

## NBIMC UNIT TRUST FUNDS

### Financial Statements

Year ended March 31, 2015

### Financial Statements<sup>1</sup>

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<sup>1</sup> Excluding currently inactive unit trust funds:

- *NBIMC Commodity Fund*
- *NBIMC Non-Canadian Private Real Estate Fund*
- *NBIMC Currency Hedging Strategy No. 1 Fund*
- *NBIMC Currency Hedging Strategy No. 2 Fund*
- *NBIMC Currency Hedging Strategy No. 3 Fund*
- *NBIMC Currency Hedging Strategy No. 4 Fund*
- *NBIMC Currency Hedging Strategy No. 5 Fund*
- *NBIMC Currency Hedging Strategy No. 6 Fund*

**KPMG LLP**

Frederick Square  
77 Westmorland Street Suite 700  
Fredericton NB E3B 6Z3  
Telephone (506) 452-8000  
Fax (506) 450-0072  
Internet www.kpmg.ca

One Factory Lane  
Place Marven's  
PO Box 827  
Moncton NB E1C 8N6  
Telephone (506) 856-4400  
Fax (506) 856-4499

Harbour Building  
133 Prince William Street  
PO Box 2388 Stn Main  
Saint John NB E2L 3V6  
Telephone (506) 634-1000  
Fax (506) 633-8828

**INDEPENDENT AUDITORS' REPORT**

To the Directors of the following funds managed by New Brunswick Investment Management Corporation:

NBIMC Nominal Bond Fund	NBIMC Low Volatility International Equity Fund
NBIMC Corporate Bond Fund	NBIMC Low Volatility International Equity Fund – Class N (formerly NBIMC Low Volatility International Equity)
NBIMC Canadian Long-Term Bond Fund	NBIMC Low Volatility Emerging Markets Equity Fund
NBIMC New Brunswick Fixed Income Opportunity Fund	NBIMC U.S. Equity Index Fund
NBIMC Money Market Fund	NBIMC Low Volatility U.S. Equity Fund
NBIMC Student Investment Fund	NBIMC Inflation Linked Securities Fund
NBIMC Canadian Equity Index Fund	NBIMC Canadian Real Estate Fund
NBIMC Low Volatility Canadian Equity Fund	NBIMC Canadian Real Estate Investment Trust Fund
NBIMC External Canadian Equity Fund	NBIMC International Real Estate Fund
NBIMC S&P/TSX Completion Index Fund	NBIMC Infrastructure Fund
NBIMC Canadian Equity Active Long Strategy Fund	NBIMC North American Market Neutral Fund
NBIMC External International Equity Fund	NBIMC Quantitative Strategies Fund
NBIMC EAFE Equity Index Fund	NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund
NBIMC EAFE Equity Index Fund – Class N (formerly NBIMC EAFE Equity Index Fund)	NBIMC Private Equity Fund

(collectively, the Funds)

We have audited the accompanying financial statements of the Funds which comprise the statements of financial position as at March 31, 2015, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the applicable period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at March 31, 2015, and its financial performance and its cash flows for the applicable period then ended in accordance with International Financial Reporting Standards.

Chartered Professional Accountants  
June 8, 2015  
Fredericton, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**NBIMC NOMINAL BOND FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 2,102,911	\$ 1,820,003
Cash	—	11,268
Interest receivable	17,876	17,913
Receivable for investment sales	—	31,927
Total assets	2,120,787	1,881,111
<b>Liabilities</b>		
Payable for investment purchases	—	43,194
Derivative liabilities (note 5)	2,023	—
Liabilities (excluding net assets attributable to holders of redeemable units)	2,023	43,194
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 2,118,764</b>	<b>\$ 1,837,917</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 2,597.47</b>	<b>\$ 2,337.36</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC NOMINAL BOND FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	<b>2015</b>		<b>2014</b>	
<b>Income</b>				
Interest	\$	67,180	\$	63,067
Securities lending		435		349
Derivative		(2,023)		—
Net realized gain (loss) on investments		28,026		(16,608)
Net change in unrealized gain (loss) on investments		113,185		(33,875)
<b>Total income</b>		<b>206,803</b>		<b>12,933</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	\$	<b>206,803</b>	\$	<b>12,933</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC NOMINAL BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	<b>2015</b>		<b>2014</b>	
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	\$	<b>1,837,917</b>	\$	<b>1,724,016</b>
Increase in net assets attributable to holders of redeemable units		206,803		12,933
Proceeds from issuance of redeemable units		210,605		246,213
Amounts paid on redemption of redeemable units		(136,561)		(145,245)
<b>Net assets attributable to holders of redeemable units, end of year</b>	\$	<b>2,118,764</b>	\$	<b>1,837,917</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC NOMINAL BOND FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 206,803	\$ 12,933
Adjustments for:		
Foreign exchange loss on currency forwards	761	3
Net realized (gain) loss on sale of investments	(28,026)	16,608
Net change in unrealized (gain) loss on investments	(113,185)	33,875
Purchases of investments	(3,242,545)	(2,507,918)
Proceeds from sale and maturity of investments	3,100,087	2,343,000
Interest receivable	37	532
Receivable for investment sales	31,927	9,509
Payable for investment purchases	(43,194)	43,194
Derivative liabilities	2,023	—
<b>Net cash used in operating activities</b>	<b>(85,312)</b>	<b>(48,264)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	210,605	246,213
Amounts paid on redemption of redeemable units	(136,561)	(145,245)
<b>Net cash from financing activities</b>	<b>74,044</b>	<b>100,968</b>
Net (decrease) increase in cash	(11,268)	52,704
Cash (indebtedness), beginning of year	11,268	(41,436)
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ 11,268</b>
<i>Supplemental information:</i>		
Interest received	\$ 67,217	\$ 63,599
<i>The accompanying notes are an integral part of these financial statements.</i>		

**NBIMC CORPORATE BOND FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 1,705,714	\$ 820,221
Cash	17,625	1,350
Interest receivable	10,806	6,564
Receivable for investment sales	—	10,150
Total assets	1,734,145	838,285
<b>Liabilities</b>		
Payable for investment purchases	17,625	11,500
Liabilities (excluding net assets attributable to holders of redeemable units)	17,625	11,500
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 1,716,520</b>	<b>\$ 826,785</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,205.14</b>	<b>\$ 1,111.04</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC CORPORATE BOND FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 34,470	\$ 23,640
Securities lending	48	28
Net realized gain (loss) on investments	2,278	(62)
Net change in unrealized gain (loss) on investments	62,740	(6,065)
<b>Total income</b>	<b>99,536</b>	<b>17,541</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 99,536</b>	<b>\$ 17,541</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CORPORATE BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 826,785</b>	<b>\$ 672,000</b>
Increase in net assets attributable to holders of redeemable units	99,536	17,541
Proceeds from issuance of redeemable units	881,145	150,105
Amounts paid on redemption of redeemable units	(90,946)	(12,861)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 1,716,520</b>	<b>\$ 826,785</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC CORPORATE BOND FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 99,536	\$ 17,541
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,278)	62
Net change in unrealized (gain) loss on investments	(62,740)	6,065
Purchases of investments	(1,474,382)	(583,749)
Proceeds from sale and maturity of investments	653,907	424,701
Interest receivable	(4,242)	(1,989)
Receivable for investment sales	10,150	(10,150)
Payable for investment purchases	6,125	(26,622)
<b>Net cash used in operating activities</b>	<b>(773,924)</b>	<b>(174,141)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	881,145	150,105
Amounts paid on redemption of redeemable units	(90,946)	(12,861)
<b>Net cash from financing activities</b>	<b>790,199</b>	<b>137,244</b>
Net increase (decrease) in cash	16,275	(36,897)
Cash, beginning of year	1,350	38,247
<b>Cash, end of year</b>	<b>\$ 17,625</b>	<b>\$ 1,350</b>

*Supplemental information:*

Interest received	\$ 30,228	\$ 21,651
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*The accompanying notes are an integral part of these financial statements.*



**NBIMC CANADIAN LONG-TERM BOND FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 159,456	\$ 134,385
Cash	—	11,571
Interest receivable	1,068	958
Total assets	160,524	146,914
<b>Liabilities</b>		
Payable for investment purchases	—	11,571
Liabilities (excluding net assets attributable to holders of redeemable units)	—	11,571
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 160,524</b>	<b>\$ 135,343</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,199.30</b>	<b>\$ 1,006.20</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC CANADIAN LONG-TERM BOND FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 5,599	\$ 488
Securities lending	37	1
Net realized gain (loss) on investments	2,152	(14)
Net change in unrealized gain on investments	17,993	319
<b>Total income</b>	<b>25,781</b>	<b>794</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 25,781</b>	<b>\$ 794</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CANADIAN LONG-TERM BOND FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 135,343</b>	<b>\$ —</b>
Increase in net assets attributable to holders of redeemable units	25,781	794
Proceeds from issuance of redeemable units	8,300	144,549
Amounts paid on redemption of redeemable units	(8,900)	(10,000)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 160,524</b>	<b>\$ 135,343</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC CANADIAN LONG-TERM BOND FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 25,781	\$ 794
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,152)	14
Net change in unrealized gain on investments	(17,993)	(319)
Purchases of investments	(85,243)	(135,809)
Proceeds from sale and maturity of investments	80,317	1,729
Interest receivable	(110)	(958)
Payable for investment purchases	(11,571)	11,571
<b>Net cash used in operating activities</b>	<b>(10,971)</b>	<b>(122,978)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	8,300	144,549
Amounts paid on redemption of redeemable units	(8,900)	(10,000)
<b>Net cash (used in) from financing activities</b>	<b>(600)</b>	<b>134,549</b>
Net (decrease) increase in cash	(11,571)	11,571
Cash, beginning of year	11,571	—
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ 11,571</b>
<i>Supplemental information:</i>		
Interest paid	\$ 5,489	\$ 470

*The accompanying notes are an integral part of these financial statements.*

**NBIMC NEW BRUNSWICK FIXED INCOME OPPORTUNITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 15,455	\$ 15,453
Interest receivable	71	74
Total assets	15,526	15,527
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 15,526</b>	<b>\$ 15,527</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 3,068.91</b>	<b>\$ 2,792.12</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC NEW BRUNSWICK FIXED INCOME OPPORTUNITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 881	\$ 919
Net realized gain on investments	2	1
Net change in unrealized gain (loss) on investments	582	(752)
<b>Total income</b>	<b>1,465</b>	<b>168</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 1,465</b>	<b>\$ 168</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC NEW BRUNSWICK FIXED INCOME OPPORTUNITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 15,527</b>	<b>\$ 16,791</b>
Increase in net assets attributable to holders of redeemable units	1,465	168
Proceeds from issuance of redeemable units	269	47
Amounts paid on redemption of redeemable units	(1,735)	(1,479)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 15,526</b>	<b>\$ 15,527</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC NEW BRUNSWICK FIXED INCOME OPPORTUNITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 1,465	\$ 168
Adjustments for:		
Net realized gain on sale of investments	(2)	(1)
Net change in unrealized (gain) loss on investments	(582)	752
Proceeds from sale and maturity of investments	582	510
Interest receivable	3	3
<b>Net cash from operating activities</b>	<b>1,466</b>	<b>1,432</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	269	47
Amounts paid on redemption of redeemable units	(1,735)	(1,479)
<b>Net cash used in financing activities</b>	<b>(1,466)</b>	<b>(1,432)</b>
Net decrease in cash	—	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest received	\$ 884	\$ 922
<i>The accompanying notes are an integral part of these financial statements.</i>		

**NBIMC MONEY MARKET FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 1,103,518	\$ 742,664
Cash	73,424	—
Interest receivable	1,906	1,269
Total assets	1,178,848	743,933
<b>Liabilities</b>		
Indebtedness	—	6,239
Liabilities (excluding net assets attributable to holders of redeemable units)	—	6,239
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 1,178,848</b>	<b>\$ 737,694</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,581.29</b>	<b>\$ 1,561.31</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC MONEY MARKET FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 11,384	\$ 8,137
Net realized (loss) gain on investments	(268)	23
Net change in unrealized loss on investments	(236)	(183)
<b>Total income</b>	<b>10,880</b>	<b>7,977</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 10,880</b>	<b>\$ 7,977</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC MONEY MARKET FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 737,694</b>	<b>\$ 610,659</b>
Increase in net assets attributable to holders of redeemable units	10,880	7,977
Proceeds from issuance of redeemable units	2,458,336	1,525,267
Amounts paid on redemption of redeemable units	(2,028,062)	(1,406,209)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 1,178,848</b>	<b>\$ 737,694</b>

*The accompanying notes are an integral part of these financial statements.*



**NBIMC MONEY MARKET FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 10,880	\$ 7,977
Adjustments for:		
Foreign exchange loss on currency forwards	—	1
Net realized loss (gain) on sale of investments	268	(23)
Net change in unrealized loss on investments	236	183
Purchases of investments	(13,406,230)	(8,842,858)
Proceeds from sale and maturity of investments	13,044,872	8,704,440
Interest receivable	(637)	(145)
<b>Net cash used in operating activities</b>	<b>(350,611)</b>	<b>(130,425)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	2,458,336	1,525,267
Amounts paid on redemption of redeemable units	(2,028,062)	(1,406,209)
<b>Net cash from financing activities</b>	<b>430,274</b>	<b>119,058</b>
Net increase (decrease) in cash	79,663	(11,367)
(Indebtedness) cash, beginning of year	(6,239)	5,128
<b>Cash (indebtedness), end of year</b>	<b>\$ 73,424</b>	<b>\$ (6,239)</b>
<i>Supplemental information:</i>		
Interest received	\$ 10,747	\$ 7,992

*The accompanying notes are an integral part of these financial statements.*

**NBIMC STUDENT INVESTMENT FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 3,320	\$ 3,028
Cash	3	40
Interest receivable	18	17
Dividends receivable	4	4
Receivable for investment sales	—	26
Total assets	3,345	3,115
<b>Liabilities</b>		
Payable for investment purchases	3	62
Liabilities (excluding net assets attributable to holders of redeemable units)	3	62
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 3,342</b>	<b>\$ 3,053</b>

**Net assets attributable to holders of redeemable units per unit** \$ 3,286.14 \$ 3,001.97

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC STUDENT INVESTMENT FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 59	\$ 52
Dividend	49	46
Securities lending	1	1
Net realized gain on investments	60	25
Net change in unrealized gain on investments	120	114
<b>Total income</b>	<b>289</b>	<b>238</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 289</b>	<b>\$ 238</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC STUDENT INVESTMENT FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 3,053</b>	<b>\$ 2,815</b>
Increase in net assets attributable to holders of redeemable units	289	238
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 3,342</b>	<b>\$ 3,053</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC STUDENT INVESTMENT FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

		2015		2014
<b>Cash flows from (used in) operating activities</b>				
Increase in net assets attributable to holders of redeemable units	\$	289	\$	238
Adjustments for:				
Net realized gain on sale of investments		(60)		(25)
Net change in unrealized gain on investments		(120)		(114)
Purchases of investments		(781)		(903)
Proceeds from sale and maturity of investments		669		810
Interest receivable		(1)		(2)
Receivable for investment sales		26		(26)
Payable for investment purchases		(59)		62
<b>Net cash (used in) from operating activities</b>		<b>(37)</b>		<b>40</b>
Net (decrease) increase in cash		(37)		40
Cash, beginning of year		40		—
<b>Cash, end of year</b>	\$	<b>3</b>	\$	<b>40</b>
<i>Supplemental information:</i>				
Interest received	\$	58	\$	50
Dividends received	\$	49	\$	46

*The accompanying notes are an integral part of these financial statements.*

**NBIMC CANADIAN EQUITY INDEX FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 1,211,143	\$ 1,097,977
Cash	363	—
Interest receivable	1,896	2,299
Dividends receivable	755	416
Receivable for investment sales	480	2,315
Derivative assets <i>(note 5)</i>	23,102	42,514
Margin at brokers <i>(note 5)</i>	320	378
Total assets	1,238,059	1,145,899
<b>Liabilities</b>		
Indebtedness	—	389
Payable for investment purchases	843	1,927
Derivative liabilities <i>(note 5)</i>	4,836	—
Liabilities (excluding net assets attributable to holders of redeemable units)	5,679	2,316
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 1,232,380</b>	<b>\$ 1,143,583</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 3,138.82</b>	<b>\$ 2,888.39</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC CANADIAN EQUITY INDEX FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 14,516	\$ 14,925
Dividend	6,632	3,252
Securities lending	107	76
Derivative	76,398	141,171
Net realized gain on investments	2,438	5,037
Net change in unrealized gain on investments	6,661	11,775
<b>Total income</b>	<b>106,752</b>	<b>176,236</b>
<b>Expenses</b>		
Transaction costs	96	53
<b>Total expenses</b>	<b>96</b>	<b>53</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 106,656</b>	<b>\$ 176,183</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CANADIAN EQUITY INDEX FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 1,143,583</b>	<b>\$ 1,081,567</b>
Increase in net assets attributable to holders of redeemable units	106,656	176,183
Proceeds from issuance of redeemable units	413,100	178,954
Amounts paid on redemption of redeemable units	(430,959)	(293,121)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 1,232,380</b>	<b>\$ 1,143,583</b>

*The accompanying notes are an integral part of these financial statements*

**NBIMC CANADIAN EQUITY INDEX FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 106,656	\$ 176,183
Adjustments for:		
Foreign exchange gain on dividends	(10)	(2)
Net realized gain on sale of investments	(2,438)	(5,037)
Net change in unrealized gain on investments	(6,661)	(11,775)
Purchases of investments	(2,043,853)	(1,504,494)
Proceeds from sale and maturity of investments	1,939,796	1,523,974
Interest receivable	403	492
Dividends receivable	(339)	(250)
Receivable for investment sales	1,835	(1,427)
Derivative assets/liabilities	24,248	(29,195)
Margin at brokers	58	(535)
Payable for investment purchases	(1,084)	(34,242)
<b>Net cash from operating activities</b>	<b>18,611</b>	<b>113,692</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	413,100	178,954
Amounts paid on redemption of redeemable units	(430,959)	(293,121)
<b>Net cash used in financing activities</b>	<b>(17,859)</b>	<b>(114,167)</b>
Net increase (decrease) in cash	752	(475)
(Indebtedness) cash, beginning of year	(389)	86
<b>Cash (indebtedness), end of year</b>	<b>\$ 363</b>	<b>\$ (389)</b>
<i>Supplemental information:</i>		
Interest received	\$ 14,919	\$ 15,417
Dividends received	\$ 6,293	\$ 3,002

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY CANADIAN EQUITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 482,153	\$ 238,200
Dividends receivable	1,475	834
Receivable for investment sales	5,154	—
Margin at brokers ( <i>note 5</i> )	119	23
Total assets	488,901	239,057
<b>Liabilities</b>		
Indebtedness	3,237	—
Payable for investment purchases	1,918	—
Liabilities (excluding net assets attributable to holders of redeemable units)	5,155	—
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 483,746</b>	<b>\$ 239,057</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,443.19</b>	<b>\$ 1,214.23</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer



**NBIMC LOW VOLATILITY CANADIAN EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 10,378	\$ 7,073
Securities lending	70	97
Derivative	395	451
Net realized gain on investments	23,062	3,017
Net change in unrealized gain on investments	19,626	25,811
<b>Total income</b>	<b>53,531</b>	<b>36,449</b>
<b>Expenses</b>		
Transaction costs	108	67
<b>Total expenses</b>	<b>108</b>	<b>67</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 53,423</b>	<b>\$ 36,382</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC LOW VOLATILITY CANADIAN EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 239,057</b>	<b>\$ 201,871</b>
Increase in net assets attributable to holders of redeemable units	53,423	36,382
Proceeds from issuance of redeemable units	251,390	5,292
Amounts paid on redemption of redeemable units	(60,124)	(4,488)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 483,746</b>	<b>\$ 239,057</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC LOW VOLATILITY CANADIAN EQUITY FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 53,423	\$ 36,382
Adjustments for:		
Foreign exchange gain on dividends	(4)	(3)
Net realized gain on sale of investments	(23,062)	(3,017)
Net change in unrealized gain on investments	(19,626)	(25,811)
Purchases of investments	(441,902)	(90,693)
Proceeds from sale and maturity of investments	240,641	82,490
Dividends receivable	(641)	(152)
Receivable for investment sales	(5,154)	—
Margin at brokers	(96)	(21)
Payable for investment purchases	1,918	—
<b>Net cash used in operating activities</b>	<b>(194,503)</b>	<b>(825)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	251,390	5,292
Amounts paid on redemption of redeemable units	(60,124)	(4,488)
<b>Net cash from financing activities</b>	<b>191,266</b>	<b>804</b>
Net decrease in cash	(3,237)	(21)
Cash, beginning of year	—	21
<b>(Indebtedness) cash, end of year</b>	<b>\$ (3,237)</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Dividends received	\$ 9,737	\$ 6,921
<i>The accompanying notes are an integral part of these financial statements.</i>		

