

Execution Copy

MASTER DECLARATION OF TRUST

OF THE

STEINBERG FUNDS

DATED AS OF

MAY 6, 2010

**Lorne Steinberg Wealth Management Inc.
Manager-Trustee**

BORDEN LADNER GERVAIS LLP

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STEINBERG FUNDS

MASTER DECLARATION OF TRUST

Lorne Steinberg Wealth Management Inc., a corporation duly incorporated under the *Canada Business Corporations Act* (the “**Manager-Trustee**”), having an office at 1000, De la Gauchetière Street West, Suite 3310, Montreal, Québec, H3B 4W5 hereby declares:

- (a) this master declaration of trust (“**Declaration of Trust**”) is being executed by the Manager-Trustee to facilitate the administration of all of the unit trusts listed from time to time in Schedule “A” hereto (each, a “**Fund**”, and collectively, the “**Funds**”);
- (b) this Declaration of Trust may be amended in the future to add or delete unit trusts or series of units of unit trusts and for any other purpose permitted by the terms of this Declaration of Trust; and
- (c) it is the trustee for the unitholders of each of the Funds on the terms and conditions herein set out.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Declaration of Trust, unless the subject matter or context otherwise requires, the following expressions shall have the meanings set forth below:

- (a) “**Adjusted Cost Base**” means the adjusted cost base of a Unit as computed in accordance with the Tax Act;
- (b) “**business day**” means any day that The Toronto Stock Exchange is open for trading;
- (c) “**Common Expenses**” means those expenses of a Fund other than Series Expenses;
- (d) “**this Declaration of Trust**”, “**hereto**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this instrument in its entirety, as amended from time to time, and not to any particular Article, Section, Subsection or other portion hereof, and include any and every instrument supplemental or ancillary hereto and any and every Schedule hereto; “**Article**”, “**Section**” and “**Subsection**” refer to the specified article, section or subsection of this Declaration of Trust;
- (e) “**Disclosure Documents**” means any term sheet, offering memorandum, prospectus, or similar document as may be used by the Manager-Trustee or required by Securities Legislation in connection with the distribution of Units of a Fund;

- (f) “**Funds**” means the open-end trusts listed from time to time in Schedule “A”;
- (g) “**Investment Adviser**” means any investment adviser or advisers appointed by the Manager-Trustee pursuant to Section 12.5 and “**Sub-Adviser**” means any sub-adviser appointed by the Manager-Trustee or any Investment Adviser pursuant to Section 12.5;
- (h) “**Investment Objective**” means the investment objective of each Fund as set forth in Schedule “A”, as the same may be changed from time to time in accordance with the provisions hereof and, if applicable, Securities Legislation;
- (i) “**Management Expense Distribution**” means a distribution pursuant to Section 6.4;
- (j) “**Manager-Trustee**” means Lorne Steinberg Wealth Management Inc., or any successor person from time to time appointed as the manager and/or trustee of the Funds in accordance with this Declaration of Trust;
- (k) “**Net Asset Value**” at any time has the meaning given in Section 3.2;
- (l) “**Net Capital Gains**” for any year means the net capital gains of a Fund for such year computed in accordance with Section 6.2;
- (m) “**Net Change in Non Portfolio Assets**” for a Fund on a Valuation Date means:
 - (i) the aggregate of all income accrued by the Fund as of that Valuation Date, including cash dividends and distributions, interest and compensation; minus
 - (ii) the Common Expenses accrued by the Fund as of that Valuation Date which have not otherwise been accrued in the calculation of Net Asset Value as of that date; plus or minus
 - (iii) any change in the value of any non portfolio assets or liabilities stated in any foreign currency accrued on that Valuation Date, including, without limitation, cash, accrued dividends or interest and any receivables or payables; plus or minus
 - (iv) any gain or loss resulting from transfers of currencies accrued on that Valuation Date; plus or minus
 - (v) any other item accrued on that Valuation Date determined by the Manager-Trustee to be relevant in determining Net Change in Non-Portfolio Assets;
- (n) “**Net Income**” for any year means the net income of a Fund for such year computed in accordance with Section 6.1;

