

We are making changes to your Strategic Portfolio service. We are writing to tell you about the changes, why we are making them, and how this may affect your investments.

Can you remind me of the approach taken by the Strategic Portfolios?

The Strategic Portfolios refer to 6 different investment portfolio strategies. The strategies are tailored to different investing needs and objectives of our clients. Each strategy is achieved by investing a specified portion of your capital in a number of different mutual funds managed by National Bank Securities Inc. The 6 different strategies include a different mix of these mutual funds.

In order to ensure that your investing objectives continue to be met over time and recognizing that each of the funds supporting an investment strategy will perform at different rates over time, you have instructed us to reallocate your capital among the funds in your Strategic Portfolio on a semi-annual basis to ensure that the mix of funds continues to support the strategy as designed.

What changes are you making to the Strategic Portfolios?

We have re-evaluated the mix of National Bank Securities Mutual Funds included as components of each strategy and determined that in our current market environment it would be appropriate to make adjustments. We believe that these changes will enhance your opportunity for returns on your investments while maintaining or reducing the investment risks inherent in any investment strategy.

The details of the changes to each strategy are captured in the table enclosed with this notice. The table shows you the current mix of National Bank Securities Mutual Funds supporting each strategy under the “Current Portfolio” and the new mix of funds that will be implemented for each strategy under the “Revised Portfolio”.

How does this affect my investments?

We think the effects of these changes will be positive over time by improvements we see in the “return/risk balance” of these changes.

Each of the funds included in a Strategic Portfolio has different management fees and expense costs associated with them. Over time, as each of the funds in a portfolio performs differently, and its relative value in a portfolio rises or falls, that will also produce a different overall level of management fees and expenses in a portfolio.

When we change the mix of these funds in a Strategic Portfolio, the effect will be that the overall management fees and expenses for a Strategic Portfolio will change from their current levels. The impact of these variations are relatively small and, depending upon the particular Strategic Portfolio, will go either higher or lower than current levels.

Will there be any income tax consequences from these changes?

You will have no immediate tax consequences if you hold your Strategic Portfolio investments in a tax deferred plan, such as an RRSP. If you hold your investment outside this type of plan, then you will have the normal tax consequences associated with any rebalancing that the portfolios ordinarily do on a semi-annual basis—you may have a capital gain or a capital loss.

Can you share with me more information about the new mutual funds to be included in the Strategic Portfolios?

We are enclosing an excerpt of the prospectus for the National Bank Securities Mutual Funds which gives you full disclosure of the new funds which will be included in the Strategic Portfolios, including the objectives of these funds, their risk factors and general tax considerations.

What do I need to do to take advantage of these changes to the Strategic Portfolios?

You do not need to do anything. These changes will automatically take effect in September, 2010, when we undertake our next scheduled rebalancing of the Strategic Portfolios. We are enclosing a copy of the new *Agreement Respecting National Bank Strategic Portfolios* which reflects these changes. The changes and the new Agreement will take effect in September on the "Date of changes" reflected against your particular Strategic Portfolio in the table enclosed with this notice.

You have the option of keeping your existing portfolio of National Bank Securities Mutual Funds. If you would prefer to do so, please simply send us written notice of your decision to maintain your existing investment portfolio before the date that the changes for your particular Strategic Portfolio are scheduled to take effect. If you elect to do so, we will not be able to offer you the benefits of the Strategic Portfolio strategies and the rebalancing services which are fundamental to these strategies. Your notice withdrawing from the Strategic Portfolio program should go to:

**National Bank Securities Inc.,
1100 University Street, 9th floor,
Montreal, Quebec, H3B 2G7**

What should I do if I want more information?

Please contact your advisor. He or she will be delighted to discuss your Strategic Portfolio investments and the benefits of the changes we are making.