**NBIMC EXTERNAL CANADIAN EQUITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 334,193	\$ 447,770
Cash	4	528
Dividends receivable	229	330
Receivable for investment sales	264	445
Total assets	334,690	449,073
<b>Liabilities</b>		
Payable for investment purchases	268	973
Liabilities (excluding net assets attributable to holders of redeemable units)	268	973
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 334,422</b>	<b>\$ 448,100</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 3,748.30</b>	<b>\$ 3,430.09</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC EXTERNAL CANADIAN EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ —	\$ 6
Dividend	4,667	4,848
Securities lending	23	46
Net realized gain on investments	60,455	2,874
Net change in unrealized (loss) gain on investments	(25,345)	63,541
<b>Total income</b>	<b>39,800</b>	<b>71,315</b>
<b>Expenses</b>		
Transaction costs	95	111
<b>Total expenses</b>	<b>95</b>	<b>111</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 39,705</b>	<b>\$ 71,204</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC EXTERNAL CANADIAN EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 448,100</b>	<b>\$ 377,353</b>
Increase in net assets attributable to holders of redeemable units	39,705	71,204
Proceeds from issuance of redeemable units	40,469	5,247
Amounts paid on redemption of redeemable units	(193,852)	(5,704)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 334,422</b>	<b>\$ 448,100</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC EXTERNAL CANADIAN EQUITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 39,705	\$ 71,204
Adjustments for:		
Foreign exchange gain on dividends	(5)	(5)
Net realized gain on sale of investments	(60,455)	(2,874)
Net change in unrealized loss (gain) on investments	25,345	(63,541)
Purchases of investments	(103,122)	(104,264)
Proceeds from sale and maturity of investments	251,814	99,939
Dividends receivable	101	(17)
Derivative assets	181	(387)
Payable for investment purchases	(705)	465
<b>Net cash from operating activities</b>	<b>152,859</b>	<b>520</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	40,469	5,247
Amounts paid on redemption of redeemable units	(193,852)	(5,704)
<b>Net cash used in financing activities</b>	<b>(153,383)</b>	<b>(457)</b>
Net (decrease) increase in cash	(524)	63
Cash, beginning of year	528	465
<b>Cash, end of year</b>	<b>\$ 4</b>	<b>\$ 528</b>

*Supplemental information:*

Dividends received	\$ 4,768	\$ 4,831
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*The accompanying notes are an integral part of these financial statements.*

**NBIMC S&P/TSX COMPLETION INDEX FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ —	\$ 219,147
Dividends receivable	—	542
Receivable for investment sales	—	5,812
Total assets	—	225,501
<b>Liabilities</b>		
Indebtedness	—	1,230
Payable for investment purchases	—	4,583
Liabilities (excluding net assets attributable to holders of redeemable units)	—	5,813
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ —</b>	<b>\$ 219,688</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ —</b>	<b>\$ 3,179.51</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC S&P/TSX COMPLETION INDEX FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

	<b>For the Period until Termination on November 28, 2014</b>	<b>Year Ended March 31, 2014</b>
<b>Income</b>		
Dividend	\$ 3,418	\$ 5,808
Securities lending	67	108
Net realized gain (loss) on investments	33,023	(743)
Net change in unrealized (loss) gain on investments	(41,005)	28,199
<b>Total income</b>	<b>(4,497)</b>	<b>33,372</b>
<b>Expenses</b>		
Transaction costs	108	154
<b>Total expenses</b>	<b>108</b>	<b>154</b>
<b>(Decrease) increase in net assets attributable to holders of redeemable units</b>	<b>\$ (4,605)</b>	<b>\$ 33,218</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC S&P/TSX COMPLETION INDEX FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

	<b>For the Period until Termination on November 28, 2014</b>	<b>Year Ended March 31, 2014</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>\$ 219,688</b>	<b>\$ 186,470</b>
(Decrease) increase in net assets attributable to holders of redeemable units	(4,605)	33,218
Proceeds from issuance of redeemable units	10,665	1,902
Amounts paid on redemption of redeemable units	(225,748)	(1,902)
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ —</b>	<b>\$ 219,688</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC S&P/TSX COMPLETION INDEX FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

	For the Period until Termination on November 28, 2014	Year Ended March 31, 2014
<b>Cash flows from (used in) operating activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (4,605)	\$ 33,218
Adjustments for:		
Foreign exchange gain on dividends	(1)	(3)
Net realized (gain) loss on sale of investments	(33,023)	743
Net change in unrealized loss (gain) on investments	41,005	(28,199)
Purchases of investments	(54,688)	(84,977)
Proceeds from sale and maturity of investments	265,854	79,242
Dividends receivable	542	(55)
Receivable for investment sales	5,812	(2,447)
Payable for investment purchases	(4,583)	1,913
<b>Net cash from (used in) operating activities</b>	216,313	(565)
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	10,665	1,902
Amounts paid on redemption of redeemable units	(225,748)	(1,902)
<b>Net cash used in financing activities</b>	(215,083)	—
Net increase (decrease) in cash	1,230	(565)
Indebtedness, beginning of period	(1,230)	(665)
<b>Indebtedness, end of period</b>	\$ —	\$ (1,230)
<i>Supplemental information:</i>		
Dividends received	\$ 3,960	\$ 5,753
<i>The accompanying notes are an integral part of these financial statements.</i>		



**NBIMC CANADIAN EQUITY ACTIVE LONG STRATEGY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 233,633	\$ 249,055
Cash	1,097	—
Interest receivable	129	243
Dividends receivable	365	388
Receivable for investment sales	346	—
Derivative assets <i>(note 5)</i>	467	4,295
Margin at brokers <i>(note 5)</i>	—	1
<b>Total assets</b>	<b>236,037</b>	<b>253,982</b>
<b>Liabilities</b>		
Payable for investment purchases	1,443	—
Derivative liabilities <i>(note 5)</i>	1,404	—
Margin at brokers <i>(note 5)</i>	219	—
Liabilities (excluding net assets attributable to holders of redeemable units)	3,066	—
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 232,971</b>	<b>\$ 253,982</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,317.48</b>	<b>\$ 1,228.33</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC CANADIAN EQUITY ACTIVE LONG STRATEGY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 1,742	\$ 1,099
Dividend	4,098	5,262
Securities lending	28	61
Derivative	8,447	13,905
Net realized gain on investments	8,670	9,918
Net change in unrealized (loss) gain on investments	(5,238)	5,447
<b>Total income</b>	<b>17,747</b>	<b>35,692</b>
<b>Expenses</b>		
Transaction costs	138	369
<b>Total expenses</b>	<b>138</b>	<b>369</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 17,609</b>	<b>\$ 35,323</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CANADIAN EQUITY ACTIVE LONG STRATEGY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 253,982</b>	<b>\$ 210,349</b>
Increase in net assets attributable to holders of redeemable units	17,609	35,323
Proceeds from issuance of redeemable units	14,813	9,945
Amounts paid on redemption of redeemable units	(53,433)	(1,635)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 232,971</b>	<b>\$ 253,982</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC CANADIAN EQUITY ACTIVE LONG STRATEGY FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 17,609	\$ 35,323
Adjustments for:		
Foreign exchange gain on dividends	(3)	(3)
Net realized gain on sale of investments	(8,670)	(9,918)
Net change in unrealized loss (gain) on investments	5,238	(5,447)
Purchases of investments	(322,531)	(767,642)
Proceeds from sale and maturity of investments	341,388	742,770
Interest receivable	114	(193)
Dividends receivable	23	239
Receivable for investment sales	(346)	1,229
Derivative assets / liabilities	5,232	(3,818)
Margin at brokers	220	349
Payable for investment purchases	1,443	(762)
<b>Net cash from (used in) operating activities</b>	<b>39,717</b>	<b>(7,873)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	14,813	9,945
Amounts paid on redemption of redeemable units	(53,433)	(1,635)
<b>Net cash (used in) from financing activities</b>	<b>(38,620)</b>	<b>8,310</b>
Net increase in cash	1,097	437
Indebtedness, beginning of year	—	(437)
<b>Cash, end of year</b>	<b>\$ 1,097</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest received	\$ 1,856	\$ 906
Dividends received	\$ 4,121	\$ 5,501

The accompanying notes are an integral part of these financial statements.

## NBIMC EXTERNAL INTERNATIONAL EQUITY FUND

### Statement of Financial Position

(All amounts in thousands of Canadian dollars, except per unit amounts)

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 260,681	\$ 276,412
Cash	1	—
Total assets	260,682	276,412
<b>Liabilities</b>		
Payable for investment purchases	1	—
Liabilities (excluding net assets attributable to holders of redeemable units)	1	—
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 260,681</b>	<b>\$ 276,412</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 2,013.52</b>	<b>\$ 1,719.53</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC EXTERNAL INTERNATIONAL EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Net realized gain on investments	\$ 25,712	\$ —
Net change in unrealized gain on investments	18,193	70,420
<b>Total income</b>	<b>43,905</b>	<b>70,420</b>
<b>Expenses</b>		
Transaction costs	4	—
Foreign taxes (recovered) paid, net	(166)	21
	(162)	21
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 44,067</b>	<b>\$ 70,399</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC EXTERNAL INTERNATIONAL EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 276,412</b>	<b>\$ 206,006</b>
Increase in net assets attributable to holders of redeemable units	44,067	70,399
Proceeds from issuance of redeemable units	14,959	3,011
Amounts paid on redemption of redeemable units	(74,757)	(3,004)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 260,681</b>	<b>\$ 276,412</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC EXTERNAL INTERNATIONAL EQUITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 44,067	\$ 70,399
Adjustments for:		
Foreign exchange gain on cash	(1)	(7)
Net realized gain on sale of investments	(25,712)	—
Net change in unrealized gain on investments	(18,193)	(70,420)
Purchases of investments	(125,031)	(9,376)
Proceeds from sale and maturity of investments	184,668	9,397
Payable for investment purchases	1	—
<b>Net cash from (used in) operating activities</b>	<b>59,799</b>	<b>(7)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	14,959	3,011
Amounts paid on redemption of redeemable units	(74,757)	(3,004)
<b>Net cash (used in) from financing activities</b>	<b>(59,798)</b>	<b>7</b>
Net increase in cash	1	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 1</b>	<b>\$ —</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC EAFE EQUITY INDEX FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015
<b>Assets</b>	
Investments	\$ 875,681
Dividends receivable	3,958
Receivable for investment sales	76,720
Taxes recoverable	694
Derivative assets <i>(note 5)</i>	135
Total assets	957,188
<b>Liabilities</b>	
Indebtedness	74,427
Payable for investment purchases	93
Derivative liabilities <i>(note 5)</i>	162
Margin at brokers <i>(note 5)</i>	446
Liabilities (excluding net assets attributable to holders of redeemable units)	75,128
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 882,060</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,407.74</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC EAFE EQUITY INDEX FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on January 5, 2015 to March 31, 2015

	<b>2015</b>
<b>Income</b>	
Dividend	\$ 8,464
Securities lending	113
Derivative	159
Net realized gain on investments	55,625
Net change in unrealized gain on investments	126,154
<b>Total income</b>	<b>190,515</b>
<b>Expenses</b>	
Transaction costs	892
Other costs	5
<b>Total expenses</b>	<b>897</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 189,618</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC EAFE EQUITY INDEX FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on January 5, 2015 to March 31, 2015

	<b>2015</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>\$ —</b>
Increase in net assets attributable to holders of redeemable units	189,618
Issuance of redeemable units	1,136,056
Amounts paid on redemption of redeemable units	(443,614)
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 882,060</b>

*The accompanying notes are an integral part of these financial statements.*



## NBIMC EAFE EQUITY INDEX FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the period since inception on January 5, 2015 to March 31, 2015

		2015
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$	189,618
Adjustments for:		
Foreign exchange gain on dividends		(62,925)
Net realized gain on sale of investments		(55,625)
Net change in unrealized gain on investments		(126,154)
Purchases of investments		(53,585)
Proceeds from sale and maturity of investments		458,162
Dividends receivable		(3,958)
Receivable for investment sales		(76,720)
Taxes recoverable		(694)
Payable for investment purchases		93
Derivative assets / liabilities		27
Margin at brokers		446
<b>Net cash from operating activities</b>		268,685
<b>Cash flows from (used in) financing activities</b>		
Issuances of redeemable units	\$	1,136,056
Less: non-cash transfer of redeemable units (note 8)		(1,035,554)
Proceeds from issuances of redeemable units		100,502
Amounts paid on redemption of redeemable units		(443,614)
<b>Net cash used in financing activities</b>		(343,112)
Net decrease in cash		(74,427)
Cash, beginning of period		—
<b>Indebtedness, end of period</b>	\$	(74,427)
<i>Supplemental information:</i>		
Dividends received	\$	4,506
<i>The accompanying notes are an integral part of these financial statements.</i>		

**NBIMC EAFE EQUITY INDEX FUND – CLASS N***(formerly NBIMC EAFE EQUITY INDEX FUND)***Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 31,157	\$ 1,317,495
Cash	80	2,284
Dividends receivable	129	5,401
Receivable for investment sales	6	1,265
Taxes recoverable	29	965
Derivative assets <i>(note 5)</i>	1	—
Margin at brokers <i>(note 5)</i>	—	1,205
Total assets	31,402	1,328,615
<b>Liabilities</b>		
Payable for investment purchases	—	1,265
Derivative liabilities <i>(note 5)</i>	1	—
Margin at brokers <i>(note 5)</i>	1	—
Liabilities (excluding net assets attributable to holders of redeemable units)	2	1,265
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 31,400</b>	<b>\$ 1,327,350</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,408.22</b>	<b>\$ 1,236.22</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC EAFE EQUITY INDEX FUND – CLASS N***(formerly NBIMC EAFE EQUITY INDEX FUND)***Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 61	\$ —
Dividend	31,478	41,849
Securities lending	814	1,108
Derivative (loss) income	(623)	2,102
Net realized loss on investments	(543)	(25,584)
Net change in unrealized (loss) gain on investments	(70,545)	302,167
<b>Total (loss) income</b>	<b>(39,358)</b>	<b>321,642</b>
<b>Expenses</b>		
Transaction costs	3,462	3,981
<b>Total expenses</b>	<b>3,462</b>	<b>3,981</b>
<b>(Decrease) increase in net assets attributable to holders of redeemable units</b>	<b>\$ (42,820)</b>	<b>\$ 317,661</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC EAFE EQUITY INDEX FUND – CLASS N***(formerly NBIMC EAFE EQUITY INDEX FUND)***Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 1,327,350</b>	<b>\$ 1,229,693</b>
(Decrease) increase in net assets attributable to holders of redeemable units	(42,820)	317,661
Proceeds from issuance of redeemable units	170,693	56,866
Redemption of redeemable units	(1,423,823)	(276,870)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 31,400</b>	<b>\$ 1,327,350</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC EAFE EQUITY INDEX FUND – CLASS N***(formerly NBIMC EAFE EQUITY INDEX FUND)***Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (42,820)	\$ 317,661
Adjustments for:		
Foreign exchange gain on dividends	(54,130)	(63,064)
Net realized loss on sale of investments	543	25,584
Net change in unrealized loss (gain) on investments	70,545	(302,167)
Purchases of investments	(134,248)	(195,368)
Proceeds from sale and maturity of investments	368,074	438,188
Dividends receivable	5,272	(962)
Receivable for investment sales	1,259	(1,265)
Taxes recoverable	936	1,082
Margin at brokers	1,206	(918)
Payable for investment purchases	(1,265)	1,265
<b>Net cash from operating activities</b>	<b>215,372</b>	<b>220,036</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	170,693	56,866
Redemption of redeemable units	\$ (1,423,823)	
Add: non-cash transfer of units <i>(note 8)</i>	<u>1,035,554</u>	
Amounts paid on redemption of redeemable units	(388,269)	(276,870)
<b>Net cash used in financing activities</b>	<b>(217,576)</b>	<b>(220,004)</b>
Net (decrease) increase in cash	(2,204)	32
Cash, beginning of year	2,284	2,252
<b>Cash, end of year</b>	<b>\$ 80</b>	<b>\$ 2,284</b>

*Supplemental information:*

Interest paid	\$ 61	\$ 4
Dividends received	\$ 36,750	\$ 40,891

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015
<b>Assets</b>	
Investments	\$ 501,805
Cash	3,345
Dividends receivable	1,458
Taxes recoverable	710
Margin at brokers <i>(note 5)</i>	203
Total assets	507,521
<b>Liabilities</b>	
Derivative liabilities <i>(note 5)</i>	12
Liabilities (excluding net assets attributable to holders of redeemable units)	12
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 507,509</b>

**Net assets attributable to holders of redeemable units****per unit** \$ 1,805.54*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on January 5, 2015 to March 31, 2015

	<b>2015</b>
<b>Income</b>	
Dividend	\$ 3,102
Securities lending	15
Derivative	282
Net realized gain on investments	295
Net change in unrealized gain on investments	130,057
<b>Total income</b>	<b>133,751</b>
<b>Expenses</b>	
Transaction costs	240
Other costs	3
<b>Total expenses</b>	<b>243</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 133,508</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on January 5, 2015 to March 31, 2015

	<b>2015</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>\$ —</b>
Increase in net assets attributable to holders of redeemable units	133,508
Issuance of redeemable units	398,732
Amounts paid on redemption of redeemable units	(24,731)
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 507,509</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on January 5, 2015 to March 31, 2015

		<b>2015</b>
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$	133,508
Adjustments for:		
Foreign exchange loss on dividends		253
Net realized gain on sale of investments		(295)
Net change in unrealized gain on investments		(130,057)
Purchases of investments		(735)
Proceeds from sale and maturity of investments		42
Dividends receivable		(1,458)
Taxes recoverable		(710)
Margin at brokers		(203)
Derivative liabilities		12
<b>Net cash from operating activities</b>		<b>357</b>
<b>Cash flows from (used in) financing activities</b>		
Issuance of redeemable units	\$	398,732
Less: non-cash transfer of redeemable units <i>(note 8)</i>	<u>(371,013)</u>	
Proceeds from issuances of redeemable units		27,719
Amounts paid on redemption of redeemable units		(24,731)
<b>Net cash from financing activities</b>		<b>2,988</b>
Net increase in cash		3,345
Cash, beginning of period		—
<b>Cash, end of period</b>	<b>\$</b>	<b>3,345</b>
<i>Supplemental information:</i>		
Dividends received	\$	1,644
<i>The accompanying notes are an integral part of these financial statements.</i>		

**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND – CLASS N***(formerly NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND)***Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 25,448	\$ 337,988
Cash	228	1,365
Dividends receivable	74	1,085
Receivable for investment sales	—	1,092
Taxes recoverable	43	429
Derivative assets <i>(note 5)</i>	—	2
Margin at brokers <i>(note 5)</i>	18	286
Total assets	25,811	342,247
<b>Liabilities</b>		
Payable for investment purchases	—	1,092
Derivative liabilities <i>(note 5)</i>	—	82
Liabilities (excluding net assets attributable to holders of redeemable units)	—	1,174
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 25,811</b>	<b>\$ 341,073</b>

**Net assets attributable to holders of redeemable units  
per unit**

\$ 1,805.30      \$ 1,505.22

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer



**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND – CLASS N**  
*(formerly NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND)*

**Statement of Comprehensive Income**

*(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 9,274	\$ 10,522
Securities lending	187	158
Derivative	(218)	1,163
Net realized gain on investments	13,136	17,742
Net change in unrealized (loss) gain on investments	(66,810)	32,232
<b>Total income (loss)</b>	<b>(44,431)</b>	<b>61,817</b>
<b>Expenses</b>		
Transaction costs	1,035	860
Other costs	8	—
<b>Total expenses</b>	<b>1,043</b>	<b>860</b>
<b>(Decrease) increase in net assets attributable to holders of redeemable units</b>	<b>\$ (45,474)</b>	<b>\$ 60,957</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND – CLASS N**  
*(formerly NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND)*

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

*(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 341,073</b>	<b>\$ 321,018</b>
(Decrease) increase in net assets attributable to holders of redeemable units	(45,474)	60,957
Proceeds from issuance of redeemable units	129,579	11,284
Redemption of redeemable units	(399,367)	(52,186)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 25,811</b>	<b>\$ 341,073</b>

*The accompanying notes are an integral part of these financial statements.*

# NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND – CLASS N

*(formerly NBIMC LOW VOLATILITY INTERNATIONAL EQUITY FUND)*

## Statement of Cash Flows

*(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (45,474)	\$ 60,957
Adjustments for:		
Foreign exchange loss (gain) on dividends	7,755	(5,753)
Net realized gain on sale of investments	(13,136)	(17,742)
Net change in unrealized loss (gain) on investments	66,810	(32,232)
Purchases of investments	(280,085)	(97,770)
Proceeds from sale and maturity of investments	160,183	133,251
Dividends receivable	1,011	59
Receivable for investment sales	1,092	(1,092)
Taxes recoverable	386	(313)
Derivative assets / liabilities	(80)	80
Margin at brokers	268	314
Payable for investment purchases	(1,092)	1,092
<b>Net cash (used in) from operating activities</b>	<b>(102,362)</b>	<b>40,851</b>
<b>Cash flows from (used in) financing activities</b>		
Issuances of redeemable units	129,579	11,284
Redemption of redeemable units	\$ (399,367)	
Add: non-cash transfer of redeemable units <i>(note 8)</i>	<u>371,013</u>	
Amounts paid on redemption of redeemable units	(28,354)	(52,186)
<b>Net cash from (used in) financing activities</b>	<b>101,225</b>	<b>(40,902)</b>
Net decrease in cash	(1,137)	(51)
Cash, beginning of year	1,365	1,416
<b>Cash, end of year</b>	<b>\$ 228</b>	<b>\$ 1,365</b>
<i>Supplemental information:</i>		
Dividends received	\$ 10,285	\$ 10,582

*The accompanying notes are an integral part of these financial statements.*

## NBIMC LOW VOLATILITY EMERGING MARKETS EQUITY FUND

### Statement of Financial Position

(All amounts in thousands of Canadian dollars, except per unit amounts)

