



Status Report on Meritage Portfolios™ Holdings

Fidelity Canadian Opportunities Fund - Departure of Maxime Lemieux

August 1st, 2008 – On August 1st, 2008 Fidelity Investments announced the departure of Maxime Lemieux, lead manager of the Fidelity Canadian Opportunities Fund, who will be taking a sabbatical effective September 2, 2008. This announcement triggers a due diligence process to assess the impact of the departure on the following Meritage Portfolios™:

- Meritage Canadian Equity Portfolio
- Meritage Moderate Portfolio
- Meritage Balanced Portfolio
- Meritage Growth Portfolio
- Meritage Equity Portfolio

Reminder of the situation and due diligence process

The Meritage Portfolios™ are dedicated to providing the best blend of the best third-party funds. Therefore, the following steps of our due diligence process have been undertaken:

1. A 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 two other global equity funds already in Meritage, downside and upside capture ratios, validation of management team continuity and additional qualitative data provided by Aon Consulting.
2. Analysis and comparisons with alternative global equity funds within a comparable universe will also be made.
3. Aon Consulting will review the entire process, analyze the fund and its new manager and submit detailed recommendations to the Meritage Investment Committee.