INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Equity Portfolio

Meritage International Equity Portfolio

For the period ended June 30, 2009

This interim management report of fund performance contains financial highlights, but does not contain interim or annual financial statements of the Portfolio. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling toll-free 1-866-603-3601, by emailing us at infomeritage@nbc.ca, by visiting our website at www.meritageportfolios.com, by visiting SEDAR's website at www.sedar.com, or by contacting your advisor.

Securityholders may also contact us using one of these methods to request a copy of the portfolio's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

The Meritage International Equity Portfolio Advisor Series units returned 7.20 % for the six-month period ended June 30, 2009, compared to 2.00% for its benchmark, the MSCI EAFE Index ($C). Unlike the benchmark, the Portfolio's return is calculated after the deduction of fees and expenses. Please see the Past Performance section for performance returns of the F Series. Performance returns of the F Series may differ from Adviser Series due mainly to the varying level of fees and expenses.

On June 30, 2009, the net asset value of the Meritage International Equity Portfolio was about 3.00 million compared to 2.80 million on December 31, 2008. The increase in the net asset value is attributable to the positive market's trend amplified by the proceeds from the net sales.

In the span of six months, the economy switched from one of extreme pessimism to optimism. Economically sensitive sectors such as financials, industrials and materials as well as companies with leveraged balance sheets had a good performance during the period. The Portfolio was positioned to benefit from the strong sector trends. The financials sector performed the best, though the biggest upward moves came from some of the riskiest banks that had fallen the furthest, such as Bank of America and Barclays, while traditionally defensive sectors such as telecom, utilities and health care lagged. Efforts over the past year by governments to thaw the credit markets proved fruitful. By the second quarter, credit markets opened up and lending resumed. Companies rushed to borrow, taking advantage of the prevailing low interest rates.

For the six-month period, the Portfolio outperformed its benchmark by about 5%. The AGF Emerging Markets Fund participated strongly to the Portfolio's return due in part to some positive signs of improved economic prospects. The Fund returned 30.10%, outperforming the overall MSCI EAFE Index ($C) by a wide margin. The Fund benefited from being overweight in some sectors: consumer discretionary, telecommunications services, and financials. The financial sector had the biggest positive impact on the Fund's performance, as it was one of the best performing sectors year-to-date. The emerging markets were also strong contributors to the Fund's performance due to policy flexibility that provided local economic support.

The rebound in international stock markets contributed to the positive return of the McLean Budden International Equity Fund. The Fund continued to emphasize the best franchises with strong balance sheets, sound business models, and proven management.

Another contributor to the Portfolio's return is AIM International Growth Class Fund, which returned 7.78%. The regional underweight of Japan and the overweight of both consumer products and healthcare sectors had a net strong contribution to the Fund's relative performance.

To a lesser extent, the AGF International Stock Class Fund contributed to the positive return of the Portfolio. The Fund returned 4.1%. Financials contributed to the Fund's outperformance of the benchmark, as favourable results from the U.S. bank stress tests bring investors to adjust to the reality that the worst of the credit crisis was over.

Recent Developments

During the period, set allocation of the Portfolio remained unchanged. The Portfolio remained broadly diversified across sectors, regions and assets.

The Portfolio advisers of the AGF International Stock Class Fund believe that the numerous monetary and fiscal stimuli that have been pumped into the global economy will likely continue to provide economic support. Liquidity is beginning to return to the capital markets and major financial companies have been successful in deleveraging most of their bad assets.

In the opinion of the Portfolio advisers of the AGF Emerging Markets Fund, policy flexibility continues to have positive impact on emerging markets. They expect to see benefits in countries like India, China, Thailand, Brazil and Turkey, and will continue to identify attractive long-term investment opportunities for the Fund. The Portfolio advisers of the AIM international Growth Class Fund continue to focus on company fundamentals, so the Fund could benefit from its quality positions based upon their growth prospects.

New Accounting Policies

The Accounting Standards Board of Canada (AcSB) as ruled that as of January 1st, 2011, the financial statements of companies with an obligation of public accountability will be presented by the International Financial reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and will replace the Canadian Generally Accepted Accounting Policies (GAAP). Changes to these new standards will come into force on October 1st, 2011 for the funds currently under review.

Management is currently reviewing and developing a plan to meet the timetable for implementation of the Canadian Institute of Chartered Accountants (CICA) regarding the adoption of IFRS. Key elements of this plan are to provide information concerning qualitative impact of these new standards in the financial statements, the information required with respect to their quantitative impact in the financial statements, if any, and the preparation of the financial statements 2011 with comparative figures under IFRS.

Related Party Transactions

Manager

As described in the *Management Fee* section, the Portfolio pays annual management fees to National Bank Securities Inc. (the "Manager") in consideration for management services. The management fees cover mainly the Manager's costs of managing the Portfolio's investments. The Manager is an indirect wholly-owned subsidiary of National Bank of Canada (the "Bank").

The Portfolio reimbursed the Manager for operating expenses incurred in administering the Portfolio, including trustee, record-keeping, custodial, legal, audit, investor servicing, and securityholder reporting fees.

