%	2.4%
B-	2.4%	2.4%	2.4%
CCC+	0.6%	0.6%	0.6%
CCC	- %	- %	- %
CC	- %	- %	- %
NR	5.4%	5.4%	5.4%
Total	100%	100%	100%

Contingent Exposures	Mar-11	Feb-11	Jan-11
AAA	95.9%	97.5%	97.5%
AA-	0.8%	0.8%	0.8%
A	1.7%	1.6%	1.6%

KEY CONTACT

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See www.nbfinancial.com under the "Individual Investor Services – Income Trusts" for further information

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