

GLOBAL ♦ DIGIT II

GLOBAL DIVERSIFIED INVESTMENT GRADE INCOME TRUST II, SERIES 2005-1

FUND OVERVIEW

- Global DIGIT II (TSX: GII.UN) is a trust providing investors with equity exposure to the credit performance of three globally diversified portfolios which, as of its most recent performance report, contained 544 securities. Any losses incurred as a result of defaults in the securities comprised in the portfolio will reduce the amount to be repaid to unitholders at maturity as well as the monthly distributions. The exposure represents respectively the first 0.95%, 1.25% and 1.50% of each portfolio, which means that they are the first at risk upon the occurrence of credit events. The portfolios are comprised of structured finance securities, mortgage-backed securities and asset-backed securities.
- In order to provide this exposure, Global DIGIT II entered into three credit default swaps (the "Financial Contracts") with Deutsche Bank (the "Bank"). Global DIGIT II granted security to the Bank in order to secure its obligations under the Financial Contracts.
- On November 24, 2009, Global DIGIT II received credit event notices from the Bank for seven reference obligations. Subsequent to the determination of a final price for such reference obligations, the notional amount of the affected credit exposures will be reduced, thus resulting in a lower redemption price of the units at maturity. On December 12, 2011, Global DIGIT II issued a press release confirming that the recovery level or final price on these reference obligations was zero. The aggregate losses amounted to \$6.57 per unit thereby reducing the maximum redemption price at maturity from \$9.36 per unit to \$2.79 per unit.
- One of the objectives of Global DIGIT II was to provide investors with a monthly distribution which, starting in April 2010, would have been an amount equal to the five-year Government of Canada bond yield plus 4.0% to 4.5%. However, as a result of the settlement of the credit events affecting Global DIGIT II, distributions will be approximately equal to the five-year Government of Canada bond yield as at March 2010 less a spread of 0.4% to 1.0% instead of the targeted rate equal to the five-year Government of Canada bond yield as at March 2010 plus a spread of 4.0% to 4.5%.
- The regular distributions paid by Global DIGIT II are treated as return of capital and as such, these distributions are not taxable. However, the net income realized by Global DIGIT II, 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.
- The Bank has the option, every five years starting March 2010, to terminate the Financial Contracts. On the first reset date of March 2, 2010, the Bank has not elected to terminate the Financial Contracts and, accordingly, the next applicable reset date is March 2, 2015.
- A distribution of \$0.035 per unit will be paid on December 14, 2011 to holders on record as at November 30, 2011.
- As of November 30, 2011, the Net Asset Value per Unit was \$0.55.

PORTFOLIO COMPOSITION (AS OF MOST RECENT PERFORMANCE REPORTS)

RATINGS DISTRIBUTION

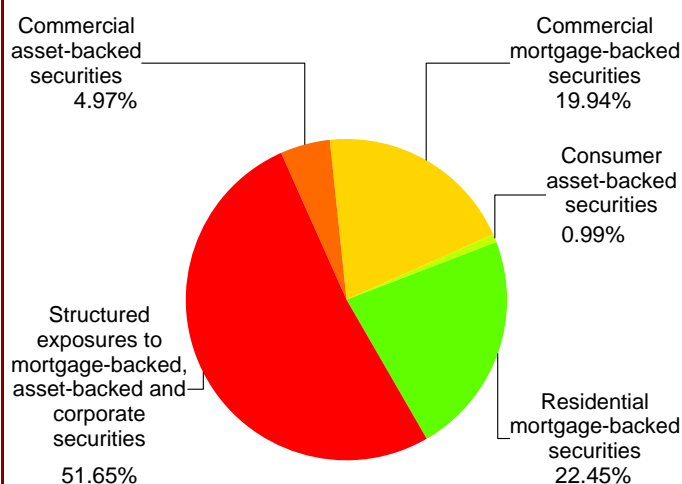
Standard & Poor's Rating *

The ratings below pertain to the full underlying portfolios; however unitholders exposures consist of one equity tranche in each portfolio detached at 0.95%, 1.25% and 1.50% respectively.

| | Nov-11 | Oct-11 |
|-------|--------|--------|
| AAA | 8.2% | 8.2% |
| AA+ | 5.0% | 4.9% |
| AA | 3.0% | 3.1% |
| AA- | 2.7% | 2.4% |
| A+ | 4.2% | 4.1% |
| A | 6.8% | 6.8% |
| A- | 3.1% | 3.0% |
| BBB+ | 4.6% | 4.8% |
| BBB | 1.5% | 1.4% |
| BBB- | 1.6% | 1.9% |
| BB+ | 2.9% | 2.8% |
| BB | 2.3% | 2.2% |
| BB- | 1.0% | 1.0% |
| B+ | 1.6% | 1.6% |
| B | 1.0% | 1.0% |
| B- | 3.1% | 3.1% |
| CCC+ | 3.2% | 3.1% |
| CCC | 5.3% | 5.3% |
| CCC- | 10.5% | 10.3% |
| CC | 5.2% | 5.3% |
| C | 3.2% | 3.1% |
| D | 20.2% | 20.7% |
| NR | - % | - % |
| Total | 100.0% | 100.0% |

* Or equivalent

BREAKDOWN BY ASSET CLASS



KEY CONTACT

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

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