Portfolio Advisor

The Manager has appointed National Bank Trust ("NBT"), an indirect wholly-owned subsidiary of the Bank, as the portfolio advisor for the Portfolio. A flat fee is payable annually to NBT for its management services.

Trustee, Custodian and Registrar

Natcan Trust Company ("NTC"), an indirect wholly-owned subsidiary of the Bank, is the Portfolio's trustee. In this capacity, it is the legal owner of the Portfolio's investments.

NTC also acts as the Portfolio's custodian, registrar and transfer agent. The Manager pays NTC for its services as custodian based on the assets held by the Portfolio. In addition, a flat fee per transaction is paid to NTC. With respect to the registrar and transfer agent services for the Portfolio, a fixed annual amount is paid to NTC by the Manager.

NTC also has responsibility for valuation of the Portfolio and the Portfolio's accounting and records. NTC is paid for these functions by the Manager.

Brokerage Fees and Sales Commissions

NBT carries out the Portfolio transactions in the underlying funds through National Bank Direct Brokerage Inc. ("NBDB"), a wholly-owned subsidiary of the Bank. Each month, the Manager pays a flat fee for each transaction carried out in the underlying fund securities.

Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance for the last period ended June 30, 2009 and the past 2 years.

Advisor Series

The Portfolio's Net Assets per Unit[1]

	6-month period ended June 30, 2009	2008	2007 95 days
Net Assets, beginning of year	$ 6.67	$ 9.76	$ 10.00
Increase (decrease) from operations:			
total revenue	$ —	$ 0.14	$ 0.16
total expenses	$ (0.08)	$ (0.21)	$ (0.07)
realized gains (losses) for the period	$ (0.45)	$ (0.45)	$ —
unrealized gains (losses) for the period	$ 1.02	$ (2.55)	$ (0.36)
Total increase (decrease) from operations[2]	$ 0.49	$ (3.07)	$ (0.27)
Distributions:			
From income (excluding dividends)	$ —	$ —	$ (0.05)
From dividends	$ —	$ —	$ —
From capital gains	$ —	$ —	$ —
Return of capital	$ —	$ —	$ —
Total annual distributions[3]	$ —	$ —	$ (0.05)
Net Assets as at June 30, 2009 and as at December 31 of year shown	$ 7.15	$ 6.67	$ 9.76

(1) *This information is derived from the Portfolio's unaudited interim financial statements and audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for portfolio pricing purposes. An explanation of these differences can be found in the notes to the financial statements.*

(2) *Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.*

(3) *Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.*

Ratios and Supplemental Data

	6-month period ended June 30, 2009	2008	2007 95 days
Total net asset value (000's)[1]	$2,981	$2,733	$2,119
Number of units outstanding[1]	416,887	409,722	217,095
Management expense ratio[2]	2.59 %	2.59 %	2.59 %
Management expense ratio before waivers or absorptions	2.85 %	2.93 %	3.05 %
Trading expense ratio[3]	— %	— %	— %
Portfolio turnover rate[4]	31.75 %	22.25 %	1.35 %
Net asset value per unit	$ 7.15	$ 6.67	$ 9.76

(1) *This information is provided as at June 30, 2009 and as at December 31 for the year shown.*

(2) *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net assets during the period.*

(3) *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.*

(4) *The Portfolio's turnover rate indicates how actively the Portfolio's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio's turnover rate in a year, the greater the trading costs payable by the portfolio in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a portfolio.*

Financial Highlights

F Series

The Portfolio's Net Assets per Unit[1]

	6-month period ended June 30, 2009	2008	2007 95 days
Net Assets, beginning of year	$ 6.78	$ 9.79	$ 10.00
Increase (decrease) from operations:			
total revenue	$ —	$ 0.14	$ 0.08
total expenses	$ (0.04)	$ (0.20)	$ (0.03)
realized gains (losses) for the period	$ (0.37)	$ (0.44)	$ —
unrealized gains (losses) for the period	$ (0.09)	$ (2.46)	$ (0.11)
Total increase (decrease) from operations[2]	$ (0.50)	$ (2.96)	$ (0.06)
Distributions:			
From income (excluding dividends)	$ —	$ —	$ (0.05)
From dividends	$ —	$ —	$ —
From capital gains	$ —	$ —	$ —
Return of capital	$ —	$ —	$ —
Total annual distributions[3]	$ —	$ —	$ (0.05)
Net Assets as at June 30, 2009 and as at December 31 of year shown	$ 7.31	$ 6.78	$ 9.79

(1) This information is derived from the Portfolio's unaudited interim financial statements and audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for portfolio pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Portfolio, or both.