- (o) “**Net Portfolio Transactions**” for a Fund on any Valuation Date means the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date;
- (p) “**person**” includes an individual, body corporate, corporation, company, partnership, syndicate, trust or any trustee, executor, administrator or other legal representative or any legal entity, including, without limitation, pension and profit share trusts;
- (q) “**Proportionate Share**”, when used to describe (i) an amount to be allocated to any one series of a Fund, means the total amount to be allocated to all series of that Fund multiplied by a fraction, the numerator of which is the Series Net Asset Value of such series and the denominator of which is the Net Asset Value of the Fund at such time, and (ii) a Unitholder’s interest in or share of any amount, means, after an allocation has been made to each series as provided in clause (i), that allocated amount multiplied by a fraction, the numerator of which is the number of Units of that series registered in the name of that Unitholder and the denominator of which is the total number of Units of that series then outstanding (if such Unitholder holds Units of more than one series, then such calculation is made in respect of each series and aggregated);
- (r) “**Securities Legislation**” means the securities laws and regulations in each province and territory of Canada that are applicable to the Funds and the requirements, rules, policies, instruments and decisions of the local securities authorities that are applicable to the Funds;
- (s) “**Series Expenses**” in respect of any particular series of Units of a Fund means the expenses of the Fund (including management and performance fees) that are charged only to that series;
- (t) “**Series Net Asset Value**” in respect of any particular series of Units of a Fund is the portion of the Net Asset Value of the Fund attributed to such series determined in accordance with Section 3.3;
- (u) “**Series Net Asset Value per Unit**” in respect of any particular series of Units of a Fund is the portion of the Net Asset Value of the Fund attributed to each Unit of such series determined in accordance with Section 3.3;
- (v) “**Special Distribution**” means any of the Management Expense Distribution and the allocation and distribution of Net Capital Gains as contemplated by Section 6.4 of this Declaration of Trust;
- (w) “**Tax Act**” means the *Income Tax Act* (Canada), as the same is presently in force and may hereafter be amended from time to time and includes any statute that may be enacted in substitution therefore;

- (x) “**Unitholders**” means the person or persons for the time being entered in the register or registers hereinafter mentioned as the holder or holders of any of the Units of a Fund;
- (y) “**Units**” means units in a Fund issued or to be issued hereunder and for the time being outstanding, having the attributes set out herein; and
- (z) “**Valuation Date**” means the 15th day and last business day in each month, provided that if the 15th day of any month is not a business day, the first business day preceding this day shall be a Valuation Date, and such other day as the Manager-Trustee may designate for one or more Funds as a Valuation Date and the last day in each fiscal year of the Fund.

1.2 Preamble and Schedules

The preamble forms an integral part of this Declaration of Trust. The following Schedules are annexed to and incorporated in this Declaration of Trust by reference and deemed to be a part hereof:

Schedule “A” - Existing Funds

Schedule “B” - Valuation Principles and Redemption Procedures

1.3 Gender and Number

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

1.4 Headings

The headings of all of the Articles and Sections hereof and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Declaration of Trust.

1.5 Governing Law

This Declaration of Trust, which by common accord has been drawn in the English language, shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.6 Rights of Unitholders

A Unitholder in a Fund shall have no rights other than those rights expressly provided for Unitholders herein or added by amendment hereto.

1.7 English Version to Prevail

In the event of any inconsistency between the English version of this Declaration of Trust and any version in any other language which may be prepared from time to time, the English version shall govern.

1.8 Conflict

In the event of a conflict between the terms and conditions of this Declaration of Trust and the Disclosure Documents, the terms and conditions of this Declaration of Trust shall prevail.

ARTICLE 2 THE TRUSTS

2.1 Name and Office

Each Fund administered hereunder shall be known by the name for that Fund set out in Schedule "A" or such other name as the Manager-Trustee may from time to time designate and each Fund may at any time adopt a French version of its name at the sole discretion of the Manager-Trustee. Each Fund shall have its offices at 1000 De la Gauchetière Street West, Suite 3310, Montreal, Québec, H3B 4W5 or at such place as the Manager-Trustee may from time to time designate.

2.2 Trust Property

The property of each Fund shall include the moneys from time to time committed to the Manager-Trustee for investment in Units of that Fund, together with the investments (including replacements thereof and additions thereto) made from time to time by or on behalf of the Manager-Trustee hereunder.

2.3 Investment Objective

The Investment Objective of each Fund is set out in Schedule "A".

2.4 Possession of Fund Assets

The Manager-Trustee shall stand possessed of the property and assets of each Fund in trust for the Unitholders of that Fund according and subject to the provisions of this Declaration of Trust and the property and assets comprising that Fund from time to time shall be dealt with by the Manager-Trustee in accordance with the provisions hereof.