CHANGES TO STRATEGIC PORTFOLIOS

Secure Strategic Portfolio				Conservative Strategic Portfolio			
Date of changes: on or about Sept. 3, 2010				Date of changes: on or about Sept. 10, 2010			
Funds	Current Portfolio	Revised Portfolio	Difference	Funds	Current Portfolio	Revised Portfolio	Difference
National Bank Money Market Fund	35%	25%	-10%	National Bank Money Market Fund	15%	0%	-15%
National Bank Short Term Canadian Income Fund	0%	10%	10%	National Bank Short Term Canadian Income Fund	0%	15%	15%
National Bank Bond Fund	30%	35%	5%	National Bank Bond Fund	30%	35%	5%
National Bank Dividend Fund	25%	10%	-15%	National Bank Dividend Fund	25%	10%	-15%
Altamira Global Bond Fund	10%	5%	-5%	Altamira Global Bond Fund	10%	5%	-5%
Altamira Corporate Bond Fund	0%	10%	10%	Altamira Corporate Bond Fund	0%	10%	10%
Altamira High Yield Bond Fund	0%	5%	5%	Altamira High Yield Bond Fund	0%	5%	5%
				National Bank Canadian Equity Fund	10%	5%	-5%
				Altamira Canadian Equity Growth Fund	0%	5%	5%
				National Bank Global Equity Fund	5%	5%	0%
				Omega Global Equity Fund	5%	5%	0%
Weighted management fees of funds*	1.16%	1.12%	-0.04%	Weighted management fees of funds*	1.43%	1.36%	-0.07%

CHANGES TO STRATEGIC PORTFOLIOS (CONTINUED)

Moderate Strategic Portfolio	Date of changes: on or about Sept. 17, 2010		
Funds	Current Portfolio	Revised Portfolio	Difference
National Bank Bond Fund	30%	35%	5%
National Bank Dividend Fund	25%	10%	-15%
Altamira Global Bond Fund	10%	5%	-5%
Altamira Corporate Bond Fund	0%	10%	10%
Altamira High Yield Bond Fund	0%	5%	5%
National Bank Canadian Equity Fund	10%	5%	-5%
Omega Canadian Equity Fund	0%	5%	5%
Altamira Canadian Equity Growth Fund	0%	5%	5%
National Bank Small Cap Fund	10%	5%	-5%
National Bank Global Equity Fund	7.5%	7.5%	0%
Omega Global Equity Fund	7.5%	7.5%	0%
Weighted management fees of funds*	1.62%	1.62%	0.00%

Balanced Strategic Portfolio	Date of changes: on or about Sept. 24, 2010		
Funds	Current Portfolio	Revised Portfolio	Difference
National Bank Bond Fund	20%	15%	-5%
National Bank Dividend Fund	20%	10%	-10%
Altamira Global Bond Fund	5%	5%	0%
Altamira Corporate Bond Fund	0%	10%	10%
Altamira High Yield Bond Fund	0%	5%	5%
National Bank Canadian Equity Fund	10%	5%	-5%
Omega Canadian Equity Fund	5%	5%	0%
Altamira Canadian Equity Growth Fund	0%	5%	5%
National Bank Small Cap Fund	10%	10%	0%
National Bank Global Equity Fund	15%	15%	0%
Omega Global Equity Fund	15%	15%	0%
Weighted management fees of funds*	1.76%	1.79%	0.03%

Growth Strategic Portfolio	Date of changes: on or about Sept. 10, 2010		
Funds	Current Portfolio	Revised Portfolio	Difference
National Bank Bond Fund	20%	5%	-15%
Altamira Global Bond Fund	5%	0%	-5%
Altamira Corporate Bond Fund	0%	10%	10%
Altamira High Yield Bond Fund	0%	10%	10%
National Bank Canadian Equity Fund	10%	5%	-5%
Omega Canadian Equity Fund	10%	10%	0%
Altamira Canadian Equity Growth Fund	0%	5%	5%
National Bank Small Cap Fund	10%	10%	0%
National Bank Global Equity Fund	20%	17.5%	-2.5%
Omega Global Equity Fund	15%	17.5%	2.5%
Omega Emerging Markets Fund	10%	10%	0%
Weighted management fees of funds*	1.93%	1.98%	0.05%

Equity Strategic Portfolio	Date of changes: on or about Sept. 3, 2010		
Funds	Current Portfolio	Revised Portfolio	Difference
National Bank Bond Fund	10%	0%	-10%
Altamira Corporate Bond Fund	0%	10%	10%
National Bank Canadian Equity Fund	15%	5%	-10%
Omega Canadian Equity Fund	10%	10%	0%
Altamira Canadian Equity Growth Fund	0%	5%	5%
National Bank Small Cap Fund	10%	15%	5%
National Bank Global Equity Fund	25%	22.5%	-2.5%
Omega Global Equity Fund	20%	22.5%	2.5%
Omega Emerging Markets Fund	10%	10%	0%
Weighted management fees of funds*	2.04%	2.06%	0.02%

