








Meritas Monthly Dividend and Income Fund

Performance as of June 30, 2010

| 6 mth | 1 yr | 3 yr | 5 yr | Since Inception (February 1, 2006) |
|-------|------|-------|------|---------------------------------------|
| -6.2% | 5.7% | -4.8% | N/A | -1.5% |

MER: 2.47%

FUND CODES: SRI 007 Front End SRI 107 DSC SRI 307 Fee Based SRI 507 Low Load

-  Meritas Money Market Fund
-  Meritas Canadian Bond Fund
-  Meritas Balanced Portfolio Fund
-  Meritas Monthly Dividend and Income Fund
-  Meritas Jantzi Social Index® Fund
-  Meritas U.S. Equity Fund
-  Meritas International Equity Fund

Fund Managers:

Managed by Blain Caverly and Peter Angelou of Jarislowsky, Fraser Limited from their Toronto, Ontario office. **Jarislowsky, Fraser Limited** is a registered investment counseling firm, managing pension funds, pooled funds, endowment funds and, corporate and private portfolios for clients in North America and Europe. *For more information on Jarislowsky, Fraser Limited, visit www.jfl.ca*

Investment Strategy:

Featuring a focus on income producing large capitalization Canadian companies. This fund will typically have at least 50% of its assets in Canadian Equities, while ensuring that all investments meet our standards for socially responsible investing.

Who Should Invest in this Fund?

Consider investing in the Fund if you are:

- Investing for a long-term goal such as retirement (investment horizon of five years or more)
- Looking for a regular stream of monthly income from your portfolio
- Willing to accept **medium investment risk** in order to obtain potentially higher long term returns

The Fund will invest in the following asset classes subject to the guidelines below:

| Asset Class | Minimum | Maximum | Asset Class | Minimum | Maximum |
|-------------------|---------|---------|------------------|---------|---------|
| Canadian Equities | 50% | 100% | Income Trusts | 0% | 30% |
| Fixed Income | 0% | 30% | Foreign Equities | 0% | 10% |

Consistent with the Monthly Dividend and Income Fund's investment objective, the Fund:

- Invests substantially all, but in no event less than 50%, of the value of its total assets in equity securities
- Invests in the following types of equity securities: common stocks, preferred stocks, securities convertible into common stocks, warrants and any rights to purchase common stocks
- May also invest income trust units and fixed income securities

Top Ten Holdings as of June 30, 2010:

| Investment | % of net assets |
|-----------------------------|-----------------|
| Royal Bank of Canada | 6.0 |
| Bank of Nova Scotia | 5.0 |
| The Toronto-Dominion Bank | 4.6 |
| Talisman Energy Inc. | 4.0 |
| Suncor Energy Inc. | 3.8 |
| Enbridge Inc. | 3.3 |
| Cenovus Energy Inc. | 3.3 |
| Metro Inc. 'A' | 3.1 |
| Thomson Reuters Corporation | 3.0 |
| Nexen Inc. | 3.0 |

Sector Weightings as of June 30, 2010:

| Sector | % of net assets |
|----------------------------|-----------------|
| Energy | 27.7 |
| Financials | 26.9 |
| Consumer Discretionary | 11.7 |
| Materials | 9.8 |
| Industrials | 9.4 |
| Consumer Staples | 8.7 |
| Information Technology | 3.0 |
| Telecommunication Services | 1.7 |
| Utilities | 1.1 |
| Health Care | 0.0 |



meritas
socially responsible investments



What is Socially Responsible Investing (SRI)?

SRI is defined as the integration of peoples' social, environmental and ethical values with their investment decisions. It is the act of making investment decisions to achieve not only financial returns, but also social and environmental returns producing a "triple bottom line".

Socially Responsible Investing consists of three strategies:

1. Screening
2. Shareholder action
3. Investment in the community

SCREENING PROCESS

The screens Meritas uses for all of its portfolios are:

- POSITIVE
- Aboriginal Concerns and Relations
 - Corporate Governance
 - Cultural and Gender Diversity
 - Employee Relations
 - Environmental Impact
 - International Human Rights

- NEGATIVE
- Alcohol Production
 - Animal testing for non-medical reasons
 - Gambling
 - Military Contracting
 - Nuclear Power
 - Pornography
 - Tobacco Production

ACTIVE SHAREHOLDER STATUS

Meritas Mutual Funds takes the following approach on behalf of its investors:

- Dialogue with management on grey issues
- Increase corporate understanding of social, environmental, and financial issues
- Work with companies that indicate a willingness to change
- Vote ownership shares in line with positive standards
- Post voting intentions on website in advance of vote

COMMUNITY DEVELOPMENT INVESTMENT

Meritas invests up to 2% of each of its mutual funds into community development investments.

- Investments in local community oriented investment programs
- Provide economic growth and opportunity in areas that might not normally have access to capital
- Effect on return to the investor should be insignificant
- Effect on the recipient of the funds could be very significant

Meritas is an SRI leader in Canada and embraces all three strategies in their funds.

The following Meritas Mutual Funds are available to you through your financial planner:

| FUND | SUB ADVISOR |
|--|--------------------------------------|
| Meritas Money Market Fund | GWL Investment Management Ltd. |
| Meritas Canadian Bond Fund | GWL Investment Management Ltd. |
| Meritas Balanced Portfolio Fund | Meritas Financial Inc. |
| Meritas Monthly Dividend and Income Fund | Jarislowsky, Fraser Limited |
| Meritas Jantzi Social Index® Fund | State Street Global Advisors |
| Meritas U.S. Equity Fund | Davis Selected Advisors, L.P. |
| Meritas International Equity Fund | Thornburg Investment Management Inc. |

FOR MORE INFORMATION CONTACT:
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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Meritas is a division of Qtrade Fund Management Inc.