

**DIGIT****Diversified Investment Grade Income Trust, Series 1****FUND OVERVIEW**

- DIGIT, Series 1(TSX: DGT.UN), is a trust providing investors with a levered exposure to a portfolio of 99 corporate credits. Distributions are paid quarterly and are 100% tax-deferred to the maturity date on October 9, 2007.
- Future distributions and the payment at maturity will vary according to the number of credit events to occur in the portfolio. To date, one credit event has occurred, Delphi Corp.
- On October 8, 2005, Delphi Corp. filed for bankruptcy protection for its U.S. operations. Following this event, JPMorgan Chase Bank, as counterparty, conducted a valuation process which resulted in a Net Loss Amount of \$0.31 per Unit, thereby reducing the price at which all outstanding Units will be redeemed at maturity on October 9, 2007 from \$9.30 to approximately \$8.99 per Unit. The Net Loss Amount resulted in a reduction of the quarterly distribution rate to \$0.34 per Unit.
- As of January 31, 2007, the Net Asset Value per Unit was \$9.21 after a complete write off of cost of issue of \$0.66. A distribution of \$0.34 per Unit has been paid on January 8, 2007 to holders on record as at December 29, 2006.

PORTFOLIO RATINGS TRANSITIONS

- Since December 31, 2006, the following rating actions have been taken by Moody's and/or S&P on credits in the portfolio:

Company	Industry	Initial Moody's Rating	Actual 31-Jan-2007	Initial S&P Rating	Actual 31-Jan-2007
Anadarko Petroleum Corp	Metals & Mining,Energy	Baa1	Baa2 → Baa3	BBB+	BBB-
ARAMARK Corporation	Retail,Consumer Products	Baa3	(P)B2 → (P)B3	BBB-	BB+ → B+
ArvinMeritor, Inc.	Automotive,Capital Goods	Baa3	Ba3	BBB-	BB → BB-
Tyson Foods, Inc.	Consumer Products	Baa3	Ba1 → Ba2	BBB	BBB-

MOODY'S RATINGS DISTRIBUTION

Moody's Rating	Initial	Dec. 2006	Jan. 2007
Aaa	3%	2%	2%
Aa1	1%	1%	1%
Aa2	1%	4%	4%
Aa3	3%	2%	2%
A1	5%	2%	2%
A2	9%	8%	8%
A3	14%	16%	16%
Baa1	20%	16%	16%
Baa2	23%	18%	17%
Baa3	20%	12%	13%
Ba1	1%	6%	5%
Ba2	0%	2%	3%
Ba3	0%	2%	2%
B1	0%	2%	2%
B2	0%	5%	4%
B3	0%	0%	1%
Caa1	0%	1%	1%
Caa2	0%	1%	1%

PRICING INFORMATION

As at January 31, 2007, the units of DIGIT were trading at a price of \$8.80 on the TSX. This price translates into an IRR of 21.5%, based on expected quarterly distributions and the expected payment at maturity assuming no other credit events (estimated at \$8.99).

DISTRIBUTIONS TO DATE

January 8, 2003	\$0.39	April 7, 2005	\$0.36
April 7, 2003	\$0.36	July 7, 2005	\$0.36
July 9, 2003	\$0.36	October 7, 2005	\$0.36
October 7, 2003	\$0.36	January 9, 2006	\$0.34
January 8, 2004	\$0.36	April 7, 2006	\$0.34
April 7, 2004	\$0.36	July 7, 2006	\$0.34
July 9, 2004	\$0.36	October 6, 2006	\$0.34
October 7, 2004	\$0.36	January 8, 2007	\$0.34
January 7, 2005	\$0.36		

KEY CONTACT

François Rivard (514) 879-6405

The information contained in this report was obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete or inaccurate. The information provided in this report is not to be construed as a solicitation or offer to buy or sell the securities of DIGIT Series 1.

To make further inquiry regarding the securities of DIGIT, Series 1 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 DIGIT, Series 1. 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 DIGIT, Series 1. As of the date of this report National Bank of Canada is not a lender to DIGIT, Series 1.

NBF and/or its affiliates may have a position in the securities of DIGIT, Series 1 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 4% of the outstanding securities of DIGIT, Series 1. NBF is a Registered Trader on the Toronto Stock Exchange for DIGIT, Series 1.