Ratios and Supplemental Data

	6-month period ended June 30, 2009	2008	2007 95 days
Total net asset value (000's)[1]	$99	$135	$63
Number of units outstanding[1]	13,506	19,898	6,451
Management expense ratio[2]	1.28 %	1.28 %	1.22 %
Management expense ratio before waivers or absorptions	1.53 %	1.62 %	1.57 %
Trading expense ratio[3]	— %	— %	— %
Portfolio turnover rate[4]	31.75 %	22.25 %	1.35 %
Net asset value per unit	$ 7.31	$ 6.78	$ 9.79

(1) This information is provided as at June 30, 2009 and as at December 31 for the year shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(4) The Portfolio's turnover rate indicates how actively the Portfolio's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio's turnover rate in a year, the greater the trading costs payable by the portfolio in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a portfolio.

Management Fees

The Portfolio pays annual management fees to the Manager in consideration for management, portfolio advisor and administrative services and facilities required by the Portfolio in its day-to-day operations. A portion of the management fees paid by the Portfolio covers trailer and sales commissions paid to dealers.

As the Portfolio invests in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Portfolio. However, the Manager makes sure that the Portfolio does not pay any management (or operating) fees that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

The management fees are calculated as a fixed percentage of the Portfolio's daily net asset value, are accrued on a daily basis and are paid monthly. The Portfolio is required to pay Goods and Services Tax (GST) on the management fees.

The breakdown of the main services received in consideration for the management fees, as a percentage of the management fees collected from the Portfolio, is as follows:

Series		Management Fee	Distribution	Others†
Advisor Series	Front	2.25%	55.56%	44.44%
	Back		22.22%	77.78%
	Low Load 2 – Year 1 to 3**		22.22%	77.78%
	Low Load 2 – Year 4 and after		44.44%	55.56%
F Series*		1.00%	0.00 %	100.00%

(*) For F Series, no trailer commissions are paid. The dealer or broker is paid an annual fee based on the asset value of your account instead of paying a commission for each purchase, switch or redemption.

(**) Excluding sales commissions paid on the Advisor Series with low load and back end fees.

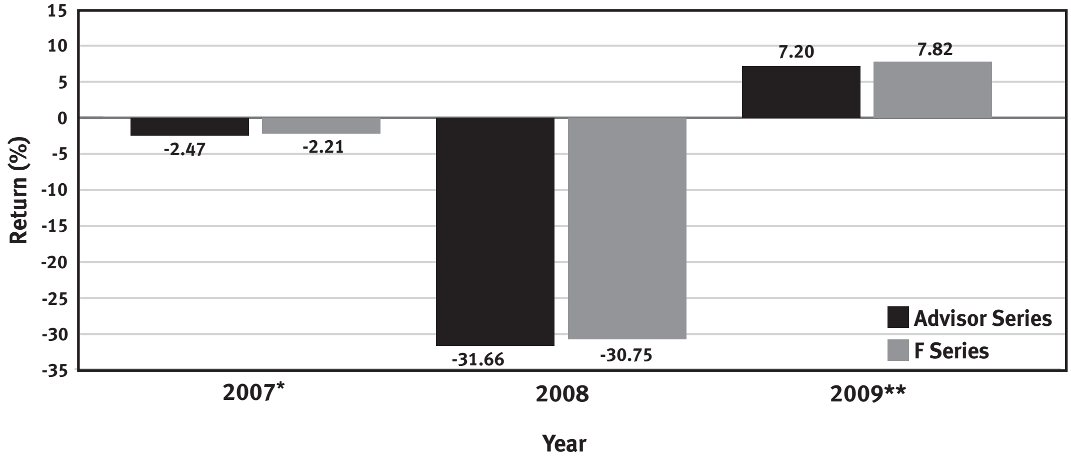
(†) Includes all costs related to management, investment advisory services, general administration and profit.

Past Performance

The returns of each Portfolio or series of a Portfolio are calculated as of December 31 in each year, assume the reinvestment of all distributions and do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a Portfolio or series of a Portfolio does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Portfolio's annual performance in each of the years shown and illustrates how the Portfolio's performance has changed from year to year. It shows in percentage terms how an investment made on January 1st would have increased or decreased by December 31 for each year and by June 30 of this year.



* Returns for the period of October 2, 2007 to December 31, 2007.
** Returns for the six-month period ended June 30, 2009.

Summary of Investment Portfolio

Top 25 Holdings

	% of Net Asset Value
AIM International Growth Class	29.9
AGF International Stock Class	28.8
McLean Budden International Equity Fund	28.5
AGF Emerging Markets Fund	12.9
Cash & Other Assets	-0.1
	100.0

Net asset value $3,080,061

Asset Mix

	% of Net Asset Value
International Equity Funds	100.1
Cash & Other Assets	-0.1

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available. For more information, you can write to infomeritage@nbc.ca, call us at 1-866-603-3601, or contact your advisor.

The prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.

Note on forward-looking statements

This document may contain forward-looking statements concerning the Portfolio, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties, both general and specific. There is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate.

In fact, a number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, expressed in such forward-looking statements. Such differences might be caused by several factors including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events, specifically those related to the war on terrorism, and other risks described in detail in the Portfolio's current simplified prospectus.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and the uncertainties and risks they contain. We caution readers not to place undue reliance on these forward-looking statements.

Forward-looking statements are issued in good faith and may be modified without notice. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.