* The weighted management fees of the above-mentioned funds represent the management fees indirectly applicable to each Strategic Portfolio, based on the weighting of the various funds that make up the portfolio immediately following a rebalancing. Since market fluctuations cause variations in the weighting of the funds that make up the Strategic Portfolios, the weighted management fees will also vary. Consequently, the weighted management fees indicated above are not the actual fees that will be assumed indirectly by the holder of a Strategic Portfolio and are provided only for illustrative purposes. Operating fees and expenses are also assumed by the funds that make up the Strategic Portfolios. Please refer to the Agreement respecting the Strategic Portfolios for more information.

AGREEMENT RESPECTING NATIONAL BANK STRATEGIC PORTFOLIOS

In this Agreement, “you” means the “client”. As a user of this service, you acknowledge and agree to the following:

1. Description of service

National Bank Strategic Portfolios (the “Strategic Portfolios”) are an asset allocation service offered by National Bank Securities Inc. (“NBSI”). This service allows clients to match their investment objectives and risk tolerance with one of six (6) Strategic Portfolios, designed by NBSI to correspond to an investor profile (Secure, Conservative, Moderate, Balanced, Growth and Equity), made up entirely of mutual funds which are managed by NBSI or an affiliate. Each Strategic Portfolio has been constructed using optimization techniques and computer modeling that focus on range of returns, downside risk and forward looking risk analysis.

2. Asset allocation

Any new investments you make in your Strategic Portfolio will be automatically allocated to the Funds that make up the Strategic Portfolio you selected based on your investor profile, according to the weighting indicated below for each of the Funds contained in your selected Strategic Portfolio.

Secure Strategic Portfolio (941)	
National Bank Money Market Fund	25%
National Bank Short Term Canadian Income Fund	10%
National Bank Bond Fund	35%
National Bank Dividend Fund	10%
Altamira Global Bond Fund	5%
Altamira Corporate Bond Fund	10%
Altamira High Yield Bond Fund	5%
Conservative Strategic Portfolio (942)	
National Bank Short Term Canadian Income Fund	15%
National Bank Bond Fund	35%
National Bank Dividend Fund	10%
Altamira Global Bond Fund	5%
Altamira Corporate Bond Fund	10%
Altamira High Yield Bond Fund	5%
National Bank Canadian Equity Fund	5%
Altamira Canadian Equity Growth Fund	5%
National Bank Global Equity Fund	5%
Omega Global Equity Fund	5%
Moderate Strategic Portfolio (943)	
National Bank Bond Fund	35%
National Bank Dividend Fund	10%
Altamira Global Bond Fund	5%
Altamira Corporate Bond Fund	10%
Altamira High Yield Bond Fund	5%
National Bank Canadian Equity Fund	5%
Omega Canadian Equity Fund	5%
Altamira Canadian Equity Growth Fund	5%
National Bank Small Cap Fund	5%
National Bank Global Equity Fund	7.5%
Omega Global Equity Fund	7.5%
Balanced Strategic Portfolio (944)	
National Bank Bond Fund	15%
National Bank Dividend Fund	10%
Altamira Global Bond Fund	5%
Altamira Corporate Bond Fund	10%
Altamira High Yield Bond Fund	5%
National Bank Canadian Equity Fund	5%
Omega Canadian Equity Fund	5%
Altamira Canadian Equity Growth Fund	5%
National Bank Small Cap Fund	10%
National Bank Global Equity Fund	15%
Omega Global Equity Fund	15%
Growth Strategic Portfolio (945)	
National Bank Bond Fund	5%
Altamira Corporate Bond Fund	10%
Altamira High Yield Bond Fund	10%
National Bank Canadian Equity Fund	5%
Omega Canadian Equity Fund	10%
Altamira Canadian Equity Growth Fund	5%
National Bank Small Cap Fund	10%
National Bank Global Equity Fund	17.5%
Omega Global Equity Fund	17.5%
Omega Emerging Markets Fund	10%
Equity Strategic Portfolio (946)	
Altamira Corporate Bond Fund	10%
National Bank Canadian Equity Fund	5%
Omega Canadian Equity Fund	10%
Altamira Canadian Equity Growth Fund	5%
National Bank Small Cap Fund	15%
National Bank Global Equity Fund	22.5%
Omega Global Equity Fund	22.5%
Omega Emerging Markets Fund	10%