2.5 Title to Fund Assets

The Manager-Trustee shall have the sole legal title to all property of whatsoever kind and wheresoever situate at any time held, acquired or received by it as Manager-Trustee hereunder or in which the Unitholders shall have any beneficial interest as Unitholders. All the property and assets of each Fund shall at all times be considered as property held by the Manager-Trustee or its agents in trust for that Fund. No Unitholder shall have or be deemed to have individual

ownership of any property or asset of a Fund and the interest of a Unitholder shall consist only of the right to receive payment from the Manager-Trustee of that Unitholder's interest in a Fund at the time, place, in the manner and subject to the conditions herein expressly provided.

2.6 Officers of the Funds

The Manager-Trustee may, if considered appropriate, appoint or designate a Chief Executive Officer and a Chief Financial Officer of a Fund and such other officers as it deems necessary or as may be required by applicable Securities Legislation.

2.7 Declaration of Trust Binding on Unitholders

The terms and conditions of this Declaration of Trust and any deed supplemental hereto shall be binding upon each Unitholder and all persons claiming through the Unitholder as if such Unitholder had been a party to this Declaration of Trust.

2.8 Legal Character of the Funds

The Funds are not intended to be and shall not be treated as anything other than trusts of which the Unitholders are beneficiaries with the rights ascribed to them hereunder and with no other rights. Without limitation, the Funds do not constitute a partnership, joint venture, corporation or joint stock company.

2.9 Indemnification of Unitholders

Each Fund shall indemnify and hold each of its Unitholders harmless from and against all claims and liabilities to which any such Unitholder may become subject by reason of being or having been a Unitholder of such Fund and shall reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. The rights accruing to a Unitholder under this Section 2.9 shall not exclude any other right to which such Unitholder may be lawfully entitled nor shall anything herein contained restrict the right of a Fund to indemnify or reimburse a Unitholder in any appropriate situation even though not specifically provided for herein; provided, however, that no Fund shall have liability to reimburse Unitholders for taxes assessed against them by reason of their ownership of Units nor for any losses suffered by reason of changes in the value of Units.

2.10 Liability under Contracts

Any written instrument creating an obligation of a Fund shall be conclusively taken to have been executed or done by the Manager-Trustee or an agent of the Fund only in their capacity as Manager-Trustee under this Declaration of Trust or agent, as the case may be. The Manager-Trustee shall use its commercially reasonable efforts to ensure that any written instrument creating a material obligation of a Fund refers to the Declaration of Trust and contains a term or other provision to the effect that the obligations created thereunder are not personally binding upon, nor shall resort be had to, nor recourse or satisfaction sought from the private property of any of the Unitholders of the Fund. The omission of such recital, term or other provision shall not impose or have the effect of imposing personal liability on the

Manager-Trustee, or its directors, officers or employees or on any of the Unitholders or agents of the Fund, whether in contract, tort or otherwise.

ARTICLE 3 DESCRIPTION AND ISSUE OF UNITS

3.1 Attributes of Units

The Manager-Trustee shall have sole discretion in determining whether the capital of each Fund is divided into one or more series of Units, the attributes that shall attach to each series of Units and whether any series of Units may or will be redesignated as a different series of Units from time to time. The series of Units created and authorized for each Fund shall be as shown from time to time in the Disclosure Documents and/or in Schedule "A" hereto. Until changed by the Manager-Trustee or provided otherwise in Schedule "A" with respect to one or more Funds or one or more series of Units within a Fund, each series of Units of each Fund shall have the following attributes:

- (a) each Unit shall be without nominal or par value;
- (b) subject to Section 9.8, each Unit of a particular series shall entitle the holder thereof to one vote at all meetings of Unitholders of the Fund where all series vote together and to one vote at all meetings of Unitholders of the Fund where that particular series votes separately as a series;
- (c) each Unit of a particular series shall entitle the holder thereof to participate pro rata, in accordance with the provisions hereof, with respect to all distributions made to that series (except with respect to any Special Distribution) and, upon liquidation of the Fund, to participate pro rata with the other Unitholders of that same series in the Series Net Asset Value of the Fund remaining after the satisfaction of outstanding liabilities of the Fund and the series as provided in Article 11 hereof;
- (d) distributions shall be allocated among the series of Units in such manner as the Manager-Trustee considers appropriate and equitable;
- (e) there shall be no pre-emptive rights attaching to the Units;
- (f) there shall be no cancellation or surrender provisions attaching to the Units except as set out herein;
- (g) once the Series Net Asset Value per Unit thereof, determined in accordance with Section 3.6, has been paid, Units shall be non-assessable so that there shall be no liability for future calls or assessments with respect to the Units;
- (h) all Units shall be transferable, but only as contemplated herein;
- (i) subject to limitations and requirements determined from time to time by the Manager-Trustee and stated in the Disclosure Documents and/or Schedule "A"

hereto, each Unit of a particular series of a Fund may be redesignated by the Manager-Trustee as a Unit of another series of the same Fund based on the respective Series Net Asset Value per Unit for each of the two series of Units on the date of the redesignation;

- (j) the number of Units and series of Units of the Fund that may be issued is unlimited; and
- (k) fractional Units of a series may be issued and shall be proportionately entitled to all the same rights as whole Units of that same series, except voting rights (however fractional Units held by a single Unitholder may be combined).