As at March 31, 2015

	2015
<b>Assets</b>	
Investments	\$ 211,386
Cash	338
Dividends receivable	155
Margin at brokers (note 5)	2
Total assets	211,881
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 211,881</b>

**Net assets attributable to holders of redeemable units**

**per unit** \$ 960.22

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC LOW VOLATILITY EMERGING MARKETS EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on February 18, 2015 to March 31, 2015

	<b>2015</b>
<b>Income</b>	
Dividend	\$ 336
Derivative	2
Net realized gain on investments	5,032
Net change in unrealized loss on investments	(610)
<b>Total income</b>	<b>4,760</b>
<b>Expenses</b>	
Transaction costs	372
<b>Total expenses</b>	<b>372</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 4,388</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC LOW VOLATILITY EMERGING MARKETS EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on February 18, 2015 to March 31, 2015

	<b>2015</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>\$ —</b>
Increase in net assets attributable to holders of redeemable units	4,388
Proceeds from issuance of redeemable units	207,501
Amounts paid on redemption of redeemable units	(8)
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 211,881</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY EMERGING MARKETS EQUITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the period since inception on February 18, 2015 to March 31, 2015

	<b>2015</b>
<b>Cash flows from (used in) operating activities</b>	
Increase in net assets attributable to holders of redeemable units	\$ 4,388
Adjustments for:	
Foreign exchange loss on dividends	5,012
Net realized gain on sale of investments	(5,032)
Net change in unrealized loss on investments	610
Purchases of investments	(366,612)
Proceeds from sale and maturity of investments	154,636
Dividends receivable	(155)
Margin at brokers	(2)
<b>Net cash used in operating activities</b>	<b>(207,155)</b>
<b>Cash flows from (used in) financing activities</b>	
Proceeds from issuances of redeemable units	207,501
Amounts paid on redemption of redeemable units	(8)
<b>Net cash from financing activities</b>	<b>207,493</b>
Net increase in cash	338
Cash, beginning of period	—
<b>Cash, end of period</b>	<b>\$ 338</b>
<i>Supplemental information:</i>	
Dividends received	\$ 181
<i>The accompanying notes are an integral part of these financial statements.</i>	

**NBIMC U.S. EQUITY INDEX FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 922,796	\$ 1,130,774
Cash	—	4
Dividends receivable	1,202	1,270
Derivative assets <i>(note 5)</i>	217	28
Margin at brokers <i>(note 5)</i>	375	854
Total assets	924,590	1,132,930
<b>Liabilities</b>		
Payable for investment purchases	—	4
Derivative liabilities <i>(note 5)</i>	32	53
Liabilities (excluding net assets attributable to holders of redeemable units)	32	57
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 924,558</b>	<b>\$ 1,132,873</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 2,229.85</b>	<b>\$ 1,724.94</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC U.S. EQUITY INDEX FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 22,048	\$ 22,420
Securities lending	134	103
Derivative	5,666	14,835
Net realized gain on investments	173,328	75,533
Net change in unrealized gain on investments	63,345	202,409
Other	1	8
<b>Total income</b>	<b>264,522</b>	<b>315,308</b>
<b>Expenses</b>		
Transaction costs	61	42
<b>Total expenses</b>	<b>61</b>	<b>42</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 264,461</b>	<b>\$ 315,266</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC U.S. EQUITY INDEX FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 1,132,873</b>	<b>\$ 1,115,617</b>
Increase in net assets attributable to holders of redeemable units	264,461	315,266
Proceeds from issuance of redeemable units	101,705	44,605
Amounts paid on redemption of redeemable units	(574,481)	(342,615)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 924,558</b>	<b>\$ 1,132,873</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC U.S. EQUITY INDEX FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 264,461	\$ 315,266
Adjustments for:		
Foreign exchange (gain) loss on dividends	(2,942)	791
Net realized gain on sale of investments	(173,328)	(75,533)
Net change in unrealized gain on investments	(63,345)	(202,409)
Purchases of investments	(2,585,500)	(2,248,102)
Proceeds from sale and maturity of investments	3,033,093	2,508,962
Dividends receivable	68	66
Receivable for investment sales	—	342
Derivative assets / liabilities	(210)	(931)
Margin at brokers	479	(53)
Payable for investment purchases	(4)	(482)
<b>Net cash from operating activities</b>	<b>472,772</b>	<b>297,917</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	101,705	44,605
Amounts paid on redemption of redeemable units	(574,481)	(342,615)
<b>Net cash used in financing activities</b>	<b>(472,776)</b>	<b>(298,010)</b>
Net decrease in cash	(4)	(93)
Cash, beginning of year	4	97
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ 4</b>
<i>Supplemental information:</i>		
Interest paid	\$ —	\$ 2
Dividends received	\$ 22,116	\$ 22,488

*The accompanying notes are an integral part of these financial statements.*



**NBIMC LOW VOLATILITY U.S. EQUITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2014

	2015	2014
<b>Assets</b>		
Investments	\$ 549,163	\$ 367,928
Dividends receivable	1,129	548
Derivative assets <i>(note 5)</i>	—	3
Margin at brokers <i>(note 5)</i>	22	8
Total assets	550,314	368,487
<b>Liabilities</b>		
Payable for investment purchases	141	79
Derivative liabilities <i>(note 5)</i>	7	7
Liabilities (excluding net assets attributable to holders of redeemable units)	148	86
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 550,166</b>	<b>\$ 368,401</b>

**Net assets attributable to holders of redeemable units**

<b>per unit</b>	\$ 2,148.54	\$ 1,614.46
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*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC LOW VOLATILITY U.S. EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 11,431	\$ 8,470
Securities lending	82	32
Derivative	151	189
Net realized gain on investments	26,738	30,156
Net change in unrealized gain on investments	92,390	40,607
<b>Total income</b>	<b>130,792</b>	<b>79,454</b>
<b>Expenses</b>		
Transaction costs	58	56
<b>Total expenses</b>	<b>58</b>	<b>56</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 130,734</b>	<b>\$ 79,398</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC LOW VOLATILITY U.S. EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 368,401</b>	<b>\$ 319,182</b>
Increase in net assets attributable to holders of redeemable units	130,734	79,398
Proceeds from issuance of redeemable units	124,717	13,110
Amounts paid on redemption of redeemable units	(73,686)	(43,289)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 550,166</b>	<b>\$ 368,401</b>

*The accompanying notes are an integral part of these financial statements.*

**NBIMC LOW VOLATILITY U.S. EQUITY FUND****Statement of Cash Flows***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 130,734	\$ 79,398
Adjustments for:		
Foreign exchange (gain) loss on dividends	(15)	40
Net realized gain on sale of investments	(26,738)	(30,156)
Net change in unrealized gain on investments	(92,390)	(40,607)
Purchases of investments	(550,539)	(356,464)
Proceeds from sale and maturity of investments	488,447	377,533
Dividends receivable	(581)	(41)
Derivative assets / liabilities	3	(17)
Margin at brokers	(14)	340
Payable for investment purchases	62	79
<b>Net cash (used in) from operating activities</b>	<b>(51,031)</b>	<b>30,105</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	124,717	13,110
Amounts paid on redemption of redeemable units	(73,686)	(43,289)
<b>Net cash from (used in) financing activities</b>	<b>51,031</b>	<b>(30,179)</b>
Net increase (decrease) in cash	—	(74)
Cash, beginning of year	—	74
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Dividends received	\$ 10,850	\$ 8,429

*The accompanying notes are an integral part of these financial statements.*

## NBIMC INFLATION LINKED SECURITIES FUND

### Statement of Financial Position

(All amounts in thousands of Canadian dollars, except per unit amounts)

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 739,375	\$ 991,733
Interest receivable	4,074	6,799
Total assets	743,449	998,532
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 743,449</b>	<b>\$ 998,532</b>

#### Net assets attributable to holders of redeemable units

per unit	\$ 3,650.89	\$ 3,194.42
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The accompanying notes are an integral part of these financial statements.

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC INFLATION LINKED SECURITIES FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 18,205	\$ 19,665
Securities lending	100	29
Net realized gain on investments	50,080	283
Net change in unrealized gain (loss) on investments	54,197	(70,891)
<b>Total income</b>	<b>122,582</b>	<b>(50,914)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 122,582</b>	<b>\$ (50,914)</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC INFLATION LINKED SECURITIES FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 998,532</b>	<b>\$ 943,825</b>
Increase (decrease) in net assets attributable to holders of redeemable units	122,582	(50,914)
Proceeds from issuance of redeemable units	97,680	125,500
Amounts paid on redemption of redeemable units	(475,345)	(19,879)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 743,449</b>	<b>\$ 998,532</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC INFLATION LINKED SECURITIES FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 122,582	\$ (50,914)
Adjustments for:		
Net realized exchange loss on currency forwards	1	—
Net realized gain on sale of investments	(50,080)	(283)
Net change in unrealized (gain) loss on investments	(54,197)	70,891
Purchases of investments	(609,601)	(294,684)
Proceeds from sale and maturity of investments	966,235	170,353
Interest receivable	2,725	(984)
<b>Net cash from (used in) operating activities</b>	<b>377,665</b>	<b>(105,621)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	97,680	125,500
Amounts paid on redemption of redeemable units	(475,345)	(19,879)
<b>Net cash (used in) from financing activities</b>	<b>(377,665)</b>	<b>105,621</b>
Net increase in cash	—	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest received	\$ 20,930	\$ 18,681

*The accompanying notes are an integral part of these financial statements.*

**NBIMC CANADIAN REAL ESTATE FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 254,130	\$ 196,134
Cash	13	—
Receivable for investment sales	—	118
Total assets	254,143	196,252
<b>Liabilities</b>		
Indebtedness	—	118
Payable for investment purchases	13	—
Liabilities (excluding net assets attributable to holders of redeemable units)	13	118
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 254,130</b>	<b>\$ 196,134</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 3,588.64</b>	<b>\$ 3,264.93</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC CANADIAN REAL ESTATE FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ —	\$ 147
Dividend	9,354	13,936
Securities lending	—	23
Net realized gain on investments	11,316	7,868
Net change in unrealized gain (loss) on investments	3,105	(4,887)
<b>Total income</b>	<b>23,775</b>	<b>17,087</b>
<b>Expenses</b>		
Transaction costs	—	26
Other	411	97
<b>Total expenses</b>	<b>411</b>	<b>123</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 23,364</b>	<b>\$ 16,964</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CANADIAN REAL ESTATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 196,134</b>	<b>\$ 410,906</b>
Increase in net assets attributable to holders of redeemable units	23,364	16,964
Proceeds from issuance of redeemable units	73,799	28,119
Amounts paid on redemption of redeemable units	(39,167)	(259,855)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 254,130</b>	<b>\$ 196,134</b>

*The accompanying notes are an integral part of these financial statements.*



## NBIMC CANADIAN REAL ESTATE FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 23,364	\$ 16,964
Adjustments for:		
Net realized gain on sale of investments	(11,316)	(7,868)
Net change in unrealized (gain) loss on investments	(3,105)	4,887
Purchases of investments	(142,595)	(67,736)
Proceeds from sale and maturity of investments	99,020	284,532
Interest receivable	—	6
Dividends receivable	—	951
Receivable for investment sales	118	(118)
Payable for investment purchases	13	—
<b>Net cash (used in) from operating activities</b>	<b>(34,501)</b>	<b>231,618</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	73,799	28,119
Amounts paid on redemption of redeemable units	(39,167)	(259,855)
<b>Net cash from (used in) financing activities</b>	<b>34,632</b>	<b>(231,736)</b>
Net increase (decrease) in cash	131	(118)
Indebtedness, beginning of year	(118)	—
<b>Cash (indebtedness), end of year</b>	<b>\$ 13</b>	<b>\$ (118)</b>
<i>Supplemental information:</i>		
Interest received	\$ —	\$ 153
Dividends received	\$ 9,354	\$ 14,887

The accompanying notes are an integral part of these financial statements.

**NBIMC CANADIAN REAL ESTATE INVESTMENT TRUST FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 263,046	\$ 233,562
Cash	16	—
Dividends receivable	1,012	926
Total assets	264,074	234,488
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 264,074</b>	<b>\$ 234,488</b>

**Net assets attributable to holders of redeemable units**

<b>per unit</b>	\$ 1,193.41	\$ 1,058.05
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*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC CANADIAN REAL ESTATE INVESTMENT TRUST FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend income	\$ 13,998	\$ 3,942
Securities lending revenue	1	—
Net realized gain (loss) on investments	52	(926)
Net change in unrealized gain on investments	15,934	312
<b>Total income</b>	<b>29,985</b>	<b>3,328</b>
<b>Expenses</b>		
Transaction costs	21	15
<b>Total expenses</b>	<b>21</b>	<b>15</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 29,964</b>	<b>\$ 3,313</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC CANADIAN REAL ESTATE INVESTMENT TRUST FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 234,488</b>	<b>\$ —</b>
Increase in net assets attributable to holders of redeemable units	29,964	3,313
Proceeds from issuance of redeemable units	7,860	231,888
Amounts paid on redemption of redeemable units	(8,238)	(713)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 264,074</b>	<b>\$ 234,488</b>

*The accompanying notes are an integral part of these financial statements.*

# NBIMC CANADIAN REAL ESTATE INVESTMENT TRUST FUND

## Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 29,964	\$ 3,313
Adjustments for:		
Net realized (gain) loss on sale of investments	(52)	926
Net change in unrealized gain on investments	(15,934)	(312)
Purchases of investments	(52,610)	(240,220)
Proceeds from sale and maturity of investments	39,112	6,044
Dividends receivable	(86)	(926)
<b>Net cash from (used in) operating activities</b>	<b>394</b>	<b>(231,175)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	7,860	231,888
Amounts paid on redemption of redeemable units	(8,238)	(713)
<b>Net cash (used in) from financing activities</b>	<b>(378)</b>	<b>231,175</b>
Net increase in cash	16	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 16</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Dividends received	\$ 13,912	\$ 3,016

*The accompanying notes are an integral part of these financial statements.*

**NBIMC INTERNATIONAL REAL ESTATE FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 352,552	\$ 308,684
Cash	—	105
Dividends receivable	1,012	867
Total assets	353,564	309,656
<b>Liabilities</b>		
Payable for investment purchases	—	555
Liabilities (excluding net assets attributable to holders of redeemable units)	—	555
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 353,564</b>	<b>\$ 309,101</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 6,644.77</b>	<b>\$ 4,658.57</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:

Michael W. Walton  
Chairman of the BoardJohn A. Sinclair  
President and Chief Executive Officer

**NBIMC INTERNATIONAL REAL ESTATE FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 10,590	\$ 9,537
Securities lending	44	19
Net realized gain on investments	31,803	23,605
Net change in unrealized gain on investments	68,471	5,773
Other	—	5
<b>Total income</b>	<b>110,908</b>	<b>38,939</b>
<b>Expenses</b>		
Transaction costs	45	86
<b>Total expenses</b>	<b>45</b>	<b>86</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 110,863</b>	<b>\$ 38,853</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC INTERNATIONAL REAL ESTATE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 309,101</b>	<b>\$ 266,448</b>
Increase in net assets attributable to holders of redeemable units	110,863	38,853
Proceeds from issuance of redeemable units	36,264	55,272
Amounts paid on redemption of redeemable units	(102,664)	(51,472)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 353,564</b>	<b>\$ 309,101</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC INTERNATIONAL REAL ESTATE FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 110,863	\$ 38,853
Adjustments for:		
Foreign exchange loss (gain) on currency forwards	64	(55)
Net realized gain on sale of investments	(31,803)	(23,605)
Net change in unrealized gain on investments	(68,471)	(5,773)
Purchases of investments	(220,624)	(270,533)
Proceeds from sale and maturity of investments	276,966	256,672
Dividends receivable	(145)	(227)
Payable for investment purchases	(555)	555
<b>Net cash from (used in) operating activities</b>	<b>66,295</b>	<b>(4,113)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	36,264	55,272
Amounts paid on redemption of redeemable units	(102,664)	(51,472)
<b>Net cash (used in) from financing activities</b>	<b>(66,400)</b>	<b>3,800</b>
Net decrease in cash	(105)	(313)
Cash, beginning of year	105	418
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ 105</b>

#### Supplemental information:

Dividends received	\$ 10,445	\$ 9,310
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The accompanying notes are an integral part of these financial statements.

**NBIMC INFRASTRUCTURE FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	<b>2015</b>		<b>2014</b>	
<b>Assets</b>				
Investments	\$	105,741	\$	100,274
Cash		1		—
Total assets		105,742		100,274
<b>Liabilities</b>				
Payable for investment purchases		1		—
Derivative liabilities ( <i>note 5</i> )		2,051		2,115
Liabilities (excluding net assets attributable to holders of redeemable units)		2,052		2,115
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>103,690</b>	<b>\$</b>	<b>98,159</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$</b>	<b>1,346.61</b>	<b>\$</b>	<b>1,258.84</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer



**NBIMC INFRASTRUCTURE FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 62	\$ 267
Dividend	3,434	3,147
Derivative loss	(2,051)	(2,115)
Net realized gain (loss) on investments	1,338	(4,572)
Net change in unrealized gain on investments	4,377	7,215
<b>Total income</b>	<b>7,160</b>	<b>3,942</b>
<b>Expenses</b>		
Other	288	418
<b>Total expenses</b>	<b>288</b>	<b>418</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 6,872</b>	<b>\$ 3,524</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC INFRASTRUCTURE FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 98,159</b>	<b>\$ 74,844</b>
Increase in net assets attributable to holders of redeemable units	6,872	3,524
Proceeds from issuance of redeemable units	5,368	24,730
Amounts paid on redemption of redeemable units	(6,709)	(4,939)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 103,690</b>	<b>\$ 98,159</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC INFRASTRUCTURE FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 6,872	\$ 3,524
Adjustments for:		
Foreign exchange loss (gain) on currency forwards	1,338	(4,517)
Net realized (gain) loss on sale of investments	(1,338)	4,572
Net change in unrealized gain on investments	(4,377)	(7,215)
Purchases of investments	(688,383)	(641,424)
Proceeds from sale and maturity of investments	687,293	621,964
Derivative assets	—	341
Payable for investment purchases	1	—
Derivative liabilities	(64)	2,115
<b>Net cash from (used in) operating activities</b>	<b>1,342</b>	<b>(20,640)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	5,368	24,730
Amounts paid on redemption of redeemable units	(6,709)	(4,939)
<b>Net cash (used in) from financing activities</b>	<b>(1,341)</b>	<b>19,791</b>
Net increase (decrease) in cash	1	(849)
Cash, beginning of year	—	849
<b>Cash, end of year</b>	<b>\$ 1</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest received	\$ 62	\$ 267
Dividends received	\$ 3,434	\$ 3,147

The accompanying notes are an integral part of these financial statements.

