

## Replacement of the Mackenzie Sentinel Corporate Bond Fund in the Meritage Portfolios®

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On May 27, 2011, Mackenzie Investments announced the departure of Dan Bastasic, lead portfolio manager of the Mackenzie Sentinel Corporate Bond Fund. Further to this announcement, National Bank Securities Inc. undertook a thorough due diligence process in collaboration with Aon Hewitt to evaluate the impact of this development on the Meritage Portfolios®.

As a result of the analysis, a decision was made to replace the Mackenzie Sentinel Corporate Bond Fund by the RBC Global High Yield Bond Fund on or around September 1, 2011.

The RBC Global High Yield Bond Fund is managed by Frank Gambino (located in Toronto, Canada) and by Jane Lesslie (located in London, England). RBC has one of the largest Global Fixed Income team in Canada.

The RBC Global High Yield Bond Fund received the 2010 Morningstar Canadian Investment Award for Best High Yield Fixed Income Fund in his category.

### The following Meritage Portfolios® will be affected:

- Meritage Conservative Portfolio
- Meritage Moderate Portfolio
- Meritage Balanced Portfolio
- Meritage Growth Portfolio
- Meritage Growth Class
- Meritage Equity Portfolio
- Meritage Equity Class
- Meritage Conservative Income Portfolio
- Meritage Moderate Income Portfolio
- Meritage Balanced Income Portfolio
- Meritage Growth Income Portfolio
- Meritage Equity Income Portfolio

Funds' weights in Meritage Portfolios® will not be changed following this announcement.

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 Hewitt.

The 14 Meritage Portfolios<sup>®</sup> 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<sup>®</sup> currently amounts to more than \$1.3 billion. Further information is available at [www.meritageportfolios.com](http://www.meritageportfolios.com).