

October 11, 2011

Dynamic Value Fund of Canada – David Taylor resigns

On Tuesday October 11th, Dynamic Funds announced the resignation of David Taylor.

Taylor was the lead manager of the Dynamic Value Fund of Canada, held in the Meritage Portfolios.

Cecilia Mo is set to take over after Taylor's departure. Ms. Mo was involved in a number of key funds at Fidelity Investments, namely the Northstar, Income Allocation, Monthly Income and Dividend Funds. In constructing her portfolios, she puts emphasis on bottom up fundamental analysis and she invests across the market cap range in companies throughout North America.

Over the coming weeks, an assessment will be conducted to evaluate the impact of the departure of David Taylor and the ensuing structural changes on the Fund itself, and the Meritage Portfolios.

The review includes a comprehensive analysis of the quantitative and qualitative factors of this change, and an independent validation of the analysis by Aon Hewitt.

The commitment of the Meritage Portfolios has always been to offer the best blend of the best funds available in the industry. From over 5,000 funds available to investors, 23 were carefully selected based on their potential return, sustained performance over time and the synergy of their portfolio managers' investment approaches.

Due Diligence Process

1. Complete review of the new manager's track record, according to the Select Rating System criteria:
 - Value added by the manager
 - Complete downside risk analysis / Returns per unit of risk
 - Other observations: holding based style consistency, correlation with the other fixed income funds already in Meritage, downside and upside capture ratios, validation of management team continuity and additional qualitative data provided by Aon Hewitt.
2. Analysis and comparisons with alternative funds within a comparable universe.
3. Review of the entire process by Aon Hewitt, analysis of the fund and its new manager and detailed recommendation to the Meritage Investment Committee.