**NBIMC NORTH AMERICAN MARKET NEUTRAL FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

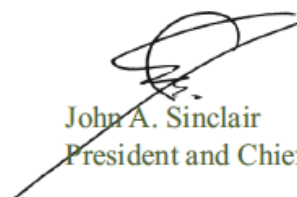
	2015	2014
<b>Assets</b>		
Investments	\$ 469,484	\$ 225,428
Cash	2,437	—
Dividends receivable	373	211
Receivable for investment sales	23,144	868
Derivative assets <i>(note 5)</i>	979	39
Total assets	496,417	226,546
<b>Liabilities</b>		
Payable for investment purchases	31,463	488
Derivative liabilities <i>(note 5)</i>	68	25
Dividends payable	439	294
Liabilities for short equity positions	219,421	65,188
Liabilities (excluding net assets attributable to holders of redeemable units)	251,391	65,995
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 245,026</b>	<b>\$ 160,551</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,259.85</b>	<b>\$ 1,303.36</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC NORTH AMERICAN MARKET NEUTRAL FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend loss	\$ (859)	\$ (427)
Securities lending	19	31
Derivative	910	14
Net realized gain on investments	5,366	11,510
Net change in unrealized loss on investments	(9,586)	(977)
<b>Total (loss) income</b>	<b>(4,150)</b>	<b>10,151</b>
<b>Expenses</b>		
Transaction costs	1,212	735
Other	577	278
<b>Total expenses</b>	<b>1,789</b>	<b>1,013</b>
<b>(Decrease) increase in net assets attributable to holders of redeemable units</b>	<b>\$ (5,939)</b>	<b>\$ 9,138</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC NORTH AMERICAN MARKET NEUTRAL FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 160,551</b>	<b>\$ 145,374</b>
(Decrease) increase in net assets attributable to holders of redeemable units	(5,939)	9,138
Proceeds from issuance of redeemable units	105,053	15,565
Amounts paid on redemption of redeemable units	(14,639)	(9,526)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 245,026</b>	<b>\$ 160,551</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC NORTH AMERICAN MARKET NEUTRAL FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (5,939)	\$ 9,138
Adjustments for:		
Foreign exchange loss on dividends	3,157	731
Net realized gain on sale of investments	(5,366)	(11,510)
Net change in unrealized loss on investments	9,586	977
Purchases of investments	(1,616,491)	(506,981)
Proceeds from sale and maturity of investments	1,519,291	502,124
Dividends receivable	(162)	—
Receivable for investment sales	(22,276)	884
Derivative assets / liabilities	(897)	287
Payable for investment purchases	30,975	(1,604)
Dividends payable	145	3
<b>Net cash used in operating activities</b>	<b>(87,977)</b>	<b>(5,951)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	105,053	15,565
Amounts paid on redemption of redeemable units	(14,639)	(9,526)
<b>Net cash from financing activities</b>	<b>90,414</b>	<b>6,039</b>
Net increase in cash	2,437	88
Cash (indebtedness), beginning of period	—	(88)
<b>Cash, end of period</b>	<b>\$ 2,437</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Dividends paid	\$ 1,021	\$ 427

*The accompanying notes are an integral part of these financial statements.*

**NBIMC QUANTITATIVE STRATEGIES FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 700,143	\$ 357,486
Cash	15,341	—
Interest receivable	47	26
Dividends receivable	297	283
Receivable for investment sales	13,284	29,908
Derivative assets <i>(note 5)</i>	8	214
Margin at brokers	11	—
<b>Total assets</b>	<b>729,131</b>	<b>387,917</b>
<b>Liabilities</b>		
Indebtedness	—	4,676
Payable for investment purchases	27,758	23,967
Derivative liabilities <i>(note 5)</i>	1,003	70
Dividends payable	250	265
Liabilities for short equity positions	205,653	129,635
Liabilities (excluding net assets attributable to holders of redeemable units)	234,664	158,613
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 494,467</b>	<b>\$ 229,304</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 1,327.71</b>	<b>\$ 1,231.22</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC QUANTITATIVE STRATEGIES FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 410	\$ 55
Dividends	1,295	1,592
Securities lending	32	60
Derivative (loss) income	(1,152)	58
Net realized gain on investments	13,832	11,329
Net change in unrealized gain on investments	14,093	3,169
<b>Total income</b>	<b>28,510</b>	<b>16,263</b>
<b>Expenses</b>		
Transaction costs	2,371	1,455
Other	991	707
<b>Total expenses</b>	<b>3,362</b>	<b>2,162</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 25,148</b>	<b>\$ 14,101</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC QUANTITATIVE STRATEGIES FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 229,304</b>	<b>\$ 207,834</b>
Increase in net assets attributable to holders of redeemable units	25,148	14,101
Proceeds from issuance of redeemable units	276,538	23,597
Amounts paid on redemption of redeemable units	(36,523)	(16,228)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 494,467</b>	<b>\$ 229,304</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC QUANTITATIVE STRATEGIES FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 25,148	\$ 14,101
Adjustments for:		
Foreign exchange (gain) loss on dividends	(2,951)	842
Net realized gain on sale of investments	(13,832)	(11,329)
Net change in unrealized gain on investments	(14,093)	(3,169)
Purchases of investments	(2,006,821)	(1,628,113)
Proceeds from sale and maturity of investments	1,771,058	1,622,533
Interest receivable	(21)	(26)
Dividends receivable	(14)	(44)
Receivable for investment sales	16,624	(17,852)
Derivative assets / liabilities	1,139	(287)
Margin at brokers	(11)	—
Payable for investment purchases	3,791	12,379
Dividends payable	(15)	21
<b>Net cash used in operating activities</b>	<b>(219,998)</b>	<b>(10,944)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	276,538	23,597
Amounts paid on redemption of redeemable units	(36,523)	(16,228)
<b>Net cash from financing activities</b>	<b>240,015</b>	<b>7,369</b>
Net increase (decrease) in cash	20,017	(3,575)
Indebtedness, beginning of year	(4,676)	(1,101)
<b>Cash (indebtedness), end of year</b>	<b>\$ 15,341</b>	<b>\$ (4,676)</b>
<i>Supplemental information:</i>		
Interest received	\$ 389	\$ 29
Dividends received	\$ 1,281	\$ 1,550

The accompanying notes are an integral part of these financial statements.



**NBIMC NEW BRUNSWICK AND ATLANTIC CANADA EQUITY OPPORTUNITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 28,392	\$ 29,204
Interest receivable	—	20
Total assets	28,392	29,224
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 28,392</b>	<b>\$ 29,224</b>

**Net assets attributable to holders of redeemable units**

<b>per unit</b>	\$ 4,581.54	\$ 4,682.78
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*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

## NBIMC NEW BRUNSWICK AND ATLANTIC CANADA EQUITY OPPORTUNITY FUND

### Statement of Comprehensive Income

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Interest	\$ 48	\$ 20
Dividend	197	201
Net realized loss on investments	—	(12,067)
Net change in unrealized (loss) gain on investments	(872)	12,031
<b>Total (loss) income</b>	<b>(627)</b>	<b>185</b>
<b>(Decrease) increase in net assets attributable to holders of redeemable units</b>	<b>\$ (627)</b>	<b>\$ 185</b>

The accompanying notes are an integral part of these financial statements.

## NBIMC NEW BRUNSWICK AND ATLANTIC CANADA EQUITY OPPORTUNITY FUND

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 29,224</b>	<b>\$ 29,994</b>
(Decrease) increase in net assets attributable to holders of redeemable units	(627)	185
Proceeds from issuance of redeemable units	1,011	2,503
Amounts paid on redemption of redeemable units	(1,216)	(3,458)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 28,392</b>	<b>\$ 29,224</b>

The accompanying notes are an integral part of these financial statements.

# NBIMC NEW BRUNSWICK AND ATLANTIC CANADA EQUITY OPPORTUNITY FUND

## Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (627)	\$ 185
Adjustments for:		
Foreign exchange loss on dividends	—	1
Net realized loss on sale of investments	—	12,067
Net change in unrealized loss (gain) on investments	872	(12,031)
Purchases of investments	(1,093)	(5,902)
Proceeds from sale and maturity of investments	1,033	4,437
Interest receivable	20	(20)
Receivable for investment sales	—	2,218
<b>Net cash from operating activities</b>	<b>205</b>	<b>955</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	1,011	2,503
Amounts paid on redemption of redeemable units	(1,216)	(3,458)
<b>Net cash used in financing activities</b>	<b>(205)</b>	<b>(955)</b>
Net increase in cash	—	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ —</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest received	\$ 68	\$ —
Dividends received	\$ 197	\$ 200

The accompanying notes are an integral part of these financial statements.

**NBIMC PRIVATE EQUITY FUND****Statement of Financial Position***(All amounts in thousands of Canadian dollars, except per unit amounts)*

As at March 31, 2015

	2015	2014
<b>Assets</b>		
Investments	\$ 466,649	\$ 360,260
Cash	27	—
Dividends receivable	29	—
Total assets	466,705	360,260
<b>Liabilities</b>		
Payable for investment purchases	26	—
Derivative liabilities ( <i>note 5</i> )	1	—
Liabilities (excluding net assets attributable to holders of redeemable units)	27	—
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 466,678</b>	<b>\$ 360,260</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 2,302.84</b>	<b>\$ 1,941.25</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the NBIMC Board as Trustee:



Michael W. Walton  
Chairman of the Board



John A. Sinclair  
President and Chief Executive Officer

**NBIMC PRIVATE EQUITY FUND****Statement of Comprehensive Income***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Income</b>		
Dividend	\$ 11,108	\$ 9,574
Derivative loss	(1)	—
Net realized gain on investments	33,135	25,912
Net change in unrealized gain on investments	35,211	48,807
<b>Total income</b>	<b>79,453</b>	<b>84,293</b>
<b>Expenses</b>		
Other	9,217	6,332
<b>Total expenses</b>	<b>9,217</b>	<b>6,332</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 70,236</b>	<b>\$ 77,961</b>

*The accompanying notes are an integral part of these financial statements.***NBIMC PRIVATE EQUITY FUND****Statement of Changes in Net Assets Attributable to Holders of Redeemable Units***(All amounts in thousands of Canadian dollars, except per unit amounts)*

For the year ended March 31, 2015

	2015	2014
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$ 360,260</b>	<b>\$ 289,762</b>
Increase in net assets attributable to holders of redeemable units	70,236	77,961
Proceeds from issuance of redeemable units	104,108	51,094
Amounts paid on redemption of redeemable units	(67,926)	(58,557)
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 466,678</b>	<b>\$ 360,260</b>

*The accompanying notes are an integral part of these financial statements.*

## NBIMC PRIVATE EQUITY FUND

### Statement of Cash Flows

(All amounts in thousands of Canadian dollars, except per unit amounts)

For the year ended March 31, 2015

	2015	2014
<b>Cash flows from (used in) operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 70,236	\$ 77,961
Adjustments for:		
Foreign exchange loss (gain) on dividends	33	(43)
Net realized gain on sale of investments	(33,135)	(25,912)
Net change in unrealized gain on investments	(35,211)	(48,807)
Purchases of investments	(437,356)	(279,084)
Proceeds from sale and maturity of investments	399,280	283,348
Dividends receivable	(29)	—
Payable for investment purchases	26	—
Derivative liabilities	1	—
<b>Net cash (used in) from operating activities</b>	<b>(36,155)</b>	<b>7,463</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuances of redeemable units	104,108	51,094
Amounts paid on redemption of redeemable units	(67,926)	(58,557)
<b>Net cash from (used in) financing activities</b>	<b>36,182</b>	<b>(7,463)</b>
Net increase in cash	27	—
Cash, beginning of year	—	—
<b>Cash, end of year</b>	<b>\$ 27</b>	<b>\$ —</b>
<i>Supplemental information:</i>		
Interest paid	\$ 3	\$ 3
Dividends received	\$ 11,079	\$ 9,577

The accompanying notes are an integral part of these financial statements.

## **NBIMC UNIT TRUST FUNDS**

### **Notes to Financial Statements**

For the year ended March 31, 2015

*(All amounts in thousands of Canadian dollars, except per unit amounts)*

The NBIMC Unit Trust Funds are established pursuant to a Trust Declaration made by the New Brunswick Investment Management Corporation (“NBIMC”) on April 1, 1998 and subsequently amended from time to time. Each unit trust fund is an open-ended, unincorporated trust, governed by the laws of the Province of New Brunswick. The Unit Trust Funds are collectively referred to as the “Funds” in these financial statements.

The Funds’ units are not traded in a public market and the Funds do not file their financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market.

NBIMC was established pursuant to the *New Brunswick Investment Management Corporation Act* (the Act), which was proclaimed on March 11, 1996, and is trustee for the Funds. The Funds were established for the collective investment management and administration of the assets of public sector pension and other funds. NBIMC is the investment manager for certain pension and other fund clients. Under the authority of the Act, NBIMC recovers its expenses directly from its clients.

Following is a description of the active Funds at March 31, 2015:

#### *NBIMC Nominal Bond Fund*

This fund invests primarily in investment grade bonds (a minimum of triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The performance objective is to add 20 basis points to its benchmark, the FTSE TMX Canada All Government Bond Index, over a four-year moving average.

#### *NBIMC Corporate Bond Fund*

The fund invests primarily in investment grade corporate bonds (a minimum of triple-B rated by a major rating agency) paying a nominal rate of interest. The performance objective is to add 20 basis points to its benchmark, the FTSE TMX Canada All Corporate Bond Index, over a four-year moving average.

#### *NBIMC Canadian Long-Term Bond Fund*

The fund invests primarily in investment grade Canadian long-term government and corporate bonds (a minimum of triple-B rated by a major rating agency) paying a nominal rate of interest. The performance objective is to add 20 basis points to its benchmark, the FTSE TMX Canada Long Term Overall Bond Index, over a four-year moving average.

#### *NBIMC New Brunswick Fixed Income Opportunity Fund*

This fund invests primarily in fixed income issued to finance economic activity in New Brunswick. The performance objective is to add 20 basis points to its benchmark, the FTSE TMX Canada All Government Bond Index, over a four-year moving average.

*NBIMC Money Market Fund*

This fund invests primarily in fixed income securities having a maturity of less than one year. The performance objective is to add 20 basis points to its benchmark. The benchmark is calculated as 93% of the FTSE TMX Canada 91-Day Treasury Bill Index and 7% of the Call Loan Rate.

*NBIMC Student Investment Fund*

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program and seeks to add 50 basis points to its benchmark over a rolling four year period. The initial capital of \$1 million, funded in 1998, has been invested using the same general investment policies and guidelines as are used by NBIMC. The overall benchmark for this fund is composed of 50% S&P/TSX Total Return Composite Index, 45% FTSE TMX Canada All Government Bond Index, 4.65% FTSE TMX Canada 91-Day Treasury Bill Index and 0.35% Call Loan Rate. The activities of this fund are closely monitored by NBIMC staff who execute and process all transactions on behalf of the students.

*NBIMC Canadian Equity Index Fund*

This fund invests in physical securities and derivative strategies to gain exposure to various segments of the S&P/TSX Composite Total Return Index. Leverage on derivative products is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments. The performance objective is to match the return of the S&P/TSX Total Return Composite Index over four year rolling periods.

*NBIMC Low Volatility Canadian Equity Fund*

This fund actively invests in securities to gain exposure to the MSCI Canada Minimum Volatility (CAD) Total Return Index. Prior to October 1, 2014, this fund's benchmark was the S&P/TSX Composite Total Return Index. The objective is to achieve a long-term rate of return equivalent to this index over four year rolling periods.

*NBIMC External Canadian Equity Fund*

This fund is managed by external managers and invests in publicly traded Canadian equities. The performance objective is to add 150 basis points to its benchmark, the S&P/TSX Total Return Composite Index, over a four-year moving average.

*NBIMC S&P/TSX Completion Index Fund*

Managed by an external manager, this fund invested primarily in the companies of the S&P/TSX Completion Index. The performance objective was to exceed the performance of its benchmark, the S&P/TSX Completion Total Return Index, by 150 basis points (after fees). Effective November 28, 2014, the assets of this fund were sold at fair value to the NBIMC Canadian Equity Index Fund and this fund was terminated.

*NBIMC Canadian Equity Active Long Strategy Fund*

This fund seeks to add value through prudent selection of individual securities and sector allocations through over and under weighting of the index. The performance objective is to add 150 basis points to its benchmark, the S&P/TSX Total Return Composite Index.

*NBIMC External International Equity Fund*

This fund is managed by external managers and invests in publicly traded equities in markets in Europe, Australasia and the Far East. The performance objective is to exceed the performance of the benchmark, which is a weighting of the respective country or regional indices (CAD\$), by 150 basis points over a four-year moving average.



*NBIMC EAFE Equity Index Fund*

This fund was created on January 5, 2015 to invest in publicly-traded securities in the MSCI EAFE (Developed Markets) Index (CAD\$). The objective is to achieve a rate of return equivalent to the MSCI EAFE (Developed Markets) Net Dividends. This fund is restricted to pension fund unitholders only.

*NBIMC EAFE Equity Index Fund – Class N*

This fund, previously named the NBIMC EAFE Equity Index Fund, invests in publicly-traded securities in the MSCI EAFE (Developed Markets) Index (CAD\$). The objective is to achieve a rate of return equivalent to the MSCI EAFE (Developed Markets) Net Dividends. This fund is restricted to non-pension fund unitholders only.

*NBIMC Low Volatility International Equity Fund*

This fund was created on January 5, 2015 to actively invest in securities in the MSCI EAFE Minimum Volatility (USD) Total Return Index (CAD\$). The objective is to achieve a long-term rate of return equivalent to this index. This fund is restricted to pension fund unitholders only.

*NBIMC Low Volatility International Equity Fund – Class N*

This fund, previously named the NBIMC Low Volatility International Equity Fund, actively invests in securities in the MSCI EAFE Minimum Volatility (USD) Total Return Index (CAD\$). Prior to October 1, 2014, this fund's benchmark was the MSCI EAFE (Developed Markets) Index (CAD\$). The objective is to achieve a long-term rate of return equivalent to this index. This fund is restricted to non-pension fund unitholders only.

*NBIMC Low Volatility Emerging Markets Equity Fund*

This fund was created in on February 18, 2015 to actively invest in securities in the MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index (CAD\$). The objective is to achieve a long-term rate of return equivalent to this index.

*NBIMC U.S. Equity Index Fund*

This fund passively invests in physical securities and derivatives to gain exposure to the S&P 500 Index. Leverage on derivative products is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments. The performance objective is to match the return of the S&P 500 Total Return Index (CAD\$).

*NBIMC Low Volatility U.S. Equity Fund*

This fund actively invests in securities to gain exposure to the MSCI USA Minimum Volatility (USD) Total Return Index (CAD\$). Prior to October 1, 2014, this fund's benchmark was the S&P 500 Total Return Index (CAD\$). The objective is to achieve a long-term rate of return equivalent to this index.

*NBIMC Inflation Linked Securities Fund*

This fund invests primarily in fixed income instruments that are adjusted for inflation of G-7 countries. The performance objective is to add 10 basis points to its benchmark, the FTSE TMX Canada Real Return Bond Index, over a four-year moving average.

*NBIMC Canadian Real Estate Fund*

This fund invests in private Canadian real estate investments, directly through a wholly owned subsidiary, NBIMC Realty Corp., or indirectly through limited partnerships or similar investment vehicles. The benchmark is inflation, as measured by the percentage change in the twelve-month CPI-Canada All Items Index, plus 4%.

*NBIMC Canadian Real Estate Investment Trust Fund*

This fund invests in publicly traded Canadian real estate investment trust (REIT) securities. The performance objective is to match the return of the S&P/TSX Capped REIT Index.

*NBIMC International Real Estate Fund*

This fund is managed by an external manager that invests primarily in publicly traded securities of international REITs. The performance objective is to add 150 basis points to the countries' blended REIT Equity Indices (CAD\$), net of fees, over the long-term.

*NBIMC Infrastructure Fund*

This fund was created to provide additional investment diversification through direct investment in infrastructure through co-investment structures. The benchmark is inflation, as measured by the percentage change in the twelve-month CPI-Canada All Items Index, plus 4%.

*NBIMC North American Market Neutral Fund*

This fund focuses on adding value through security selection within its universe of the S&P/TSX Composite Index as well as certain publicly traded US-listed stocks. Favored securities are purchased and offset by a corresponding short position in another security within the same sector. The portfolio is supported by a cash underlay and its performance objective is to add 350 basis points annually over a four-year moving average basis to its benchmark. The benchmark is calculated as 93% of the FTSE TMX Canada 91-Day Treasury Bill Index and 7% of the Call Loan Rate.

*NBIMC Quantitative Strategies Fund*

This fund seeks to add value by investing in either long or short positions where announced mergers or dual class share structures present arbitrage potential. Short positions are supported by cash underlay. The objective is to add 350 basis points over its benchmark. The benchmark is calculated as 93% of the FTSE TMX Canada 91-Day Treasury Bill Index and 7% of the Call Loan Rate.

*NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund*

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The performance objective is to achieve a 4% real rate of return over a long-term investment horizon.

*NBIMC Private Equity Fund*

This fund is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The performance objective is to exceed the performance of its benchmark, a blend of the respective countries' total return indices (CAD\$).

## 1. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Board of Directors of NBIMC on June 8, 2015.

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss ("FVTPL"), which are measured at fair value.

Certain comparative information has been reclassified from that previously presented to conform to the financial statement presentation adopted in the current year.

## 2. Significant Accounting Policies

### (a) Changes in Accounting Policies

#### *IAS 32 Financial Instruments: Presentation (IAS 32)*

Amendments to IAS 32 clarify the existing requirements for offsetting financial assets and financial liabilities. The standard provides clarifications on the legal right to offset transactions, and when transactions settled through a gross settlement system would meet the simultaneous settlement criteria. We retrospectively adopted the amendments on April 1, 2014, which required some reclassification of items on the Statement of Financial Position. The adoption of these amendments did not have a material impact on these financial statements.

### (b) Future Changes in Accounting Policies

The following new standard to published standards that are mandatory for future accounting periods, but where early adoption is permitted now, has not been duly adopted:

#### *IFRS 9 (effective not earlier than 2018) - Financial instruments*

Management is in the process of assessing this standard.

### (c) Financial instruments

#### (i) Recognition and initial measurement

Financial assets and financial liabilities at FVTPL are recognized and derecognized, as applicable, in the statement of financial position on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at FVTPL are initially measured at fair value, with transaction costs recognized in profit or loss.

#### (ii) Classification

The investments of each Fund are held for trading under a business model that seeks to achieve a sufficient long-term rate of return to enable the unitholders to meet their long-term obligations in a risk-controlled fashion. NBIMC measures and evaluates the performance of the Funds on a fair value basis. The Funds designate all debt and equity investments at FVTPL on initial recognition because NBIMC manages these securities on a fair value basis in accordance with each Fund's Statement of Investment Policies. All derivatives are classified as held for trading.

Financial assets at FVTPL include debt and equity securities and derivative assets. Financial liabilities at FVTPL include securities sold short and derivative liabilities.

## 2. Significant Accounting Policies *(continued)*

Other financial assets and financial liabilities are classified as measured at amortized cost which approximates fair value due to their short settlement period. Financial assets at amortized cost include cash, interest receivable, dividends receivable, receivable for investment sales, taxes recoverable and margin at brokers. Financial liabilities at amortized cost include indebtedness, payable for investment purchases and dividends payable.

### (iii) Fair value measurement

Investments, including derivatives, are valued at their fair value as of the date of the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Funds have access at that date.

The fair value of financial assets and financial liabilities traded in active markets (such as exchange-traded derivatives and debt and equity securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded market price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

If there is no quoted price in an active market, then the Funds use valuation techniques that maximize the use of the relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Funds recognize transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

### (iv) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which it is measured at initial recognition, minus any reduction for impairment.

### (v) Impairment

At each reporting date, the Funds assess whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Funds recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

### (vi) Derecognition

The Funds derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or are transferred in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

**2. Significant Accounting Policies (continued)**

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Funds is recognized as a separate asset or liability.

The Funds derecognize a financial liability when its contractual obligations are discharged or cancelled or expire.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Funds have the legal right to offset the amounts and intend to either settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(viii) Specific instruments

Cash comprises deposits with banks and custodians that have not been invested in other financial instruments as of the reporting date.

