

GLOBAL ♦ DIGIT II

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

FUND OVERVIEW

- Global DIGIT II (TSX: GII.UN) is a trust providing investors with equity exposures to the credit performance of three globally diversified portfolios which, as of its most recent performance report, contained 593 securities. Any losses, net of recovery, incurred as a result of credit events in the securities comprised in the portfolio will reduce the amount to be repaid to unitholders at maturity as well as the monthly distributions. The exposure represents respectively the first 0.95%, 1.25% and 1.50% of the equity tranche of each portfolio, which means that they are the first at risk upon the occurrence of credit events. The portfolios are comprised of structured finance securities, mortgage-backed securities and asset-backed securities.
- In order to provide this exposure, Global DIGIT II is counterparty to credit default swaps (the "Financial Contracts") with Deutsche Bank (the "Bank") and has a security deposit with the Bank to secure its obligations under such Financial Contracts. Substantially all of the non-cash assets of Global DIGIT II consist of or relate to the Financial Contracts.
- One of the original Global DIGIT II objectives was to provide investors with a fixed five-year yield of 8.25% of the initial issue price of \$10 and thereafter, a fixed-rate reset every 5 years targeted to be 4.00% to 4.50% over the then 5-year Government of Canada bond rate. The regular distributions paid by Global DIGIT II are treated as return of capital. The income realized by Global DIGIT II at maturity is expected to trigger income inclusion for its unitholders, unless they dispose of their Units prior to maturity. In the absence of any Credit Events resulting in losses under the Financial Contracts, the maximum amount repayable at maturity is \$9.35 per unit.
- Since January 1, 2009, the Bank can't exercise its ramp-up or its replenishment option under the Financial Contracts. Therefore, the principal amount of the portfolios will decline as maturing securities will not be replaced. The Bank has the option, every five years as of March 2010, to terminate the Financial Contracts, in which case, the units would be redeemed at an amount equal to the NAV.
- A distribution of \$0.0687 will be paid on February 13, 2009 to holders on record as at January 30, 2009, along with a special distribution of \$1.07. Another one time distribution of \$0.635 will be paid on March 13, 2009 to holders on record as at February 27, 2009.
- As of January 31, 2009, the Net Asset Value per Unit was \$0.37.

PORTFOLIO COMPOSITION (AS OF MOST RECENT PERFORMANCE REPORTS)

RATINGS DISTRIBUTION

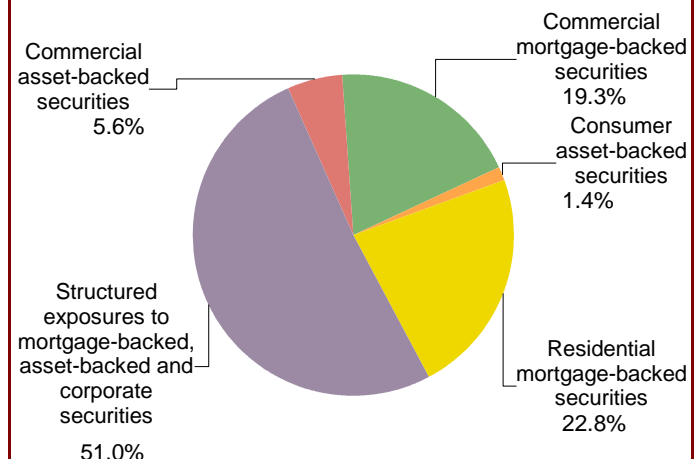
Standard & Poor's Rating *

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

	Jan-09	Dec-08
AAA	50.7%	50.6%
AA+	1.9%	1.9%
AA	7.2%	7.2%
AA-	1.3%	1.3%
A+	3.1%	3.1%
A	14.0%	14.1%
A-	3.5%	3.5%
BBB+	1.2%	1.2%
BBB	1.4%	1.4%
BBB-	1.0%	1.0%
BB+	0.4%	0.4%
BB	1.1%	1.1%
BB-	- %	- %
B+	0.1%	0.1%
B	1.1%	1.1%
B-	0.9%	0.9%
CCC+	0.5%	0.5%
CCC	2.1%	2.0%
CCC-	1.3%	1.3%
CC	7.2%	7.1%
C	0.3%	0.3%
Total	100.0%	100.0%

* Or equivalent

BREAKDOWN BY ASSET CLASS



KEY CONTACT

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

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To make further inquiry regarding the securities of Global Digit II or to undertake any transaction relating to these securities, please contact your National Bank Financial ("NBF") or other registered investment advisor.

NBF acted as the promoter of the offering of securities of Global Digit II and NBF or its subsidiaries continues to provide services to Global Digit II in respect of which they receive remuneration. NBF is an indirect wholly-owned subsidiary of National Bank of Canada. From time to time National Bank of Canada may enter into lending or other financial arrangements with Global Digit II. As of the date of this report National Bank of Canada is not a lender to Global Digit II.

NBF and/or its affiliates may have a position in the securities of Global Digit II and may make purchase and /or sales of these securities from time to time. On the date of this report, NBF and its affiliates held in the aggregate less than 5% of the outstanding securities of Global Digit II. NBF is a Registered Trader on the Toronto Stock Exchange for Global Digit II.