3. Minimum investment and assets

The minimum initial investment and the minimum assets in each Strategic Portfolio are set at \$10,000. The minimum amount for subsequent purchases and redemptions is \$100. You agree to maintain the required minimum balance in your Strategic Portfolio and acknowledge that this balance may vary from time to time due to market fluctuations. If the balance of your Strategic Portfolio falls below the established minimum, NBSI may ask you to increase the value of your investment. In such a case, you will be notified by mail or telephone that the balance in your Strategic Portfolio is below the required minimum. You will then have thirty (30) days to make up the shortfall. Following the expiration of this period, NBSI may, at its discretion and without further notice, liquidate the balance of your Strategic Portfolio or cease providing the rebalancing service provided for herein for the securities of Funds included in your Strategic Portfolio. To participate in a systematic withdrawal plan with a Strategic Portfolio, a minimum investment of \$20,000 is required in your Strategic Portfolio when the plan is established.

4. Distributions

The distributions paid by a Fund within a Strategic Portfolio will be automatically reinvested in additional securities of that Fund, unless the distribution amount for that Fund is greater than \$25 and you ask to be paid in cash.

5. Rebalancing

Because of fluctuations in the value of the Funds in your Strategic Portfolio, their percentage weighting will vary from time to time in relation to the initial allocation. Every six (6) months, between the 15th and the last day of March and September, you authorize NBSI to rebalance the Funds in your Strategic Portfolio back to the target weighting of the Strategic Portfolio shown above if the percentage weighting of at least one of the Funds has varied by more than 1% from the weightings indicated above. The purpose of this rebalancing is to maintain the allocation identified for your Strategic Portfolio. For any rebalancing, NBSI will automatically perform the necessary transactions (purchases and redemptions) to re-establish the weighting identified for each Fund in your Strategic Portfolio. No fees will be charged for such rebalancing.

6. Tax impact following rebalancing

There may be a tax impact to you resulting from the purchase and sale of securities of the Funds in your Strategic Portfolio. If your Strategic Portfolio is not held in a retirement savings plan or a similar tax deferred plan, you may realize taxable capital gains or deductible capital losses at the time of selling securities of the Funds.

7. Change of investor profile

It is important to review your investor profile at least annually, since your situation and investor profile may change. If your investor profile changes, a new form must be filled out in order to modify your Strategic Portfolio.

8. Strategic Portfolio Statement

You will receive an account statement each quarter.

9. Fees

You are not directly responsible for any fees related to your investment in a Strategic Portfolio. However, management fees are paid to NBSI by the Funds in your Strategic Portfolio for management services that NBSI provides. In addition, operating fees and expenses are paid by the Funds in your Strategic Portfolio. Consult the prospectus of the Funds in your Strategic Portfolio for more information on these fees and expenses.

10. Changes to the Agreement

NBSI reserves the right to modify the terms of this Agreement, including changes to the Funds in a Strategic Portfolio, the target weightings of such Funds or the variation threshold to rebalance the Funds, upon sixty (60) days' advance notice to you. The amended Agreement will enter into force upon the expiration of such advance notice, or at any other later time specified in the notice, unless you notify NBSI of your objection to such changes in writing prior to the end of the sixty (60) days' notice period. Following the receipt of such notice from you, this Agreement will automatically be terminated. You can then continue to hold the securities of the Funds contained in your Strategic Portfolio, but they will cease to be part of the rebalancing service provided herein.

11. Disclaimer

The Funds and the Strategic Portfolios are offered by NBSI, which is a wholly owned subsidiary of National Bank of Canada. Commissions, trailing commissions, management fees and expenses all may be associated with investments in the Funds and the use of the Strategic Portfolios. Please read the prospectus of the Funds in which investments may be made under the Strategic Portfolios before investing. The Funds' securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the National Bank Money Market Fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in this Fund will be returned to you. The value of Funds fluctuates frequently and past performance may not be repeated.