(d) *Interest*

Interest income and expense, including interest income from non-derivative financial assets at FVTPL, are recognized in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument to the carrying amount of the financial instrument. When calculating the effective interest rate, the Funds estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable, and interest paid or payable, are recognized in profit or loss as interest income and interest expense respectively.

(e) *Dividend income*

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which shareholders approve the payment of a dividend. Dividend income is recognized in profit or loss as a separate line item.

(f) *Net changes in unrealized and realized gains and losses on financial instruments at FVTPL*

Net changes in the gains and losses from financial instruments at FVTPL include all realized and unrealized fair value changes and foreign exchange differences, but exclude interest and dividend income.

Net gains and losses from financial instruments at FVTPL are calculated using the average cost method.

## 2. Significant Accounting Policies *(continued)*

### *(g) Foreign currency translation*

The purchases and redemptions of units in each Fund are denominated in Canadian dollars (CAD) which is also the Funds' functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Realized exchange gains and losses are included in net realized gains and losses on investments. Unrealized exchange gains and losses are included in net change in unrealized gains and losses on investments.

### *(h) Use of estimates and judgments*

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

#### *(i) Fair value measurement of derivatives and securities not quoted in an active market*

Certain of the Funds hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel or management, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Certain of the Funds hold private investments, such as non-traded pooled or closed funds, limited partnership interests, private placement bonds or equity investments. Private investment fund valuations are initially provided by the external fund managers, usually on a three month lagging basis. Such valuations are then adjusted to reflect cash contributions and cash distributions between the valuation date and the reporting date, including marking to market any publicly-traded securities held by the underlying private investment.

Refer to note 3 for further information about the fair value measurement of the Funds' financial instruments.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

## 2. Significant Accounting Policies (*continued*)

### (ii) Investment entity exemption from consolidation

Each of the Funds has been established for the purpose of earning returns from investment income and capital appreciation on behalf of one or more related party public sector investors. The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis. Accordingly, management has determined that the Funds meet the definition for Investment Entities under the criteria set out in IFRS 10, *Consolidated Financial Statements*. Instead of consolidating the results of subsidiaries, investment entities measure the investment in subsidiaries at FVTPL.

### (i) *Income taxes*

The Trust Declaration under which the Funds are created requires the annual distribution of net income and net realized capital gains of each Fund for each year such that no taxable income will remain in the respective Fund. Such distributions are reinvested in units of the Fund on behalf of the unitholders. Accordingly, no provision for income taxes is recorded by the Funds.

However, some dividend and interest income received by certain of the Funds is subject to withholding taxes imposed in certain countries of origin. Income that is subject to such tax is recognized gross of the taxes and the corresponding withholding tax is recognized as a transaction cost in the Statement of Comprehensive Income. Canada has entered into double taxation agreements with certain countries. The Funds may be eligible to recover taxes withheld in those countries, in which case recoverable taxes are recognized on the Statement of Financial Position.

### (j) *Issue and redemption of redeemable units*

Units of the Funds, which are redeemable at the option of the holder, are issued in accordance with the provisions of the Trust Declaration. Unit issues and redemptions are recorded on a trade date basis. The total number of units available for issue is unlimited.

Participation in each Fund is expressed in terms of units, each unit giving its holder a proportionate share in the net assets of the respective Fund portfolio. The initial value of a unit trust portfolio is \$1 (one thousand dollars). For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets attributable to the holders of the redeemable units by the total number of units outstanding. The proportion of units issued or redeemed by each unitholder on a particular valuation date depends on changes to the unit holder's desired asset allocation.

## 3. Fair value of financial instruments

The Funds classify fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value hierarchy levels are:

**Level 1** - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

### 3. Fair value of financial instruments (*continued*)

**Level 2** – Inputs (other than quoted prices included within Level 1) that are observable for the instrument, either directly or indirectly. These inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the instrument. These are inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

**Level 3** – Inputs that are unobservable that are used to measure fair value when observable inputs are not available. Unobservable inputs reflect subjective assumptions that market participants may use in pricing the investment.

Investments that are classified as Level 1 include publicly traded fixed income securities, publicly traded equity securities, real estate investment trusts (REITs) and exchange-traded funds and futures.

Investments that are classified as Level 2 include short-term securities, non-publicly traded fixed income and equity securities, non-publicly-traded pooled fund investments, and derivatives traded over-the-counter.

Certain of the Funds hold units of the NBIMC Money Market Fund as a proxy for cash. The underlying investments of the NBIMC Money Market Fund include investments that have been measured using Level 1 and Level 2 inputs. Accordingly, the classification of units in the NBIMC Money Market Fund has been determined based on the lowest level input that is significant to the entire assessment, which is Level 2.

Investments that are classified as Level 3 include private equity, real estate and infrastructure investments, as well as some private fixed income instruments.

Financial assets and financial liabilities that are measured at amortized cost and the Funds' obligations for net assets attributable to holders of redeemable units approximates their fair values due to their short-term nature.



### 3. Fair value of financial instruments (continued)

The levels of input for valuation of the Funds' financial instruments at FVTPL as at March 31, 2015 are as follows:

	March 31, 2015 \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>Fixed Income Funds:</b>				
NBIMC Nominal Bond Fund	2,100,888	1,686,328	414,560	—
NBIMC Corporate Bond Fund	1,705,714	1,515,925	189,789	—
NBIMC Canadian Long-Term Bond Fund	159,456	154,942	4,514	—
NBIMC New Brunswick Fixed Income Opportunity Fund	15,455	—	—	15,455
NBIMC Money Market Fund	1,103,518	54,124	1,049,394	—
NBIMC Student Investment Fund	3,320	3,121	199	—
<b>Equity Funds:</b>				
NBIMC Canadian Equity Index Fund	1,229,409	336,068	893,341	—
NBIMC Low Volatility Canadian Equity Fund	482,153	469,532	12,621	—
NBIMC External Canadian Equity Fund	334,193	163,350	170,843	—
NBIMC Canadian Equity Active Long Strategy Fund	232,696	145,927	86,769	—
NBIMC External International Equity Fund	260,681	—	260,681	—
NBIMC EAFE Equity Index Fund	875,654	837,107	38,547	—
NBIMC EAFE Equity Index Fund – Class N	31,157	31,156	1	—
NBIMC Low Volatility International Equity Fund	501,793	499,994	1,799	—
NBIMC Low Volatility International Equity Fund – Class N	25,448	25,437	11	—
NBIMC Low Volatility Emerging Markets Equity Fund	211,386	211,689	(303)	—
NBIMC U.S. Equity Index Fund	922,981	958,233	(35,252)	—
NBIMC Low Volatility U.S. Equity Fund	549,156	547,911	1,245	—
<b>Inflation Linked Funds:</b>				
NBIMC Inflation Linked Securities Fund	739,375	—	739,375	—
NBIMC Canadian Real Estate Fund	254,130	—	—	254,130
NBIMC Canadian Real Estate Investment Trust Fund	263,046	263,021	25	—
NBIMC International Real Estate Fund	352,552	349,396	3,156	—
NBIMC Infrastructure Fund	103,690	—	(2,051)	105,741
<b>Alternative Investments Funds:</b>				
NBIMC North American Market Neutral Fund	250,974	8,413	242,561	—
NBIMC Quantitative Strategies Fund	493,495	78,817	414,678	—
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	28,392	—	—	28,392
NBIMC Private Equity Fund	466,648	—	(1)	466,649

### 3. Fair value of financial instruments (continued)

The levels of input for valuation of the Funds' financial instruments at FVTPL as at March 31, 2014 are as follows:

	March 31, 2014 \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>Fixed Income Funds:</b>				
NBIMC Nominal Bond Fund	1,820,003	1,537,115	282,888	—
NBIMC Corporate Bond Fund	820,221	815,879	4,342	—
NBIMC Canadian Long-Term Bond Fund	134,385	130,161	4,224	—
NBIMC New Brunswick Fixed Income Opportunity Fund	15,453	—	—	15,453
NBIMC Money Market Fund	742,664	—	742,664	—
NBIMC Student Investment Fund	3,028	2,881	147	—
<b>Equity Funds:</b>				
NBIMC Canadian Equity Index Fund	1,140,491	154,814	985,677	—
NBIMC Low Volatility Canadian Equity Fund	238,200	234,597	3,603	—
NBIMC External Canadian Equity Fund	447,770	211,135	236,635	—
NBIMC S&P/TSX Completion Index Fund	219,147	216,014	3,133	—
NBIMC Canadian Equity Active Long Strategy Fund	253,350	129,613	123,737	—
NBIMC External International Equity Fund	276,412	—	276,412	—
NBIMC EAFE Equity Index Fund – Class N	1,317,495	1,289,809	27,686	—
NBIMC Low Volatility International Equity Fund – Class N	337,908	333,059	4,849	—
NBIMC U.S. Equity Index Fund	1,130,749	1,089,372	41,377	—
NBIMC Low Volatility U.S. Equity Fund	367,924	367,564	360	—
<b>Inflation Linked Funds:</b>				
NBIMC Inflation Linked Securities Fund	991,733	14,265	977,468	—
NBIMC Canadian Real Estate Fund	196,134	—	—	196,134
NBIMC Canadian Real Estate Investment Trust Fund	233,562	233,562	—	—
NBIMC International Real Estate Fund	308,684	306,460	2,224	—
NBIMC Infrastructure Fund	98,159	—	(2,115)	100,274
<b>Alternative Investments Funds:</b>				
NBIMC North American Market Neutral Fund	160,254	821	159,433	—
NBIMC Quantitative Strategies Fund	227,995	42,158	185,837	—
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	29,204	—	—	29,204
NBIMC Private Equity Fund	360,260	—	—	360,260

All fair value measurements above are recurring.

### 3. Fair value of financial instruments (*continued*)

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques may include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of using valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

For Level 2 investments, fair value is determined as follows:

- (i) For unlisted securities or securities traded “over-the-counter”, fair value is based on a quotation service from a recognized dealer. Residual bonds are valued using a quoted market price for a similarly-termed government bond and adjusted for changes in credit risk spreads based on dealer feedback.
- (ii) For externally-managed fund investments, fair value is based on the net asset value as reported by the external managers of the funds. External managers use quoted market prices in calculating the applicable net asset values.
- (iii) Derivatives are measured at their fair value with changes in fair value recognized in the Statement of Comprehensive Income for the year. Total return equity swaps are valued based on quoted market index rates. Forward foreign exchange contracts are valued based on quoted exchange rates. Interest rate and cross currency swaps are valued using quoted market information from Bloomberg.

Level 3 private investments may consist of direct and indirect equity and debt investments, such as non-traded pooled or closed funds, limited partnership interests, private placement bonds or equity. Determining fair value for these types of investments is a subjective process.

There were no transfers between Level 2 and Level 3 in either the current or comparative year.

The most significant input to the valuation of Level 3 indirect investments is the most recently reported fair value provided by the General Partner or Investment Manager. When the reporting date of such investments does not coincide with the Funds’ reporting date, the investments are adjusted as a result of cash flows to/from the investee between the most recently available fair value reported and the end of the reporting period of the Funds. The valuation may also be adjusted for further information gathered by NBIMC management during their ongoing investment monitoring process. The monitoring process includes, but is not limited to, binding bid offers, non-public information on developments of portfolio companies held by the indirect investments, and syndicated transactions which involve such companies. If the investment includes any holdings of publicly traded portfolio companies, the value is also adjusted to reflect any mark to market adjustment between the most recently available fair value reported and the end of the reporting period of the Funds.

### 3. Fair value of financial instruments (*continued*)

Certain Level 3 investments are direct investments in debt and/or equity securities of a private company. In these cases, management uses evidence of fair value where available, such as comparison to subsequent issues of the same or similar securities by the investee, and credible offers received from arm's length parties. If such specific evidence is not available, management will use a generally accepted industry valuation technique that use unobservable inputs such as earnings multiples, discount rates, capitalization rates, price to earnings ratios, price to book ratios or comparable transactions. Given the significant uncertainty associated with these inputs, a valuation range will be determined that seeks to identify plausible values and the final valuation for reporting purposes will be determined within that range.

NBIMC uses an internal Valuation Committee, which includes the members of the senior leadership team, Finance Team and Private Markets Team, to regularly assess, monitor and annually approve the valuations of Level 2 and Level 3 investments held by the Funds. The Private Markets Team will attend regular investee meetings and may also serve in an appointed position on either the Board of Directors or the Investment Advisory Committee of the investee.

The NBIMC New Brunswick Fixed Income Opportunity Fund holds Level 3 fixed income investments. These investments are valued using a spread over a risk free bond that consists of two parts: (i) a spread representing the provincial credit quality; and (ii) a further spread representing an illiquidity premium. At March 31, 2015, the provincial credit quality spread was estimated to be 100 basis points ("bps") (2014 - 100 bps) and the illiquidity premium was estimated to be 45 bps (2014 - 45 bps). A 10 bps change in valuation would increase or decrease the March 31, 2015 value by \$87 (2014 - \$87).

The NBIMC Canadian Real Estate Fund holds investments in Canadian real properties, indirectly through wholly owned holding companies invested in limited partnership structures as well as directly through a non-consolidated, wholly-owned subsidiary. Each investment structure prepares annual financial statements for the underlying real properties that are independently audited by a reputable public accounting firm. All real properties have been subjected to valuations by qualified independent property appraisers using market-based assumptions in accordance with recognized valuation techniques. These valuation techniques used include the direct comparison approach, the capitalized net operating income method and the discounted cash flow method and include estimating, among other things, future stabilized net operating income, capitalization rates, reversionary capitalization rates, discount rates and other future cash flows applicable to the properties. At March 31, 2015, an increase or decrease of 25 bps change in the capitalization rate used by the independent property appraisers would have a decrease or increase on the valuation of this Fund's investments in the amount of \$18,288 or \$20,625 respectively (2014 - \$14,179 or \$15,087 respectively).

The NBIMC Infrastructure Fund invests indirectly through co-investments in certain underlying infrastructure assets. Infrastructure assets are independently valued by certified business valuers using generally accepted industry valuation methods. Valuations are reported to the investors by the Managing Partner. These infrastructure assets are domiciled in various countries, including Bermuda, Great Britain and Australia. This Fund also holds Level 2 forward foreign exchange contracts (*see also note 5*). The independent valuations received for each of the Fund's investments suggest an aggregate range of values of \$103,344 to \$112,233 as at March 31, 2015 (2014 - \$96,852 to \$105,032). It is reasonably possible that the valuations used by the Fund may require material adjustment to the carrying amount of its investments. The maximum exposure to loss in this Fund is the carrying value of its investments.

### 3. Fair value of financial instruments (*continued*)

The NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund consists of highly illiquid equity investments in private companies that demonstrate a diversified product offering and customer base with significant financial commitment from the company's management team. The initial due diligence conducted before an investment decision is made will include reviewing the financial history of the company, interviews with key management and possibly with customers and suppliers, touring the facilities used by the operation, and assessing the overall competitive position. The NBIMC Senior Portfolio Manager will remain deeply involved after the initial investment by attending Board meetings, continuously reviewing performance against business plan objectives, monitoring changes in competitive positioning and updating possible exit strategies. Investments are usually structured as co-investments, and follow on financing may be required. Accordingly, the valuation process will typically look first to any recent financings for indicative values. Discounted cash flow projections, comparable trading multiples and other highly subjective valuation techniques may be used. At March 31, 2015, an increase or decrease of \$1 in the comparable per share value for these investments would increase or decrease the carrying value of this Fund's investments by approximately \$750 (2014 - \$750). It is reasonably possible that the valuations used by the Fund may require material adjustment to the carrying amount of its investments. The maximum exposure to loss in this Fund is the carrying value of its investments.

The NBIMC Private Equity Fund invests in units of limited partnerships managed by well-known, experienced general partners. The limited partnerships seek exposure to globally diversified private opportunities, focused on either a buyout or secondary financing investment objective. These investments may also take the form of a "fund of fund" structure. The General Partner of each limited partnership is responsible for the valuation of the underlying investees and may use any or all of the valuation techniques previously mentioned. NBIMC relies on the valuation processes used by the General Partner and on the audited financial statements prepared for the limited partnership. There is usually a three-month delay between receipt of the limited partnership financial reporting and the reporting date of the Fund. Accordingly, NBIMC will adjust the valuation reported in the limited partnership financial statements by any capital calls or distributions received in the intervening period. NBIMC will also update any underlying publicly-traded holdings using current quoted market values. Excluding the publicly-traded holdings, a 1% increase or decrease in the per unit net asset values reported by the limited partnerships would increase or decrease the carrying value of investments in this Fund at March 31, 2015 by \$4,449 (2014 - \$3,367). It is reasonably possible that the valuations used by the Fund may require material adjustment to the carrying value of its investments. The maximum exposure to loss in this Fund is the fair value of its investments plus uncalled commitments (*see note 9*).

### 3. Fair value of financial instruments (continued)

A reconciliation of the changes during the year for those investments that are measured at fair value using Level 3 input is as follows:

Year ended March 31, 2015	Fair Value, beginning of year \$	Gains (losses) in profit or loss \$	Purchases \$	Settlements \$	Transfers out of Level 3 \$	Fair Value, end of year \$
NBIMC New Brunswick Fixed Income Opportunity Fund	15,453	582	—	(580)	—	15,455
NBIMC Canadian Real Estate Fund	196,134	14,070	109,041	(65,115)	—	254,130
NBIMC Infrastructure Fund	100,274	4,376	1,091	—	—	105,741
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	29,204	(872)	533	(473)	—	28,392
NBIMC Private Equity Fund	360,260	66,685	124,587	(84,883)	—	466,649

Year ended March 31, 2014	Fair Value, beginning of year \$	Gains (losses) in profit or loss \$	Purchases \$	Settlements \$	Transfers out of Level 3 \$	Fair Value, end of year \$
NBIMC New Brunswick Fixed Income Opportunity Fund	16,714	(751)	—	(510)	—	15,453
NBIMC Canadian Real Estate Fund	197,723	14,813	29,102	(45,504)	—	196,134
NBIMC Infrastructure Fund	73,654	8,003	19,473	(856)	—	100,274
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	27,776	(37)	1,465	—	—	29,204
NBIMC Private Equity Fund	289,762	73,994	57,852	(61,348)	—	360,260

Total realized and unrealized gains and losses included in earnings for Level 3 investments are each presented in the Statement of Comprehensive Income. The values presented above exclude foreign currency hedging activities that may be transacted in instruments categorized within other fair value hierarchy levels.

### 4. Financial Instrument Risk Management

Financial instruments are exposed to risks such as market, credit and liquidity risk. Under its terms of reference, the Board of Directors has overall responsibility for understanding the principal risks facing the Funds and the systems that management has put in place to mitigate and manage those risks. Accordingly, the Board of Directors is responsible for the establishment of Statements of Investment Policies for each of the Funds, which set out the benchmark to be used for performance measurement, the investment objective (value added), investment philosophy, investment universe permitted and portfolio structure including portfolio constraints for risk management.

Day-to-day investment activities and monitoring of risk control are delegated to management, which acts in accordance with the Statements of Investment Policies. Management produces quarterly reporting of investment performance, policy compliance, trends and changes in investment risks for the Board. In addition, the Chief Investment Officer has established additional investment risk management measures in an Investment Procedures Manual.

#### 4. Financial Instrument Risk Management (continued)

An Investment Risk Management Committee, consisting of a cross-functional team of investment, finance and administrative staff, review all proposed and modified investment strategies before implementation to ensure procedures are designed to measure and monitor expected risk exposures.

Following implementation, the Compliance, Risk and Performance Measurement department provides independent regular oversight of all securities trading practices against management's approved investment procedures.

As part of the risk management function, and supplemental to the Statements of Investment Policies, NBIMC also uses a statistical modeling technique known as Value at Risk (VaR) to estimate the probability of loss on investment portfolios. Using return, volatility, and correlation figures, VaR models attempt to aggregate the risks involved in separate investments into one cohesive measure. This aggregation involves certain simplifying assumptions, most notably with respect to the shape of the return distribution for the assets being modeled, which can limit the ability of a VaR system to forecast risk in all market environments. Despite these modeling challenges, well constructed VaR systems provide a valuable way to aggregate separate investment risks into one cohesive measure, and therefore monitor and analyze these risks over time.

(a) **Market Risk:** Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. In addition to exposure to foreign currency risk, interest rate risk and pricing risk as discussed below, the Funds are exposed to other market risks.

The Funds' strategy for the management of market risk is driven by each Fund's investment objective (for a description of the investment strategy, benchmark and value add target, see the introduction to the notes to the financial statements).

The Funds conduct certain of their investment activities by trading through broker channels on regulated exchanges and in the over-the-counter market. Investment strategies may involve the use of financial derivatives such as forward foreign exchange contracts or total return swaps to assist with risk management. The Statements of Investment Policies for each Fund preclude the use of leverage in the investment portfolio. Accordingly, to the extent that there is market exposure from derivative investments, the Funds will hold cash underlay equal to the amount of market exposure.

The NBIMC North American Market Neutral Fund and NBIMC Quantitative Strategies Fund use "market neutral" strategies whereby an investment in a long position in one stock is matched with a short position in another stock, typically within the same industry sector. Market neutral strategies mitigate market risk through adherence to maximum investment limits and stop-loss constraints, and short positions are also supported by cash underlay.

