

Replacement of the TD Canadian Blue Chip Equity Fund in the Meritage Portfolios®

Montreal, September 3, 2010 – On July 14, 2010, TD Asset Management Inc. announced that the portfolio management responsibilities of the TD Canadian Blue Chip Equity Fund, until now managed by Jarislowsky, Fraser Limited, will be changed. Further to this announcement, National Bank Securities Inc. undertook a thorough due diligence process in collaboration with Aon Consulting to evaluate the impact of this development on the Meritage Portfolios®.

As a result of the analysis, a decision was made to replace the TD Canadian Blue Chip Equity Fund by the Dynamic Value Fund of Canada on or around September 30, 2010.

The Dynamic Value Fund of Canada is managed by David Taylor, an experienced portfolio manager with over 20 years in the investment industry. In 2008, the fund was awarded *Canadian Focused Equity Fund of the Year* at the Canadian Lipper Awards ceremony.

In parallel, the departure of Chris Kresic, head of the fixed income team at Mackenzie Investments, was reviewed. It was determined that this event will not significantly impact the Mackenzie Sentinel Corporate Bond Fund held by the Meritage Portfolios, which continues to be managed by Dan Bastasic.

Funds in the Meritage Portfolios® are selected using a quantitative approach known as the Select Rating System®. In order to ensure better objectivity in the selection process of the underlying funds in which the Meritage Portfolios® invest, National Bank Securities funds cannot be included in the portfolios. Moreover, the fund selection and monitoring process for the Meritage Portfolios® is reviewed and validated by Aon Consulting.

The 14 Meritage Portfolios® were built to suit the needs of investors with varying risk tolerance levels and investment horizons. They offer a complete investment solution with optimal diversification across asset classes, regions, market capitalizations and management styles in an integrated fund-of-funds structure.

Each portfolio is a blend of some of the best funds 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. The value of assets under management in the Meritage Portfolios® currently amounts to more than \$900 million. Further information is available at www.meritageportfolios.com.



Press release

For immediate release

About National Bank of Canada

National Bank of Canada is an integrated group that provides comprehensive financial services to consumers, small and medium-sized enterprises and large corporations in its core market, while offering specialized services to its clients elsewhere in the world. National Bank offers a full array of banking services, including retail, corporate and investment banking. It is an active player on international capital markets and, through its subsidiaries, is involved in securities brokerage, insurance and wealth management as well as mutual fund and retirement plan management. National Bank has over \$134 billion in assets and, together with its subsidiaries, employs 17,946 people. The Bank's securities are listed on the Toronto Stock Exchange (NA:TSX). For more information, visit the Bank's website at www.nbc.ca.

About Meritage Portfolios®

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