

PRESS RELEASE

GLOBAL ♦ DIGIT II

SETTLEMENT OF CREDIT EVENTS AND IMPACT ON FURTHER DISTRIBUTIONS

Montreal, December 12, 2011 – Global Diversified Investment Grade Income Trust II (“Global DIGIT II”) (TSX:GII.UN) had issued a press release on November 26, 2009 announcing the receipt from Deutsche Bank AG Canada Branch (“DB”) of credit event notices for the reference obligations of the issuers described below. Further disclosures of the credit events have been made in the continuous disclosure documents of Global DIGIT II such as the Management Report on Fund Performance and the financial statements. Global DIGIT II announces that the 720 day valuation process has now ended and that it has received from DB a confirmation that the recovery level or final price was zero for the following reference obligations for which notices were received:

Credit Exposure	Issuer	Series	Type of Credit Event	Weighting	Exposure (\$) ⁽¹⁾	Exposure (\$) on a per unit basis
A	Glacier Funding CDO	2006-4A	Failure to Pay	0.15%	3,822,205	0.37
A	IXIS ABS CDO Ltd.	2006-3A	Loss Event	0.20%	4,959,073	0.48
A	STATIC RESIDENTIAL CDO (Start) 2006-B Ltd.	2006-B	Failure to Pay	0.87%	21,695,944	2.09
A	Straits Global ABS CDO 2004-1	2004-1	Failure to Pay	1.22%	23,634,614	2.27
B	Ivy Lane CDO 2006-1	2006-1	Failure to Pay	1.36%	31,976,243	3.08
B	STATIC RESIDENTIAL CDO (Start) 2006-B Ltd.	2006-B	Failure to Pay	0.64%	16,278,126	1.57
C	Duke Funding VII Ltd.	2004-7A	Failure to Pay	0.46%	12,702,066	1.22

(1) Exposure means that the maximum loss that can be incurred on a single reference obligation.

Pursuant to the financial contracts entered into between Global DIGIT II and DB on March 2, 2005, as modified on January 20, 2009 (the “Financial Contracts”), the total exposures of Global DIGIT II to Credit Exposures A, B and C are \$23,634,614 (\$2.27 per unit), \$31,976,243 (\$3.08 per unit) and \$41,708,143 (\$4.01 per unit) respectively.

Based on the applicable weighting, any recovery further to the valuation process for an amount less than 61.1% of the aggregate notional amount of the affected reference obligations (being an amount of \$2.27 per unit) means a total loss for Credit Exposure A; for an amount of less than 37.5% of the aggregate notional amount of the affected reference obligations (being an amount of \$3.08 per unit) means a total loss of Credit Exposure B; and for Credit Exposure C, a total loss on the affected reference obligation means a loss of \$1.22 per unit.

Further to these credit events, the losses in Credit Exposure A amount to \$5.21 per unit but are limited pursuant to the Financial Contracts to \$2.27. Thus, these losses represent a total loss for Credit Exposure A.

The losses in Credit Exposure B amount to \$4.65 per unit but are limited to \$3.08 pursuant to the Financial Contracts. Accordingly, these losses represent a total loss for this Credit Exposure B.

Finally, the loss in Credit Exposure C amounts to \$1.22 per unit out of a maximum of \$4.01 pursuant to the Financial Contracts.

The aggregate losses to Credit Exposures A, B and C amount to \$6.57 per unit pursuant to the Financial Contracts thereby reducing the investment in the Financial Contracts from \$9.36 per unit to \$2.79 per unit (\$9.36 - \$6.57). The units of Global DIGIT II had been issued in March 2005 at a price of \$10.00 per unit and a special distribution of approximately \$0.64 occurred in March 2009 bringing the maximum amount which could be reimbursed at maturity to \$9.36.

To settle these credit events, Global DIGIT II will have to transfer to DB \$68,312,427 out of the collateral held by DB to support the obligations of Global DIGIT II pursuant to the terms of the Financial Contracts. After this transfer, the nominal value of collateral held by DB will be \$29,006,573. Since the receipt of the credit event notices in November 2009, DB has retained the premium payments on the defaulted reference obligations. These retentions will now be permanent and the interest payment earned by Global DIGIT II on the collateral will be reduced as such collateral will be transferred to DB as final settlement of the 2009 credit events.

As a result of the loss of this interest revenue on the collateral transferred to settle the credit events, the future distributions will be reduced by approximately 50% to \$0.0175 per month assuming no further credit events in Credit Exposure C. However, given the number of reference obligations rated "D" by Standard & Poor's in Credit Exposure C, new credit event notices may be received by Global DIGIT II. In such cases the Financial Contracts allow DB to withhold all or a portion of the premium payments corresponding to such defaulting reference obligations until the final loss is determined if DB, acting in good faith and in a commercially reasonable manner, determines that losses on such defaulted reference obligations would amount to a partial or total loss. As indicated in prior press releases and continuous disclosure documents, the percentage of reference obligations rated "D" by Standard & Poor's amounted to approximately 9.7% in Credit Exposure C as at September 30, 2011. If further credit event notices are received by Global DIGIT II and assuming a loss determination by DB, distributions could be further reduced.

About Global DIGIT II

Global DIGIT II provides an economic interest in an equity tranche of credit default swap agreements in respect of portfolios of residential mortgage-backed securities, commercial asset-backed and mortgage-backed securities, consumer asset-backed securities, structured exposures to mortgage-backed and asset-backed and corporate securities.

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