

July 22, 2008

**In the Matter of the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New
Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories,
Nunavut and Yukon
(the "Jurisdictions")**

and

**In the Matter of the
Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

**In the Matter of
Altamira Investment Services Inc. (the "Manager") and
Meritage Portfolios and Altamira Funds listed in Schedule A (the "Funds")
(collectively, the "Filers")**

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the time limits for the renewal of the simplified prospectuses and annual information forms of the Funds be extended to those time limits that would be applicable if the lapse dates of the simplified prospectuses were November 1, 2008 (the "**Exemptive Relief Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined below:

"**Act**" means the *Securities Act* (Ontario);

“**AFSL**” means Altamira Financial Services Ltd.;

“**MFDA**” means the Mutual Fund Dealers Association of Canada;

“**NBC**” means National Bank of Canada;

“**NBSI**” means National Bank Securities Inc.; and

“**NI 81-101**” means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

Representations

This decision is based on the following facts represented by the Filers:

(a) The Manager is a corporation governed by the *Canada Business Corporations Act*, with its head office in Montreal, Quebec. The Manager is the manager of the Funds.

(b) The Funds are either open-ended mutual fund trusts established under the laws of Ontario or mutual fund corporations governed under the laws of Ontario or Canada.

(c) Securities of the Altamira Funds are currently qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus dated September 10, 2007, as amended, and securities of the Meritage Portfolios are currently qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus dated September 25, 2007, as amended.

(d) The Funds are reporting issuers under the laws of each of the provinces and territories of Canada.

(e) NBC is the ultimate parent of each of the Manager, NBSI and AFSL. NBSI is the manager of the National Bank Mutual Funds and the Omega Funds and AFSL is the principal distributor of the Altamira Funds.

(f) NBC has reviewed the operations of each of the Manager, NBSI and AFSL, and has concluded that it would be appropriate to consolidate the activities of the Manager and AFSL into NBSI’s business model.

(g) Subject to regulatory approvals and to the approval of the MFDA, it is proposed that, on or about November 1, 2008, each of the Manager, NBSI and AFSL will be amalgamated and the resulting entity will be known as “National Bank Securities Inc.” (the “**Transaction**”).

(h) Amendments dated May 23, 2008 to the simplified prospectuses and annual information forms of the Funds have been filed, disclosing the proposed Transaction.

(i) In order to reduce the cost of renewing the simplified prospectuses and annual information forms for the Funds in September and then subsequently amending and restating the simplified

prospectuses and annual information forms in November following the Transaction, the Manager wishes to extend the lapse dates to after completion of the Transaction.

(j) In the absence of this order, NI 81-101 and section 62(2) of the Act require that the Funds file final simplified prospectuses and annual information forms by September 20, 2008 and October 5, 2008, respectively, and receive final receipts by September 30, 2008 and October 15, 2008, respectively.

(k) Unless the current lapse dates of the Funds are extended, the simplified prospectuses and annual information forms must be filed within 41 days of the date of the Transaction. Requiring the Funds to file simplified prospectuses and annual information forms and then amend the simplified prospectuses and annual information forms, within such a short period of time, would lead to increased costs borne by the Funds (and ultimately by investors in the Funds) and potentially lead to investor confusion.

(l) Since September 10, 2007 and September 25, 2007, the dates of the current simplified prospectuses and annual information forms, no undisclosed material change in respect of the Funds has occurred. Accordingly, the simplified prospectuses and annual information forms, as amended, continue to provide accurate information regarding the Funds.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

Josée Deslauriers
Director of Capital Markets

Schedule A

Altamira Funds

Altamira T-Bill Fund
Altamira Income Fund
Altamira Long Term Bond Fund (*formely, Altamira Bond Fund*)
Altamira High Yield Bond Fund
Altamira Short Term Canadian Income Fund
Altamira Short Term Government Bond Fund
Altamira Inflation-Adjusted Bond Fund
Altamira Global Bond Fund
Altamira Short Term Global Income Fund

Altamira Balanced Fund
Altamira Dividend Fund Inc .
Altamira Growth & Income Fund
Altamira Monthly Income Fund
Altamira Global Diversified Fund
Altamira Canadian Value Fund
Altamira Equity Fund
AltaFund Investment Corp .
Altamira Capital Growth Fund Limited
Altamira Special Growth Fund
Altamira European Equity Fund
Altamira Global Value Fund
Altamira US Larger Company Fund
Altamira Asia Pacific Fund
Altamira Japanese Opportunity Fund
Altamira Global Discovery Fund
Altamira Global Small Company Fund
Altamira Select American Fund
Altamira Precision Canadian Index Fund
Altamira Precision European Index Fund
Altamira Precision International Currency Neutral Index Fund
Altamira Precision U.S. Currency Neutral Index Fund
Altamira Precision U.S. Midcap Index Fund
Altamira Health Sciences Fund
Altamira Precious and Strategic Metal Fund
Altamira Resource Fund
Altamira Science and Technology Fund
Altamira Energy Fund

Meritage Portfolios

Meritage Canadian Equity Portfolio
Meritage Global Equity Portfolio
Meritage American Equity Portfolio
Meritage International Equity Portfolio
Meritage Conservative Portfolio
Meritage Moderate Portfolio
Meritage Balanced Portfolio
Meritage Growth Portfolio
Meritage Equity Portfolio
Meritage Conservative Income Portfolio
Meritage Moderate Income Portfolio
Meritage Balanced Income Portfolio

Meritage Growth Income Portfolio
Meritage Equity Income Portfolio