Brokers typically require that collateral be pledged against potential market fluctuations when trading in derivative financial instruments or when shorting security positions. The Funds that trade in these securities and/or strategies borrow eligible collateral from certain other Funds, each a related party, on an interest-free basis pursuant to an inter-fund borrowing agreement. As at March 31, the fair value of securities that have been deposited or pledged with various financial institutions as collateral or margin were as follows:

<b>Borrowed From</b>	<b>2015</b>	<b>2014</b>
NBIMC Nominal Bond Fund	\$ 31,790	\$ —
NBIMC Money Market Fund	—	5,320
NBIMC Inflation Linked Securities Fund	363,979	183,933

#### 4. Financial Instrument Risk Management (continued)

Pledged By	2015	2014
NBIMC Canadian Equity Index Fund	\$ 3,288	\$ 1,061
NBIMC Low Volatility Canadian Equity Fund	1,219	64
NBIMC Canadian Equity Active Long Strategy Fund	—	2
NBIMC EAFE Equity Index Fund	291	—
NBIMC EAFE Equity Index Fund – Class N	4	3,391
NBIMC Low Volatility International Equity Fund	2,085	—
NBIMC Low Volatility International Equity Fund – Class N	182	804
NBIMC Low Volatility Emerging Markets Fund	23	—
NBIMC U.S. Equity Index Fund	3,680	3,630
NBIMC Low Volatility U.S. Equity Fund	218	32
NBIMC North American Market Neutral Fund	190,369	57,477
NBIMC Quantitative Strategies Fund	194,410	122,792

#### (b) Foreign Currency Risk:

Certain of the Funds invest in assets denominated in currencies other than the Canadian dollar. Foreign currency risk is the risk that the fair value of a financial instrument denominated in a foreign currency will fluctuate due to changes in applicable foreign exchange rates. Foreign exchange forward contracts may be used to mitigate portfolio currency exposure.

The net unhedged currency exposures, expressed in Canadian dollar equivalents at March 31 are as follows:

#### NBIMC Nominal Bond Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	2,231,127	113,104	2,118,023	99.97	1,837,917	—	1,837,917	100.00
U.S. Dollar	(112,363)	(113,104)	741	0.03	—	—	—	—
Total	2,118,764	—	2,118,764	100.00	1,837,917	—	1,837,917	100.00

#### NBIMC Student Investment Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	3,325	—	3,325	99.49	3,045	—	3,045	99.74
U.S. Dollar	17	—	17	0.51	8	—	8	0.26
Total	3,342	—	3,342	100.00	3,053	—	3,053	100.00



#### 4. Financial Instrument Risk Management (continued)

##### NBIMC Canadian Equity Index Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	1,231,675	—	1,231,675	99.94	1,143,583	—	1,143,583	100.00
U.S. Dollar	705	—	705	0.06	—	—	—	—
Total	1,232,380	—	1,232,380	100.00	1,143,583	—	1,143,583	100.00

##### NBIMC S&P/TSX Completion Index Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	—	—	—	—	218,732	—	218,732	99.56
U.S. Dollar	—	—	—	—	956	—	956	0.44
Total	—	—	—	—	219,688	—	219,688	100.00

##### NBIMC External International Equity Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	—	—	—	—	—	—	—	—
U.S. Dollar	260,681	—	260,681	100.00	276,412	—	276,412	100.00
Total	260,681	—	260,681	100.00	276,412	—	276,412	100.00

##### NBIMC EAFE Equity Index Fund

Currency	2015 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	40,521	39,690	831	0.09
U.S. Dollar	78,249	38,826	39,423	4.47
Euro	233,363	(24,416)	257,779	29.23
Pound Sterling	150,610	(15,417)	166,027	18.82
Danish Kroner	12,751	(1,329)	14,080	1.60
Japanese Yen	170,962	(16,938)	187,900	21.30
Norwegian Kroner	4,825	(503)	5,328	0.60
Swedish Kroner	23,576	(2,408)	25,984	2.95
Swiss Frank	70,621	(7,178)	77,799	8.82
Australian Dollar	56,405	(5,687)	62,092	7.04
Hong Kong Dollar	23,605	(2,812)	26,417	3.00
Singapore Dollar	11,011	(1,101)	12,112	1.37
Other	5,561	(727)	6,288	0.71
Total	882,060	—	882,060	100.00

#### 4. Financial Instrument Risk Management (*continued*)

##### NBIMC EAFE Equity Index Fund – Class N

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	(27)	—	(27)	(0.09)	27,687	—	27,687	2.09
U.S. Dollar	21	—	21	0.07	958	—	958	0.07
Euro	9,619	—	9,619	30.63	409,764	—	409,764	30.89
Pound Sterling	6,219	—	6,219	19.81	275,271	—	275,271	20.74
Danish Kroner	526	—	526	1.67	17,635	—	17,635	1.33
Japanese Yen	6,984	—	6,984	22.27	256,771	—	256,771	19.34
Norwegian Kroner	199	—	199	0.63	10,605	—	10,605	0.80
Swedish Kroner	967	—	967	3.08	42,518	—	42,518	3.20
Swiss Frank	2,903	—	2,903	9.24	120,442	—	120,442	9.07
Australian Dollar	2,315	—	2,315	7.37	103,305	—	103,305	7.78
Hong Kong Dollar	987	—	987	3.14	35,470	—	35,470	2.67
Singapore Dollar	451	—	451	1.44	18,249	—	18,249	1.37
Other	236	—	236	0.74	8,675	—	8,675	0.65
Total	31,400	—	31,400	100.00	1,327,350	—	1,327,350	100.00

##### NBIMC Low Volatility International Equity Fund

Currency	2015 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	(1,609)	(1,704)	95	0.02
U.S. Dollar	3,683	1,704	1,979	0.39
Euro	99,329	—	99,329	19.57
Pound Sterling	104,479	—	104,479	20.59
Danish Kroner	2,707	—	2,707	0.53
Japanese Yen	134,274	—	134,274	26.46
Norwegian Kroner	5,301	—	5,301	1.04
Swedish Kroner	7,702	—	7,702	1.52
Swiss Frank	47,269	—	47,269	9.31
Australian Dollar	46,257	—	46,257	9.11
Hong Kong Dollar	28,936	—	28,936	5.70
Singapore Dollar	14,031	—	14,031	2.77
Other	15,150	—	15,150	2.99
Total	507,509	—	507,509	100.00

#### 4. Financial Instrument Risk Management (continued)

##### NBIMC Low Volatility International Equity Fund – Class N

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	11	—	11	0.05	(3,977)	(4,413)	436	0.13
U.S. Dollar	20	—	20	0.08	9,135	4,413	4,722	1.38
Euro	5,107	—	5,107	19.78	79,814	—	79,814	23.40
Pound Sterling	5,358	—	5,358	20.76	84,296	—	84,296	24.71
Danish Kroner	137	—	137	0.53	2,781	—	2,781	0.82
Japanese Yen	6,879	—	6,879	26.65	71,707	—	71,707	21.02
Norwegian Kroner	268	—	268	1.04	4,152	—	4,152	1.22
Swedish Kroner	391	—	391	1.51	6,705	—	6,705	1.97
Swiss Frank	2,376	—	2,376	9.20	31,195	—	31,195	9.15
Australian Dollar	2,328	—	2,328	9.02	29,078	—	29,078	8.53
Hong Kong Dollar	1,469	—	1,469	5.69	13,801	—	13,801	4.05
Singapore Dollar	704	—	704	2.72	7,818	—	7,818	2.29
Other	763	—	763	2.97	4,568	—	4,568	1.33
Total	25,811	—	25,811	100.00	341,073	—	341,073	100.00

##### NBIMC Low Volatility Emerging Markets Equity Fund

Currency	2015 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	(303)	—	(303)	(0.14)
U.S. Dollar	11,718	—	11,718	5.53
Hong Kong Dollar	52,579	—	52,579	24.81
Uae Dirham	1,448	—	1,448	0.68
Brazilian Reals	10,925	—	10,925	5.16
Chilean Pesos	8,899	—	8,899	4.20
Indonesian Rupiahs	5,496	—	5,496	2.59
Philippine Pesos	8,319	—	8,319	3.93
Polish Zlotys	8,865	—	8,865	4.18
Qatari Rials	2,255	—	2,255	1.06
Thailand Baht	10,271	—	10,271	4.85
New Taiwan Dollars	30,989	—	30,989	14.63
S.A. Unitary Rand	22,454	—	22,454	10.60
South Korean Won	20,524	—	20,524	9.69
Malaysian Ringgit	10,347	—	10,347	4.88
Mexican Pesos	5,170	—	5,170	2.44
Other	1,925	—	1,925	0.91
Total	211,881	—	211,881	100.00

#### 4. Financial Instrument Risk Management (continued)

##### NBIMC U.S. Equity Index Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	37,569	36,411	1,158	0.13	40,823	(279)	41,102	3.63
U.S. Dollar	886,989	(36,411)	923,400	99.87	1,092,050	279	1,091,771	96.37
Total	924,558	—	924,558	100.00	1,132,873	—	1,132,873	100.00

##### NBIMC Low Volatility U.S. Equity Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	(629)	(937)	308	0.06	244	(59)	303	0.08
U.S. Dollar	550,795	937	549,858	99.94	368,157	59	368,098	99.92
Total	550,166	—	550,166	100.00	368,401	—	368,401	100.00

##### NBIMC International Real Estate Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	3,156	—	3,156	0.89	2,326	—	2,326	0.75
U.S. Dollar	350,408	—	350,408	99.11	306,775	—	306,775	99.25
Total	353,564	—	353,564	100.00	309,101	—	309,101	100.00

##### NBIMC Infrastructure Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	137,027	44,533	92,494	89.20	131,741	43,427	88,314	89.97
Pound Sterling	(45,092)	(44,533)	(559)	(0.54)	(43,706)	(43,427)	(279)	(0.28)
Australian Dollar	11,755	—	11,755	11.34	10,124	—	10,124	10.31
Total	103,690	—	103,690	100.00	98,159	—	98,159	100.00

##### NBIMC North American Market Neutral Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	226,990	(18,342)	245,332	100.12	158,872	(1,317)	160,189	99.77
U.S. Dollar	18,036	18,342	(306)	(0.12)	1,679	1,317	362	0.23
Total	245,026	—	245,026	100.00	160,551	—	160,551	100.00

#### 4. Financial Instrument Risk Management (continued)

##### NBIMC Quantitative Strategies Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	520,862	26,806	494,056	99.92	227,255	(2,475)	229,730	100.19
U.S. Dollar	(26,395)	(26,806)	411	0.08	2,049	2,475	(426)	(0.19)
Total	494,467	—	494,467	100.00	229,304	—	229,304	100.00

##### NBIMC Private Equity Fund

Currency	2015 Fair Value by Currency				2014 Fair Value by Currency			
	Total Exposure \$	Hedging \$	Net Exposure \$	Total %	Total Exposure \$	Hedging \$	Net Exposure \$	Total %
Canadian Dollar	49,861	(130)	49,991	10.71	27,290	(141)	27,431	7.61
U.S. Dollar	203,215	2	203,213	43.54	143,908	—	143,908	39.95
Euro	176,139	128	176,011	37.72	166,110	141	165,969	46.07
Pound Sterling	37,463	—	37,463	8.03	22,952	—	22,952	6.37
Total	466,678	—	466,678	100.00	360,260	—	360,260	100.00

A 1% increase or decrease in the value of the Canadian dollar against all currencies would result in an approximate decrease or increase in the value of the Funds' net investment assets at March 31 as follows:

	2015 \$	2014 \$
NBIMC Nominal Bond Fund	7	—
NBIMC Canadian Equity Index Fund	7	—
NBIMC S&P/TSX Completion Fund	—	10
NBIMC External International Equity Fund	2,607	2,764
NBIMC EAFE Equity Index Fund	8,812	—
NBIMC EAFE Equity Index Fund – Class N	314	12,997
NBIMC Low Volatility International Equity Fund	5,074	—
NBIMC Low Volatility International Equity Fund – Class N	258	3,406
NBIMC Low Volatility Emerging Markets Equity Fund	2,122	—
NBIMC U.S. Equity Index Fund	9,234	10,918
NBIMC Low Volatility U.S. Equity Fund	5,499	3,681
NBIMC International Real Estate Fund	3,504	3,068
NBIMC Infrastructure Fund	112	98
NBIMC North American Market Neutral Fund	(3)	4
NBIMC Quantitative Strategies Fund	4	4
NBIMC Private Equity Fund	4,167	3,328

#### (c) Interest Rate Risk:

Interest rate risk refers to the effect on the fair value of investments due to fluctuation of market interest rates. Funds invested in fixed income securities or in derivative securities that have interest-bearing short-term securities as underlay to prevent leverage are exposed to interest rate risk.

#### 4. Financial Instrument Risk Management (continued)

NBIMC has established guidelines on duration and yield curve distribution, which are designed to mitigate the risk of interest rate volatility. Duration is the present value, expressed in years, of the yield, coupon, final maturity and call features of fixed income instruments.

The duration of financial instruments in each of these Funds, and the sensitivity to an increase or decrease of 0.25% in interest rates, at March 31 are as follows:

	2015		
	Financial Instruments Fair Value	Duration	Sensitivity to 0.25% change in rates
	\$	(years)	\$
NBIMC Nominal Bond Fund	1,931,206	8.9	41,635
NBIMC Corporate Bond Fund	1,578,678	6.8	25,989
NBIMC Canadian Long-Term Bond Fund	154,943	15.1	5,624
NBIMC New Brunswick Fixed Income Opportunity Fund	15,455	5.2	180
NBIMC Money Market Fund	1,103,518	0.3	941
NBIMC Student Investment Fund	1,421	8.1	28
NBIMC Canadian Equity Index Fund	952,630	2.9	6,853
NBIMC Canadian Equity Active Long Strategy Fund	84,793	2.5	517
NBIMC Inflation Linked Securities Fund	734,722	16.6	29,569
NBIMC Quantitative Strategies Fund	4,933	5.0	59
NBIMC Private Equity Fund	2,976	10.1	70

	2014		
	Financial Instruments Fair Value	Duration	Sensitivity to 0.25% change in rates
	\$	(years)	\$
NBIMC Nominal Bond Fund	1,761,172	7.7	32,991
NBIMC Corporate Bond Fund	815,879	6.1	11,975
NBIMC Canadian Long-Term Bond Fund	130,160	14.4	4,496
NBIMC New Brunswick Fixed Income Opportunity Fund	15,453	5.6	190
NBIMC Money Market Fund	742,664	0.4	783
NBIMC Student Investment Fund	1,290	7.3	23
NBIMC Canadian Equity Index Fund	929,944	1.6	3,709
NBIMC Canadian Equity Active Long Strategy Fund	118,693	2.4	701
NBIMC Inflation Linked Securities Fund	979,922	15.9	37,686

#### 4. Financial Instrument Risk Management (continued)

The remaining term to maturity of the aggregate financial instruments in each of these Funds at March 31 are as follows:

	2015				Total \$	Average Effective Yield %
	Within 1 Year \$	1-5 Years \$	6-10 Years \$	Over 10Years \$		
NBIMC Nominal Bond Fund	83,794	563,594	468,455	815,363	1,931,206	3.45
NBIMC Corporate Bond Fund	2,906	752,896	533,195	289,681	1,578,678	3.02
NBIMC Canadian Long-Term Bond Fund	—	—	885	154,058	154,943	3.70
NBIMC New Brunswick Fixed Income Opportunity Fund	—	—	—	15,455	15,455	5.62
NBIMC Money Market Fund	941,838	161,680	—	—	1,103,518	1.13
NBIMC Student Investment Fund	—	507	369	545	1,421	4.20
NBIMC Canadian Equity Index Fund	451,920	500,710	—	—	952,630	0.47
NBIMC Canadian Equity Active Long Strategy Fund	25,636	59,157	—	—	84,793	0.63
NBIMC Inflation Linked Securities Fund	—	—	139,157	595,565	734,722	1.69
NBIMC Quantitative Strategies Fund	—	—	4,933	—	4,933	6.07
NBIMC Private Equity Fund	—	—	2,976	—	2,976	10.50

	2014				Total \$	Average Effective Yield %
	Within 1 Year \$	1-5 Years \$	6-10 Years \$	Over 10Years \$		
NBIMC Nominal Bond Fund	23,182	592,982	472,515	672,493	1,761,172	3.82
NBIMC Corporate Bond Fund	15,671	397,127	281,872	121,209	815,879	3.32
NBIMC Canadian Long-Term Bond Fund	—	—	—	130,160	130,160	4.08
NBIMC New Brunswick Fixed Income Opportunity Fund	—	—	—	15,453	15,453	5.82
NBIMC Money Market Fund	669,539	73,125	—	—	742,664	1.32
NBIMC Student Investment Fund	—	492	403	395	1,290	4.39
NBIMC Canadian Equity Index Fund	754,584	175,360	—	—	929,944	0.55
NBIMC Canadian Equity Active Long Strategy Fund	33,626	85,067	—	—	118,693	0.64
NBIMC Inflation Linked Securities Fund	—	—	174,572	805,350	979,922	2.12

#### (d) Credit Risk:

The Funds are exposed to credit-related risk in the event a derivative or debt security counterparty defaults or becomes insolvent.

NBIMC has established investment criteria designed to manage credit risk by establishing limits by issuer type and credit rating for fixed income and derivative credit exposure. NBIMC does not consider cash or receivables for investment sales settled through a central clearinghouse to have credit risk. Management monitors these exposures monthly. Such derivative and short and long-term debt securities are restricted to those having investment grade ratings, as provided by a third party rating agency. Investment grade ratings are BBB and above for longer term debt securities and R-1 for short-term debt. Any credit downgrade below investment grade is subject to review by NBIMC's Board of Directors.

#### 4. Financial Instrument Risk Management (continued)

The maximum credit exposure for each of the Funds as at March 31, 2015 is as follows:

	Financial Instruments at FVTPL \$	Financial Instruments at Amortized Cost \$	2015 Total \$
NBIMC Nominal Bond Fund	1,931,204	17,876	1,949,080
NBIMC Corporate Bond Fund	1,578,678	10,806	1,589,484
NBIMC Canadian Long-Term Bond Fund	154,943	1,068	156,011
NBIMC New Brunswick Fixed Income Opportunity Fund	15,455	71	15,526
NBIMC Money Market Fund	1,103,519	1,906	1,105,425
NBIMC Student Investment Fund	1,421	22	1,443
NBIMC Canadian Equity Index Fund	975,732	2,971	978,703
NBIMC Low Volatility Canadian Equity Fund	—	1,594	1,594
NBIMC External Canadian Equity Fund	—	229	229
NBIMC Canadian Equity Active Long Strategy Fund	85,169	494	85,663
NBIMC EAFE Equity Index Fund	135	4,652	4,787
NBIMC EAFE Equity Index Fund – Class N	1	158	159
NBIMC Low Volatility International Equity Fund	—	2,371	2,371
NBIMC Low Volatility International Equity Fund – Class N	—	135	135
NBIMC Low Volatility Emerging Markets Equity Fund	—	157	157
NBIMC U.S. Equity Index Fund	217	1,577	1,794
NBIMC Low Volatility U.S. Equity Fund	—	1,151	1,151
NBIMC Inflation Linked Securities Fund	734,722	4,074	738,796
NBIMC Canadian Real Estate Fund	11,281	—	11,281
NBIMC Canadian Real Estate Investment Trust Fund	—	1,012	1,012
NBIMC International Real Estate Fund	—	1,012	1,012
NBIMC Infrastructure Fund	10,777	—	10,777
NBIMC North American Market Neutral Fund	979	373	1,352
NBIMC Quantitative Strategies Fund	4,941	355	5,296
NBIMC Private Equity Fund	2,976	29	3,005



#### 4. Financial Instrument Risk Management (continued)

The maximum credit exposure for each of the Funds as at March 31, 2014 is as follows:

	Financial Instruments at FVTPL \$	Financial Instruments at Amortized Cost \$	2014 Total \$
NBIMC Nominal Bond Fund	1,761,172	17,913	1,779,085
NBIMC Corporate Bond Fund	815,879	6,564	822,443
NBIMC Canadian Long-Term Bond Fund	130,161	958	131,119
NBIMC New Brunswick Fixed Income Opportunity Fund	15,453	74	15,527
NBIMC Money Market Fund	742,665	1,269	743,934
NBIMC Student Investment Fund	1,290	21	1,311
NBIMC Canadian Equity Index Fund	974,062	3,093	977,155
NBIMC Low Volatility Canadian Equity Fund	—	857	857
NBIMC External Canadian Equity Fund	—	330	330
NBIMC S&P/TSX Completion Index Fund	—	542	542
NBIMC Canadian Equity Active Long Strategy Fund	123,122	632	123,754
NBIMC EAFE Equity Index Fund – Class N	—	7,571	7,571
NBIMC Low Volatility International Equity Fund – Class N	—	1,800	1,800
NBIMC U.S. Equity Index Fund	28	2,124	2,152
NBIMC Low Volatility U.S. Equity Fund	3	556	559
NBIMC Inflation Linked Securities Fund	979,922	6,799	986,721
NBIMC Canadian Real Estate Investment Trust Fund	—	926	926
NBIMC International Real Estate Fund	—	867	867
NBIMC Infrastructure Fund	10,123	—	10,123
NBIMC North American Market Neutral Fund	39	211	250
NBIMC Quantitative Strategies Fund	3,263	309	3,572
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	500	20	520

#### 4. Financial Instrument Risk Management (continued)

The quality of the maximum credit exposure as at March 31, 2015 is as follows:

	2015					
	AAA	AA	A	BBB	R-1	Other
	\$	\$	\$	\$	\$	\$
NBIMC Nominal Bond Fund	826,580	540,364	549,654	14,606	17,876	—
NBIMC Corporate Bond Fund	53,369	402,484	680,535	431,344	17,456	4,296
NBIMC Canadian Long-Term Bond Fund	40,467	17,345	74,631	22,500	1,068	—
NBIMC New Brunswick Fixed Income Opportunity Fund	—	—	15,455	—	71	—
NBIMC Money Market Fund	—	215,863	63,030	—	826,532	—
NBIMC Student Investment Fund	902	118	401	—	22	—
NBIMC Canadian Equity Index Fund	—	709,626	35,025	—	234,533	—
NBIMC Low Volatility Canadian Equity Fund	—	—	—	—	1,594	—
NBIMC External Canadian Equity Fund	—	—	—	—	229	—
NBIMC S&P/TSX Completion Index Fund	—	—	—	—	—	—
NBIMC Canadian Equity Active Long Strategy Fund	—	54,147	5,010	—	26,506	—
NBIMC EAFE Equity Index Fund	—	—	—	—	4,787	—
NBIMC EAFE Equity Index Fund – Class N	—	—	—	—	159	—
NBIMC Low Volatility International Equity Fund	—	—	—	—	2,371	—
NBIMC Low Volatility International Equity Fund – Class N	—	—	—	—	135	—
NBIMC Low Volatility Emerging Markets Equity Fund	—	—	—	—	157	—
NBIMC U.S. Equity Index Fund	—	—	—	—	1,794	—
NBIMC Low Volatility U.S. Equity Fund	—	—	—	—	1,151	—
NBIMC Inflation Linked Securities Fund	585,770	63,685	85,267	—	4,074	—
NBIMC Canadian Real Estate Fund	—	—	—	—	—	11,281
NBIMC Canadian Real Estate Investment Trust Fund	—	—	—	—	1,012	—
NBIMC International Real Estate Fund	—	—	—	—	1,012	—
NBIMC Infrastructure Fund	—	—	—	—	—	10,777
NBIMC North American Market Neutral Fund	—	—	—	—	1,352	—
NBIMC Quantitative Strategies Fund	—	—	—	—	363	4,933
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	—	—	—	—	29	2,976

#### 4. Financial Instrument Risk Management (continued)

The quality of the maximum credit exposure as at March 31, 2014 is as follows:

	2014					
	AAA	AA	A	BBB	R-1	Other
	\$	\$	\$	\$	\$	\$
NBIMC Nominal Bond Fund	840,544	439,215	477,721	3,692	17,913	—
NBIMC Corporate Bond Fund	15,246	213,864	358,722	221,432	13,179	—
NBIMC Canadian Long-Term Bond Fund	67,523	10,070	52,568	—	958	—
NBIMC New Brunswick Fixed Income Opportunity Fund	—	—	15,453	—	74	—
NBIMC Money Market Fund	—	235,329	10,017	—	498,588	—
NBIMC Student Investment Fund	822	111	357	—	21	—
NBIMC Canadian Equity Index Fund	—	566,222	190,370	—	220,563	—
NBIMC Low Volatility Canadian Equity Fund	—	—	—	—	857	—
NBIMC External Canadian Equity Fund	—	—	—	—	330	—
NBIMC S&P/TSX Completion Index Fund	—	—	—	—	542	—
NBIMC Canadian Equity Active Long Strategy Fund	—	94,097	—	—	29,657	—
NBIMC EAFE Equity Index Fund – Class N	—	—	—	—	7,571	—
NBIMC Low Volatility International Equity Fund – Class N	—	—	—	—	1,800	—
NBIMC U.S. Equity Index Fund	—	—	—	—	2,152	—
NBIMC Low Volatility U.S. Equity Fund	—	—	—	—	559	—
NBIMC Inflation Linked Securities Fund	782,976	80,884	116,062	—	6,799	—
NBIMC Canadian Real Estate Investment Trust Fund	—	—	—	—	926	—
NBIMC International Real Estate Fund	—	—	—	—	867	—
NBIMC Infrastructure Fund	—	—	—	—	—	10,123
NBIMC North American Market Neutral Fund	—	—	—	—	250	—
NBIMC Quantitative Strategies Fund	—	—	2,915	—	657	—
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	—	—	—	—	20	500

As at March 31, 2015, the highest concentration of credit risk is with Government of Canada bonds.

(e) Other Pricing Risk: Other pricing risk is the risk that the fair value or future cash flows of an equity investment will fluctuate because of changes in market prices (other than those arising from foreign currency or interest rate risk as discussed above). Pricing risk can affect specific investments or broad market indices. The Funds moderate this risk through the use of various investment strategies within the parameters of the Funds' investment policies and procedures.

#### 4. Financial Instrument Risk Management (continued)

Management's estimate of the effect on net assets due to a reasonable possible change in equity indices, with all other variables held constant, is shown in the tables below. The estimate is calculated based on the percentage of the Funds' total net assets that are invested in financial instruments constituting the primary index. In practice, the actual results may differ from the sensitivity analysis below and the differences can be material.

As at March 31, 2015

Fund	Market Indices	Change in Market Prices %	Effect on Net Assets \$
NBIMC Student Investment Fund	50% S&P/TSX 60 Total Return Index, 45% FTSE TMX Canada All Government Bond Index and 5% of the combined FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	178
NBIMC Canadian Equity Index Fund	S&P/TSX Total Return Composite Index	+/- 10	122,897
NBIMC Low Volatility Canadian Equity Fund	MSCI Canada Minimum Volatility (\$CAD) Total Return Index	+/- 10	48,372
NBIMC External Canadian Equity Fund	S&P/TSX Total Return Composite Index	+/- 10	32,771
NBIMC S&P/TSX Completion Index Fund	S&P/TSX Completion Total Return Index	+/- 10	—
NBIMC Canadian Equity Active Long Strategy Fund	S&P/TSX Total Return Composite Index	+/- 10	23,266
NBIMC External International Equity Fund	Applicable country index, weighted according to percentage of total assets committed, \$CAD	+/- 10	26,068
NBIMC EAFE Equity Index Fund	MSCI EAFE (Developed Markets) Net Dividends, \$CAD	+/- 10	88,142
NBIMC EAFE Equity Index Fund – Class N	MSCI EAFE (Developed Markets) Net Dividends, \$CAD	+/- 10	3,127
NBIMC Low Volatility International Equity Fund	MSCI EAFE Minimum Volatility (USD) Net Dividends, \$CAD	+/- 10	50,683
NBIMC Low Volatility International Equity Fund – Class N	MSCI EAFE Minimum Volatility (USD) Net Dividends, \$CAD	+/- 10	2,567
NBIMC Low Volatility Emerging Markets Equity Fund	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index \$CAD	+/- 10	21,181
NBIMC U.S. Equity Index Fund	S&P 500 Total Return Index \$CAD	+/- 10	92,399
NBIMC Low Volatility U.S. Equity Fund	MSCI USA Minimum Volatility (USD) Total Return Index \$CAD	+/- 10	55,013
NBIMC Canadian Real Estate Investment Trust Fund	S&P/TSX Capped REIT Index	+/- 10	26,302
NBIMC International Real Estate Fund	Applicable country index, weighted according to percentage of total assets committed, \$CAD	+/- 10	34,940
NBIMC North American Market Neutral Fund	FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	841
NBIMC Quantitative Strategies Fund	FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	8,193

#### 4. Financial Instrument Risk Management (continued)

As at March 31, 2014

Fund	Market Indices	Change in Market Prices %	Effect on Net Assets \$
NBIMC Student Investment Fund	50% S&P/TSX 60 Total Return Index, 45% FTSE TMX Canada All Government Bond Index and 5% of the combined FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	170
NBIMC Canadian Equity Index Fund	S&P/TSX Total Return Composite Index	+/- 10	114,139
NBIMC Low Volatility Canadian Equity Fund	S&P/TSX Total Return Composite Index	+/- 10	23,901
NBIMC External Canadian Equity Fund	S&P/TSX Total Return Composite Index	+/- 10	43,854
NBIMC S&P/TSX Completion Index Fund	S&P/TSX Completion Total Return Index	+/- 10	21,629
NBIMC Canadian Equity Active Long Strategy Fund	S&P/TSX Total Return Composite Index	+/- 10	25,273
NBIMC External International Equity Fund	Applicable country index, weighted according to percentage of total assets committed, \$CAD	+/- 10	27,641
NBIMC EAFE Equity Index Fund – Class N	MSCI EAFE (Developed Markets) Net Dividends, \$CAD	+/- 10	132,630
NBIMC Low Volatility International Equity Fund – Class N	MSCI EAFE (Developed Markets) Net Dividends, \$CAD	+/- 10	34,059
NBIMC U.S. Equity Index Fund	S&P 500 Total Return Index \$CAD	+/- 10	113,214
NBIMC Low Volatility U.S. Equity Fund	S&P 500 Total Return Index \$CAD	+/- 10	36,839
NBIMC Canadian Real Estate Investment Trust Fund	S&P/TSX Capped REIT Index	+/- 10	23,356
NBIMC International Real Estate Fund	Applicable country index, weighted according to percentage of total assets committed, \$CAD	+/- 10	30,646
NBIMC North American Market Neutral Fund	FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	82
NBIMC Quantitative Strategies Fund	FTSE TMX Canada 91-Day Treasury Bill Index and Call Loan Rate weighted 93% and 7% respectively	+/- 10	4,216

(f) **Liquidity Risk:** Liquidity risk is the risk of not having sufficient funds available to meet cash demands. Sources of liquidity include sale of securities, cash underlay supporting derivative investments, interest and dividend receipts and capital contributions. Uses of liquidity include purchases of investments and redemptions of units.

#### 4. Financial Instrument Risk Management (continued)

The Funds were created to undertake specific investment strategies, some of which involve more readily marketable securities than others. For example, the NBIMC Money Market Fund invests in short-term government backed securities, such as treasury bills, as well as high quality government bonds that are readily marketable. In contrast, the investments in the NBIMC Private Equity Fund, the NBIMC Canadian Real Estate Fund, and the NBIMC Infrastructure Fund are considered highly illiquid due to their private nature and longer term to maturity.

The Board-approved Statements of Investment Policies establish the amount and types of investments that each Fund may hold. Management monitors adherence to these limits regularly and uses portfolio rebalancing to ensure these limitations are maintained.

Each client enters into an investment management agreement that includes a suitable notice period for unit purchases and redemptions, depending upon their investment objectives, and a desired investment policy statement. NBIMC measures compliance with investment policy statements weekly and reports quarterly to clients.

(g) **Securities Lending:** Certain of the Funds have entered into a securities lending arrangement with their securities custodian with the objective of enhancing portfolio returns. Under this program, the custodian may loan securities owned by the Funds to other approved borrowers in exchange for collateral in the form of readily marketable government-backed securities equal to at least 105% of the value of securities on loan and a borrowing fee. Collateral is held in trust for the Funds by the custodian. NBIMC has restricted both the approved borrowers and the limits assigned to each approved borrower under this program to minimize exposure to counterparty credit risk. Securities on loan remain recorded as investments on the Statement of Financial Position.

The fair value of securities on loan at March 31 consisted of the following:

<b>Fund</b>	<b>2015</b>	<b>2014</b>
NBIMC Nominal Bond Fund	\$ 310,377	\$ 428,502
NBIMC Corporate Bond Fund	91,563	44,701
NBIMC Canadian Long-Term Bond Fund	31,633	45,725
NBIMC Money Market Fund	172,689	—
NBIMC Student Investment Fund	691	637
NBIMC Canadian Equity Index Fund	71,316	13,316
NBIMC Low Volatility Canadian Equity Fund	37,424	29,460
NBIMC External Canadian Equity Fund	15,190	25,465
NBIMC S&P/TSX Completion Index Fund	—	64,380
NBIMC Canadian Equity Active Long Strategy Fund	13,808	10,745
NBIMC EAFE Equity Index Fund – Class N	1,280	245,342
NBIMC Low Volatility International Equity Fund – Class N	5,017	54,346
NBIMC U.S. Equity Index Fund	93,503	66,471
NBIMC Low Volatility U.S. Equity Fund	76,531	51,504
NBIMC Inflation Linked Securities Fund	108,908	232,803
NBIMC International Real Estate Fund	46,964	50,571
NBIMC Canadian Real Estate Investment Trust Fund	610	—
NBIMC North American Market Neutral Fund	32,667	9,748
NBIMC Quantitative Strategies Fund	29,882	15,872

## 5. Derivatives

A derivative is a financial contract, the value of which is derived from the notional value of underlying assets, indices, interest rates or currency exchange rates.

The Funds may be party to certain derivatives, including futures contracts, interest rate swaps, forward foreign exchange contracts, cross currency swaps and total return equity swaps. Futures contracts are agreements between two parties to buy or sell a security or financial interest at a specified date, quantity and price. Futures contracts are standardized and traded on recognized exchanges. Interest rate swaps are agreements to exchange cash flows periodically based on a notional principal amount. Forward currency contracts are agreements between two parties, traded over the counter and not on an organized exchange, to purchase or sell currency against another currency at a future date and price. Total return equity swaps, traded in the over-the-counter market, are contractual agreements between two counterparties to exchange financial returns with predetermined conditions based on notional amounts.

Derivatives are used for various purposes, including: to invest in a particular stock market in an inexpensive and effective fashion (e.g. futures and swaps); to enhance returns (e.g. total return equity swaps); to convert a fixed interest rate payment into a floating interest rate payment (e.g. interest rate swaps); and to hedge against potential losses due to changes in foreign exchange rates or stock prices (e.g. forward foreign exchange contracts).

Offsetting within the Statement of Financial Position may be achieved where financial assets and liabilities are subject to master netting arrangements that provide the currently enforceable right of offset and where there is an intention to settle on a net basis or realize assets and liabilities simultaneously. The Funds intend to settle derivative contracts subject to Master ISDA Agreements that include the right to offset when those contracts have the same counterparty and maturity date. The amount of offsetting recorded on the Statement of Financial Position is immaterial and would not provide meaningful disclosure. The Master ISDA Agreements also specify the types and amount of securities eligible for posting as collateral (*see also note 4(a)*). Derivative contracts create credit risk exposure should counterparties be unable to meet the terms of the contracts (*see note 4(d)*). NBIMC mitigates this risk exposure by only entering into derivatives with investment grade counterparties, and, restricting each counterparty to no more than 5% of total assets.

The Statements of Investment Policies do not permit leverage in the use of derivatives. Accordingly, short-term assets in an amount sufficient to cover potential derivative exposure are maintained as cash underlay.

Derivatives are also subject to foreign currency, interest rate, pricing and liquidity risk, as discussed previously.

The following tables summarize the derivatives held by each Fund at March 31, 2015. Notional values represent the volume of outstanding positions of the derivative contracts. The notional value is the amount to which a rate or price is applied in the calculation of cash flows for swaps, foreign exchange contracts and futures. The fair values are unrealized gains or losses on derivative contracts and represent the cost of replacing these contracts under current market conditions.

**5. Derivatives (continued)**

<b>NBIMC Nominal Bond Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency management:				
Forward exchange contracts	111,081	(2,023)	—	—
Net fair value of derivative contracts		(2,023)		—
Represented by:				
Derivative liabilities		(2,023)		—
Total		(2,023)		—
<b>NBIMC Canadian Equity Index Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	(77,765)	320	13,783	378
Equity swaps	952,029	18,266	928,866	42,514
Net fair value of derivative contracts		18,586		42,892
Represented by:				
Derivative assets		23,102		42,514
Margin at brokers		320		378
Derivative liabilities		(4,836)		—
Total		18,586		42,892
<b>NBIMC Low Volatility Canadian Equity Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	14,214	119	4,417	23
Net fair value of derivative contracts		119		23
Represented by:				
Margin at brokers		119		23
Total		119		23



**5. Derivatives (continued)**

<b>NBIMC Canadian Equity Active Long Strategy Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	3,122	(219)	162	1
Equity swaps	84,644	(937)	118,605	4,295
Net fair value of derivative contracts		(1,156)		4,296
Represented by:				
Derivative assets		467		4,295
Margin at brokers		(219)		1
Derivative liabilities		(1,404)		—
Total		(1,156)		4,296

<b>NBIMC EAFE Equity Index Fund</b>		
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>
	<b>\$</b>	<b>\$</b>
Asset management:		
Equity futures	44,367	(446)
Foreign currency management:		
Foreign exchange contracts	39,666	(27)
Net fair value of derivative contracts		(473)
Represented by:		
Derivative assets		135
Margin at brokers		(446)
Derivative liabilities		(162)
Total		(473)

<b>NBIMC EAFE Equity Index Fund – Class N</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	115	(1)	35,735	1,205
Net fair value of derivative contracts		(1)		1,205
Represented by:				
Derivative assets		1		—
Margin at brokers		(1)		1,205
Derivative liabilities		(1)		—
Total		(1)		1,205

**5. Derivatives (continued)**

<b>NBIMC Low Volatility International Equity Fund</b>		
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>
	<b>\$</b>	<b>\$</b>
Asset management:		
Equity futures	6,797	203
Foreign currency management:		
Forward exchange contracts	(1,716)	(12)
Net fair value of derivative contracts		191
Represented by:		
Margin at brokers		203
Derivative liabilities		(12)
Total		191

<b>NBIMC Low Volatility International Equity Fund – Class N</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	230	18	7,392	286
Foreign currency management:				
Forward exchange contracts		—	(4,493)	(80)
Net fair value of derivative contracts		18		206
Represented by:				
Derivative assets		—		2
Margin at brokers		18		286
Derivative liabilities		—		(82)
Total		18		206

<b>NBIMC Low Volatility Emerging Markets Equity Fund</b>		
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>
	<b>\$</b>	<b>\$</b>
Asset management:		
Equity futures	120	2
Net fair value of derivative contracts		2
Represented by:		
Margin at brokers		2
Total		2

**5. Derivatives (continued)**

<b>NBIMC U.S. Equity Index Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	37,512	375	42,689	854
Foreign currency management:				
Forward exchange contracts	36,595	185	(304)	(25)
Net fair value of derivative contracts		560		829
Represented by:				
Derivative assets		217		28
Margin at brokers		375		854
Derivative liabilities		(32)		(53)
Total		560		829

<b>NBIMC Low Volatility U.S. Equity Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	2,213	22	823	7
Foreign currency management:				
Forward exchange contracts	(944)	(7)	(62)	(3)
Net fair value of derivative contracts		15		4
Represented by:				
Derivative assets		—		3
Margin at brokers		22		8
Derivative liabilities		(7)		(7)
Total		15		4

<b>NBIMC Infrastructure Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency management:				
Forward exchange contracts	42,482	(2,051)	41,312	(2,115)
Net fair value of derivative contracts		(2,051)		(2,115)
Represented by:				
Derivative liabilities		(2,051)		(2,115)
Total		(2,051)		(2,115)

**5. Derivatives (continued)**

<b>NBIMC North American Market Neutral Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency management:				
Forward exchange contracts	(17,432)	911	(1,303)	14
Net fair value of derivative contracts		911		14
Represented by:				
Derivative assets		979		39
Derivative liabilities		(68)		(25)
Total		911		14
<b>NBIMC Quantitative Strategies Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Asset management:				
Equity futures	(1,431)	11	—	—
Foreign currency management:				
Forward exchange contracts	25,811	(995)	(2,332)	144
Net fair value of derivative contracts		(984)		144
Represented by:				
Derivative assets		8		214
Margin at brokers		11		—
Derivative liabilities		(1,003)		(70)
Total		(984)		144
<b>NBIMC Private Equity Fund</b>				
	<b>Notional Value 2015</b>	<b>Fair Value 2015</b>	<b>Notional Value 2014</b>	<b>Fair Value 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency management:				
Forward exchange contracts	(131)	(1)	(141)	—
Net fair value of derivative contracts		(1)		—
Represented by:				
Derivative liabilities		(1)		—
Total		(1)		—

## 5. Derivatives (continued)

The term to maturity based on the notional value for the above derivative contracts as at March 31, 2015 is as follows:

	Under 1 year	1 – 5 years
NBIMC Nominal Bond Fund	111,081	—
NBIMC Canadian Equity Index Fund	77,765	952,029
NBIMC Low Volatility Canadian Equity Fund	14,214	—
NBIMC Canadian Equity Active Long Strategy Fund	3,122	84,644
NBIMC EAFE Equity Index Fund	84,033	—
NBIMC EAFE Equity Index Fund – Class N	115	—
NBIMC Low Volatility International Equity Fund	5,081	—
NBIMC Low Volatility International Equity Fund – Class N	230	—
NBIMC Low Volatility Emerging Markets Equity Fund	120	—
NBIMC U.S. Equity Index Fund	74,107	—
NBIMC Low Volatility U.S. Equity Fund	1,269	—
NBIMC Infrastructure Fund	42,482	—
NBIMC North American Market Neutral Fund	(17,432)	—
NBIMC Quantitative Strategies Fund	27,242	—
NBIMC Private Equity Fund	(131)	—

The term to maturity based on the notional value for the above derivative contracts as at March 31, 2014 is as follows:

	Under 1 year	1 – 5 years
NBIMC Canadian Equity Index Fund	439,642	503,007
NBIMC Low Volatility Canadian Equity Fund	4,417	—
NBIMC Canadian Equity Active Long Strategy Fund	12,616	106,151
NBIMC EAFE Equity Index Fund – Class N	35,735	—
NBIMC Low Volatility International Equity Fund – Class N	2,899	—
NBIMC U.S. Equity Index Fund	42,385	—
NBIMC Low Volatility U.S. Equity Fund	761	—
NBIMC Infrastructure Fund	41,312	—
NBIMC North American Market Neutral Fund	(1,303)	—
NBIMC Quantitative Strategies Fund	(2,332)	—
NBIMC Private Equity Fund	(141)	—

## 6. Capital and Performance

The definition of capital, as it pertains to each of the Funds, is the net assets attributable to holders of redeemable units of each Fund. Each Fund's objective is to meet or exceed the performance of its benchmark.

