

# Meritage Equity Income Portfolio

Series F • MTG725



## FUND FACTS — October 28, 2011

National Bank Securities Inc.

This document contains key information you should know about Meritage Equity Income Portfolio. The manager of this mutual fund is National Bank Securities Inc. You can find more detailed information in the fund's simplified prospectus. Ask your advisor for a copy, or by calling, toll free, 1-866-603-3601 or by sending an email at [infomeritage@nbc.ca](mailto:infomeritage@nbc.ca) or by visiting our website at [www.meritageportfolios.com](http://www.meritageportfolios.com).

### QUICK FACTS

<b>Date fund created:</b>	September 25, 2006	<b>Portfolio manager:</b>	National Bank Trust Inc.
<b>Total value on September 30, 2011:</b>	\$55.6 million	<b>Distribution:</b>	Monthly
<b>Management expense ratio (MER):</b>	1.36%	<b>Minimum investment:</b>	\$5,000 initial, \$50 additional, \$25 systematic

### WHAT DOES THE FUND INVEST IN?

The Portfolio's investment objectives are to achieve a high current income and long-term capital appreciation by investing primarily in a diverse mix of fixed income and equity mutual funds. The Portfolio may from time to time make direct investments in Canadian and foreign equity and fixed income securities. The charts below give you a snapshot of the fund's investments on September 30, 2011. The fund's investments will change.

#### Top 10 Investments (September 30, 2011)

1. Dynamic Equity Income Fund
2. RBC Canadian Dividend Fund
3. CI Signature Dividend Fund
4. RBC Global High Yield Bond Fund
5. Mackenzie Ivy Foreign Equity Fund
6. Beutel Goodman Income Fund
7. TD Canadian Bond Fund
8. Capital International - Global Equity Fund
9. AGF Emerging Markets Fund
10. Mackenzie Cundill Value Fund

#### Investment Mix (September 30, 2011)



Total Investments: 10

The top 10 investments make up 100.0% of the fund

### HOW HAS THE FUND PERFORMED?

This section tells you how this series of the fund has performed since inception. Returns are after expenses have been deducted. These expenses reduce the series' returns.

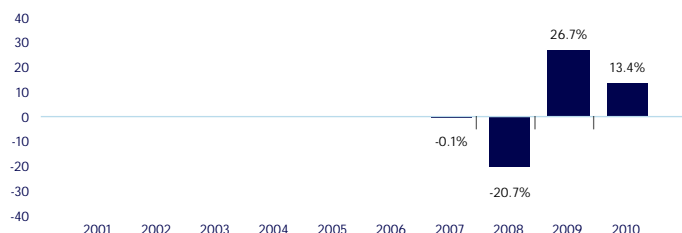
It's important to note that this doesn't tell you how the series will perform in the future. Also, your actual after-tax return will depend on your personal tax situation.

#### Average return

A person who invested \$1,000 in the series of the fund since its inception now has \$1,143. This works out to an annual compound return of 2.69%.

#### Year-by-year returns (%)

The following chart shows how the series has performed in each calendar year for the past 4 years. The series dropped in value in 2 of 4 years.



### HOW RISKY IS IT?

When you invest in a fund, the value of your investment can go down as well as up. National Bank Securities Inc. has rated this fund's risk as medium.



For a description of the specific risks of this fund, see the fund's simplified prospectus.

### ARE THERE ANY GUARANTEES?

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the money you invest.

### WHO IS THIS FUND FOR?

#### Investors who:

- are looking to invest for the long term (at least five years);
- are looking for an investment solution that allows them to invest in a wide variety of securities in order to create a fully diversified portfolio;
- wish to make investments outside the registered plan and have the flexibility needed to rebalance the portfolio without realizing capital gains.

Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.

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## A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

## HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell F Series securities of the fund. The fund has other series of units. The fees and expenses are different for each series. Ask about other series that may be suitable for you.

### 1. Sales Charges

You must pay your broker an annual fee based on the asset value of your account instead of paying commissions or fees on each purchase, switch or redemption. You don't pay any sales charge when you buy F Series securities.

### 2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the returns of the series of the fund. As of June 30, 2011, the expenses of Series F were 1.36% of its value. This equals \$13.60 for every \$1,000 invested.

	Annual rate (as a % of the fund's value)
<b>Management expense ratio (MER)</b> This is the total of the management fee and operating expenses for this series of the fund. National Bank Securities Inc. waived some of the fund's expenses. If it had not done so, the MER would have been higher.	1.36%
<b>Trading expense ratio (TER)</b> These are the trading costs for this series of the fund.	0.00%
<b>Expenses of the series of the fund</b>	<b>1.36%</b>

## TRAILING COMMISSION

National Bank Securities Inc. does not pay any trailing commission to your broker for securities held in F Series.

### 3. Other fees

You may have to pay other fees when you sell, switch or convert securities of the fund. The F Series is only offered to investors who have entered into an agreement to pay fees directly to their dealer. These investors pay their dealer annual compensation based on the asset value of their account.

Fees	What you pay
<b>Short-term trading fee</b>	A fee of 2% of the value of the securities you redeem or switch within 30 days of purchase may be charged. This fee will be put back into the fund.
<b>Switch fee</b>	You must pay your broker an annual fee based on the value of assets in your account rather than commissions or fees on each transaction of substitution or conversion.
<b>Converting fee</b>	You must pay your broker an annual fee based on the value of assets in your account rather than commissions or fees on each transaction of substitution or conversion.

## WHAT IF I CHANGE MY MIND?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund securities within two business days after you receive a simplified prospectus, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

### For more information

You may obtain a free copy of the simplified prospectus and other disclosure documents by contacting your adviser or by calling toll-free 1-866-603-3601.

These documents and the Fund Facts make up the fund's legal documents.

National Bank Securities Inc.  
1100 University Street  
10th floor  
Montreal, Quebec H3B 2G7  
Toll-free: 1-866-603-3601  
Email: infomeritage@nbc.ca

[www.meritageportfolios.com](http://www.meritageportfolios.com)