Benchmark returns and Fund returns are non-GAAP measures. Performance returns are calculated in Canadian dollars on the daily change in net assets measured using either closing market price valuations or estimated fair values where closing market price valuations are not available, excluding external cash flows, divided by the beginning value of net assets, as per the time-weighted rate of return methodology and in accordance with Chartered Financial Analysts' Institute standards.

The annual nominal performance for the period ended March 31 for each of the Funds is as follows:

	2015		2014	
	Annual return %	Benchmark return %	Annual return %	Benchmark return %
NBIMC Nominal Bond Fund	11.13	11.11	0.65	0.25
NBIMC Corporate Bond Fund	8.47	8.22	2.21	2.26
NBIMC Canadian Long-Term Bond Fund <sup>1</sup>	19.19	19.72	0.62	1.14
NBIMC New Brunswick Fixed Income Opportunity Fund	9.91	11.11	1.15	0.25
NBIMC Money Market Fund	1.28	0.94	1.35	1.00
NBIMC Student Investment Fund	9.44	9.74	8.44	7.93
NBIMC Canadian Equity Index Fund	8.67	6.93	16.29	15.97
NBIMC Low Volatility Canadian Equity Fund	18.86	12.91	17.96	15.97
NBIMC External Canadian Equity Fund	9.28	6.93	18.87	15.97
NBIMC S&P/TSX Completion Index Fund	(2.82)	(1.89)	17.81	16.57
NBIMC Canadian Equity Active Long Strategy Fund	7.26	6.93	16.51	15.97
NBIMC External International Equity Fund	17.10	13.70	34.17	27.67
NBIMC EAFE Equity Index Fund <sup>2</sup>	15.84	15.84	—	—
NBIMC EAFE Equity Index Fund – Class N	13.91	13.70	27.66	27.67
NBIMC Low Volatility International Equity Fund <sup>3</sup>	16.02	16.25	—	—
NBIMC Low Volatility International Equity Fund – Class N	19.93	19.63	21.17	27.67
NBIMC Low Volatility Emerging Markets Equity Fund <sup>4</sup>	0.88	2.98	—	—
NBIMC U.S. Equity Index Fund	29.27	29.36	32.40	32.62
NBIMC Low Volatility U.S. Equity Fund	33.08	34.65	26.67	32.62
NBIMC Inflation Linked Securities Fund	14.29	14.47	(5.90)	(6.02)
NBIMC Canadian Real Estate Fund	9.92	5.52	2.40	1.84
NBIMC Canadian Real Estate Investment Trust Fund <sup>5</sup>	12.79	12.61	5.81	5.79
NBIMC International Real Estate Fund	42.64	40.77	13.04	12.37
NBIMC Infrastructure Fund	6.97	5.52	3.73	5.00
NBIMC North American Market Neutral Fund	(3.34)	0.94	6.33	1.00
NBIMC Quantitative Strategies Fund	7.84	0.94	6.78	1.00
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	(2.16)	5.52	0.71	5.00
NBIMC Private Equity Fund	18.63	18.58	27.24	29.13

<sup>1</sup> returns are since inception of this Fund on January 28, 2014

<sup>2</sup> returns are since inception of this Fund on January 5, 2015

<sup>3</sup> returns are since inception of this Fund on January 5, 2015

<sup>4</sup> returns are since inception of this Fund on February 18, 2015

<sup>5</sup> returns are since inception of this Fund on December 31, 2013

## 7. Redeemable Units

The number of redeemable units issued and redeemed for the year ended and outstanding at March 31, 2015 was as follows:

	<b>Outstanding March 31, 2014 (rounded)</b>	<b>Units Issued (rounded)</b>	<b>Units Redeemed (rounded)</b>	<b>Outstanding, March 31, 2015 (rounded)</b>
NBIMC Nominal Bond Fund	786,321	84,620	54,878	816,063
NBIMC Corporate Bond Fund	744,152	758,297	78,111	1,424,338
NBIMC Canadian Long-Term Bond Fund	134,509	7,491	8,152	133,848
NBIMC New Brunswick Fixed Income Opportunity Fund	5,561	91	593	5,059
NBIMC Money Market Fund	472,483	1,562,879	1,289,862	745,500
NBIMC Student Investment Fund	1,017	—	—	1,017
NBIMC Canadian Equity Index Fund	395,924	136,297	139,596	392,625
NBIMC Low Volatility Canadian Equity Fund	196,879	182,846	44,532	335,193
NBIMC External Canadian Equity Fund	130,638	11,287	52,705	89,220
NBIMC S&P/TSX Completion Index Fund	69,095	3,266	72,361	—
NBIMC Canadian Equity Active Long Strategy Fund	206,770	11,594	41,534	176,830
NBIMC External International Equity Fund	160,749	8,643	39,927	129,465
NBIMC EAFE Equity Index Fund	—	945,939	319,359	626,580
NBIMC EAFE Equity Index Fund – Class N	1,073,720	139,396	1,190,819	22,297
NBIMC Low Volatility International Equity Fund	—	295,285	14,200	281,085
NBIMC Low Volatility International Equity Fund – Class N	226,594	85,338	297,635	14,297
NBIMC Low Volatility Emerging Markets Equity Fund	—	220,668	8	220,660
NBIMC U.S. Equity Index Fund	656,761	52,877	295,010	414,628
NBIMC Low Volatility U.S. Equity Fund	228,189	66,765	38,889	256,065
NBIMC Inflation Linked Securities Fund	312,586	27,981	136,932	203,635
NBIMC Canadian Real Estate Fund	60,073	22,173	11,431	70,815
NBIMC Canadian Real Estate Investment Trust Fund	221,623	6,929	7,274	221,278
NBIMC International Real Estate Fund	66,351	6,517	19,659	53,209
NBIMC Infrastructure Fund	77,976	4,170	5,145	77,001
NBIMC North American Market Neutral Fund	123,182	82,770	11,464	194,488
NBIMC Quantitative Strategies Fund	186,241	214,371	28,191	372,421
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	6,241	217	261	6,197
NBIMC Private Equity Fund	185,581	50,263	33,191	202,653

## 7. Redeemable Units *(continued)*

The number of redeemable units issued and redeemed for the year ended and outstanding at March 31, 2014 was as follows:

	Outstanding March 31, 2013 <i>(rounded)</i>	Units Issued <i>(rounded)</i>	Units Redeemed <i>(rounded)</i>	Outstanding, March 31, 2014 <i>(rounded)</i>
NBIMC Nominal Bond Fund	742,381	106,797	62,857	786,321
NBIMC Corporate Bond Fund	618,179	137,678	11,705	744,152
NBIMC Canadian Long-Term Bond Fund	—	144,404	9,895	134,509
NBIMC New Brunswick Fixed Income Opportunity Fund	6,083	17	539	5,561
NBIMC Money Market Fund	396,402	982,611	906,530	472,483
NBIMC Student Investment Fund	1,017	—	—	1,017
NBIMC Canadian Equity Index Fund	435,446	75,047	114,569	395,924
NBIMC Low Volatility Canadian Equity Fund	196,106	4,606	3,833	196,879
NBIMC External Canadian Equity Fund	130,772	1,581	1,715	130,638
NBIMC S&P/TSX Completion Index Fund	69,095	624	624	69,095
NBIMC Canadian Equity Active Long Strategy Fund	199,523	8,743	1,496	206,770
NBIMC External International Equity Fund	160,745	1,801	1,797	160,749
NBIMC EAFE Equity Index Fund – Class N	1,269,809	52,177	248,266	1,073,720
NBIMC Low Volatility International Equity Fund – Class N	258,422	7,876	39,704	226,594
NBIMC U.S. Equity Index Fund	856,264	28,522	228,025	656,761
NBIMC Low Volatility U.S. Equity Fund	250,425	8,466	30,702	228,189
NBIMC Inflation Linked Securities Fund	278,043	40,486	5,943	312,586
NBIMC Canadian Real Estate Fund	128,874	9,080	77,881	60,073
NBIMC Canadian Real Estate Investment Trust Fund	—	222,312	689	221,623
NBIMC International Real Estate Fund	64,654	13,564	11,867	66,351
NBIMC Infrastructure Fund	61,684	20,309	4,017	77,976
NBIMC North American Market Neutral Fund	118,579	12,157	7,554	123,182
NBIMC Quantitative Strategies Fund	180,238	20,006	14,003	186,241
NBIMC New Brunswick and Atlantic Canada Equity Opportunity Fund	6,448	536	743	6,241
NBIMC Private Equity Fund	189,924	29,669	34,012	185,581

## 8. Related Party Transactions

Each of the Funds is related to each other Fund by virtue of their common control by NBIMC as trustee. NBIMC is related to the Province of New Brunswick by virtue of its incorporating legislation. Each of NBIMC's clients are related to NBIMC, the Funds and the Province by virtue of the public sector nature of each entity.

On January 5, 2015, the NBIMC EAFE Equity Index Fund changed its name to NBIMC EAFE Equity Index Fund – Class N and transferred that proportion of its underlying investment portfolio beneficially owned by its pension fund unitholders to a new fund, the NBIMC EAFE Equity Index Fund. These assets had a fair value of \$1,062,219, including an unrealized gain of \$24,317 and was effected through a non-cash transfer of redeemable units at the net amount of \$1,035,554. This transaction was completed for international withholding tax reasons.



## 8. Related Party Transactions *(continued)*

On January 5, 2015, the NBIMC Low Volatility International Equity Fund changed its name to NBIMC Low Volatility International Equity Fund – Class N and transferred that proportion of its underlying investment portfolio beneficially owned by its pension fund unitholders to a new fund, the NBIMC Low Volatility International Equity Fund. These assets had a fair value of \$437,253, including an unrealized gain of \$63,425 and was effected through a non-cash transfer of redeemable units at the net amount of \$371,013. This transaction was completed for international withholding tax reasons.

On December 31, 2013, the NBIMC Canadian Real Estate Fund transferred its Canadian real estate investment trust portfolio with a fair value of \$206,863, including an unrealized loss of \$9,175, to a newly created NBIMC Canadian Real Estate Investment Trust Fund at its book value of \$216,028. There was no change in the beneficial ownership of these assets. Accordingly, 64,039 units of the NBIMC Canadian Real Estate Fund were exchanged for 206,863 units of the NBIMC Canadian Real Estate Investment Trust Fund with no realized loss in the Statement of Comprehensive Income.

Certain Funds executed inter-fund trades for the years ended March 31, 2015 and March 31, 2014. Inter-fund trading is the buying and selling of portfolio securities between Funds to which NBIMC serves as trustee and manager. All such inter-fund transactions are priced at the quoted market prices in active markets on the trade date.

The NBIMC Nominal Bond Fund holds New Brunswick provincial and municipal bonds in the following amounts as at March 31, 2015:

<i>(\$ thousands)</i>	<b>2015</b>		<b>2014</b>	
Provincial bonds	\$	57,542	\$	49,572
Municipal bonds	\$	33,566	\$	27,540

The NBIMC Canadian Long-Term Bond Fund holds New Brunswick provincial bonds in the following amounts as at March 31, 2015 - \$54,822 (2014 - \$46,901).

## 8. Related Party Transactions *(continued)*

From time to time, the Funds may invest in units of the NBIMC Money Market Fund to invest surplus cash on a short-term basis until it can be reinvested or to ensure there is cash underlay available to cover short positions or to offset derivative exposures, thereby eliminating leverage. The amount that each Fund held in units of the NBIMC Money Market Fund at March 31, 2015 is as follows:

	2015	2014
NBIMC Nominal Bond Fund	\$ 171,705	\$ 58,831
NBIMC Corporate Bond Fund	127,037	4,342
NBIMC Canadian Long-Term Bond Fund	4,514	4,224
NBIMC Student Investment Fund	122	75
NBIMC Canadian Equity Index Fund	(77,556)	13,219
NBIMC Low Volatility Canadian Equity Fund	12,621	3,603
NBIMC External Canadian Equity Fund	6,486	9,226
NBIMC S&P/TSX Completion Index Fund	—	2,862
NBIMC Canadian Equity Active Long Strategy Fund	2,913	749
NBIMC EAFE Equity Index Fund	38,531	—
NBIMC EAFE Equity Index Fund – Class N	—	27,686
NBIMC Low Volatility International Equity Fund	1,811	—
NBIMC Low Volatility International Equity Fund – Class N	11	4,929
NBIMC Low Volatility Emerging Markets Equity Fund	(303)	—
NBIMC U.S. Equity Index Fund	(35,437)	41,402
NBIMC Low Volatility U.S. Equity Fund	1,252	364
NBIMC Inflation Linked Securities Fund	4,653	11,810
NBIMC Canadian Real Estate Investment Trust Fund	25	—
NBIMC International Real Estate Fund	3,156	2,224
NBIMC North American Market Neutral Fund	241,650	159,418
NBIMC Quantitative Strategies Fund	411,128	182,780

## 8. Related Party Transactions *(continued)*

The amount of investment income earned by each Fund for the years ended March 31, 2015 from its investments in the units of the NBIMC Money Market Fund is as follows:

	Unrealized Gains / (Losses) \$	Realized Gains \$	2015 Total Income (Loss) \$
NBIMC Nominal Bond Fund	236	1,116	1,352
NBIMC Corporate Bond Fund	195	490	685
NBIMC Canadian Long-Term Bond Fund	4	38	42
NBIMC Student Investment Fund	—	1	1
NBIMC Canadian Equity Index Fund	(329)	160	(169)
NBIMC Low Volatility Canadian Equity Fund	7	31	38
NBIMC External Canadian Equity Fund	(3)	89	86
NBIMC S&P/TSX Completion Index Fund	(1)	12	11
NBIMC Canadian Equity Active Long Strategy Fund	8	16	24
NBIMC EAFE Equity Index Fund	19	—	19
NBIMC EAFE Equity Index Fund – Class N	(98)	293	195
NBIMC Low Volatility International Equity Fund	7	—	7
NBIMC Low Volatility International Equity Fund – Class N	(26)	54	28
NBIMC Low Volatility Emerging Markets Equity Fund	—	20	20
NBIMC U.S. Equity Index Fund	(117)	310	193
NBIMC Low Volatility U.S. Equity Fund	1	16	17
NBIMC Inflation Linked Securities Fund	(28)	206	178
NBIMC Canadian Real Estate Fund	—	6	6
NBIMC Canadian Real Estate Investment Trust Fund	—	3	3
NBIMC International Real Estate Fund	—	22	22
NBIMC North American Market Neutral Fund	509	1,932	2,441
NBIMC Quantitative Strategies Fund	1,478	1,799	3,277

## 8. Related Party Transactions (continued)

The amount of investment income earned by each Fund for the years ended March 31, 2014 from its investments in the units of the NBIMC Money Market Fund is as follows:

	Unrealized Gains / (Losses) \$	Realized Gains \$	2014 Total Income \$
NBIMC Nominal Bond Fund	(2)	817	815
NBIMC Corporate Bond Fund	(9)	117	108
NBIMC Student Investment Fund	(1)	3	2
NBIMC Canadian Equity Index Fund	57	172	229
NBIMC Low Volatility Canadian Equity Fund	3	21	24
NBIMC External Canadian Equity Fund	14	83	97
NBIMC S&P/TSX Completion Index Fund	(2)	17	15
NBIMC Canadian Equity Active Long Strategy Fund	(3)	21	18
NBIMC EAFE Equity Index Fund – Class N	(45)	386	341
NBIMC Low Volatility International Equity Fund – Class N	26	23	49
NBIMC U.S. Equity Index Fund	(320)	1,201	881
NBIMC Low Volatility U.S. Equity Fund	(1)	1	—
NBIMC Inflation Linked Securities Fund	42	40	82
NBIMC Canadian Real Estate Fund	—	2	2
NBIMC International Real Estate Fund	3	19	22
NBIMC Infrastructure Fund	—	2	2
NBIMC North American Market Neutral Fund	505	1,463	1,968
NBIMC Quantitative Strategies Fund	168	1,899	2,067

Certain of the Funds may participate in an inter-fund collateral lending agreement (*see Note 4(a)*).

In addition, certain of the Funds participate in an internal securities lending program with the objective of enhancing portfolio returns. Under this program, a lending Fund may loan securities to a borrowing Fund in exchange for a market-based borrowing fee. The borrowing Fund has committed to repay the lending Fund equivalent securities or cash in the event that equivalent securities are not available. Securities on loan remain recorded as investments on the Statement of Financial Position.

The amount of internal securities lending revenue included in securities lending revenue in the Statement of Comprehensive Income for the year ended March 31, 2015 is as follows:

Fund	2015	2014
NBIMC Canadian Equity Index Fund	\$ 55	\$ 31
NBIMC Low Volatility Canadian Equity Fund	39	64
NBIMC Canadian Equity Active Long Strategy Fund	14	15
NBIMC U.S. Equity Index Fund	63	49
NBIMC Low Volatility U.S. Equity Fund	7	11
NBIMC Canadian Real Estate Fund	—	22

## 8. Related Party Transactions *(continued)*

The amount of internal securities lending borrowing costs included in transaction costs in the Statement of Comprehensive Income for the year ended March 31, 2015 is as follows:

<b>Fund</b>	<b>2015</b>	<b>2014</b>
NBIMC North American Market Neutral Fund	\$ 61	\$ 58
NBIMC Quantitative Strategies Fund	117	132

The fair value of total securities loaned (borrowed) internally that are included in investments in the Statement of Financial Position at March 31, 2015 is as follows:

<b>Fund</b>	<b>2015</b>	<b>2014</b>
NBIMC Canadian Equity Index Fund	\$ 24,166	\$ 16,767
NBIMC Low Volatility Canadian Equity Fund	35,796	13,125
NBIMC Canadian Equity Active Long Strategy Fund	3,795	1,238
NBIMC U.S. Equity Index Fund	26,974	15,950
NBIMC Low Volatility U.S. Equity Fund	3,134	266
NBIMC North American Market Neutral Fund	(44,950)	(21,315)
NBIMC Quantitative Strategies Fund	(48,915)	(26,030)

As a public sector investment manager, NBIMC operates on a cost recovery basis. Costs such as securities custody fees, external investment management fees and other costs that are attributable to a specific client are charged directly to that client. Expenses incurred that pertain to the general operations of NBIMC are allocated to each client on a prorata basis based on their total assets under management. NBIMC does not charge management fees to the Funds. In certain circumstances, a Fund may incur expenses directly from external advisors such as legal fees in connection with the structuring of a private market investment. Such expenses are paid directly by the Fund in order to ensure that its investment performance can be measured accurately and are shown as an expense in the Statement of Comprehensive Income.

## 9. Interests in Other Entities

### (a) Interests in Subsidiaries

The NBIMC Canadian Real Estate Fund owns 100% of the common share capital of the following New Brunswick-domiciled unconsolidated entities that have been measured at FVTPL:

Name	Nature and Purpose	Underlying Investments
NBIMC Realty Corp.	Pension fund realty corporation to hold direct investments in real properties.	Diversified portfolio of industrial, commercial, retail and multi-residential properties.
649529 NB Corp.	Pension fund realty corporation to hold an indirect investment in commercial properties.	14.08% limited partnership interest in a fund investing in Canadian and primarily Toronto commercial properties, with an uncalled commitment of \$4,204.
664877 NB Corp	Pension fund realty corporation to hold an indirect investment in multi-residential properties.	12.50% interest in an unincorporated open-ended mutual fund trust with investments in multi-residential properties in major Canadian cities.
666660 NB Corp	Pension fund realty corporation to hold an indirect investment in multi-residential properties.	4.63% limited partnership interest in multi-residential properties in major Canadian cities.
672858 NB Corp.	Pension fund realty corporation to hold an indirect investment in commercial properties.	16.34% limited partnership interest in a fund investing in Canadian and primarily Toronto commercial properties, with an uncalled commitment of \$23,895.
676185 NB Corp.	Pension fund realty corporation to hold an indirect investment in retail properties.	28.93% limited partnership interest in a fund owning an interest in three separate Canadian retail properties.
676512 NB Corp.	Pension fund realty corporation to hold an indirect investment in office and commercial properties.	45.34% limited partnership interest in a fund owning an interest in an office property in Burnaby, BC.

During the year ended March 31, 2014, the NBIMC Canadian Real Estate Fund held a promissory note from NBIMC Realty Corp pending finalization of mortgage financing related to a property acquisition. The promissory note in an amount of \$12,700 bore interest at 3.5% per annum and was repaid on July 29, 2013.

NBIMC Realty Corp. may enter into mortgage financing with a charge on the real properties pledged as security that is limited to no more than 50% of the fair value of the portfolio.

### (b) Interests in Limited Partnership Entities

The NBIMC Canadian Real Estate Fund and the NBIMC Private Equity Fund have investment commitments in the amounts of \$37,365 and \$323,758 (2014 - \$48,099 and \$287,646) respectively to fund investments that have been measured at FVTPL over the next several years in accordance with the terms and conditions agreed to in various limited partnership agreements.

**9. Interests in Other Entities *(continued)***

(c) Interests in Other Entities

The NBIMC Infrastructure Fund holds a globally diverse portfolio of infrastructure co-investments measured at FVTPL including broadcasting signals, toll highways, run-of-river hydro facilities, water and wastewater treatment facilities. The Fund's interests in the underlying assets of each of these co-investments is less than 10%.