Each series of Units shall also have the features and characteristics disclosed from time to time in the Disclosure Documents and/or Schedule "A" hereto.

3.2 Computation of Net Asset Value

- (a) The Net Asset Value of a Fund as at any particular time on a Valuation Date is the value as at such time of all assets of that Fund minus all of the liabilities of that Fund as at such time. In calculating the Net Asset Value of a Fund as at any particular time, the valuation principles set out in the Fund's Disclosure Documents and/or Schedule "B" hereto from time to time shall apply.
- (b) The assets of a Fund shall be deemed to include:
 - (i) all cash or its equivalent on hand, on deposit or on call, including any interest accrued thereon;
 - (ii) all bills, demand notes and accounts receivable;
 - (iii) all shares, debt obligations, subscription rights and other securities owned or contracted for by the Fund;
 - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to securityholders of record on a date on or before that time;
 - (v) all interest accrued on any fixed interest-bearing securities owned by the Fund that is included in the quoted price; and
 - (vi) all other property of every kind and nature, including prepaid expenses and derivatives, as permitted from time to time by Securities Legislation.
- (c) The liabilities of a Fund shall be deemed to include:
 - (i) all bills, notes and accounts payable;

- (ii) all fees and expenses incurred or payable by the Fund (for the purpose of determining Series Net Asset Values, however, such fees and expenses shall not include Series Expenses, which are deducted only from each respective Series Net Asset Value);
 - (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid distribution declared upon Units and payable to Unitholders of record of the Fund prior to the time as of which the Net Asset Value of the Fund is being determined;
 - (iv) all allowances authorized or approved by the Manager-Trustee for taxes (if any) or contingencies; and
 - (v) all other liabilities of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Units of the Fund and the balance of any undistributed income or capital gains.
- (d) Each transaction of purchase or sale of a portfolio asset effected by a Fund shall be reflected in the next calculation of the Net Asset Value of the Fund made after the date on which such transaction becomes binding.

3.3 Calculation of Series Net Asset Value and Series Net Asset Value per Unit

- (a) The Series Net Asset Value for a series of Units of a Fund as at any particular time on a Valuation Date is determined in accordance with the following calculation:
- (i) the Series Net Asset Value last calculated for that series; plus
 - (ii) the increase in the assets attributable to that series as a result of the issue of Units of that series or the redesignation of Units into that series since the last calculation; minus
 - (iii) the decrease in the assets attributable to that series as a result of the redemption of Units of that series or the redesignation of Units out of that series since the last calculation; plus or minus
 - (iv) the Proportionate Share of the Net Change in Non Portfolio Assets attributable to that series since the last calculation; plus or minus
 - (v) the Proportionate Share of the Net Portfolio Transactions attributable to that series since the last calculation; plus or minus
 - (vi) the Proportionate Share of market appreciation or depreciation of the portfolio assets attributable to that series since the last calculation; minus
 - (vii) the Proportionate Share of the Common Expenses allocated to that series since the last calculation; minus

- (viii) any Series Expenses allocated to that series since the last calculation.
- (b) A Unit of a series of a Fund being issued or a Unit that has been redesignated as a part of that series shall be deemed to become outstanding as of the next calculation of the applicable Series Net Asset Value immediately following the time at which the applicable Series Net Asset Value per Unit that is the issue price or redesignation basis of such Unit is determined and the issue price received or receivable for the issuance of the Unit shall then be deemed to be an asset of the Fund attributable to the applicable series.
- (c) A Unit of a series of a Fund being redeemed or a Unit that has been redesignated as no longer being a part of that series shall be deemed to remain outstanding as part of that series until immediately following the date as of which applicable Series Net Asset Value per Unit, that is the redemption price or redesignation basis of such Unit, is calculated; thereafter, the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Fund attributable to the applicable series and the Unit which has been redesignated will be deemed to be outstanding as a part of the series into which it has been redesignated.
- (d) On any Valuation Date that a distribution is paid to Unitholders of a series of Units, a second Series Net Asset Value shall be calculated for that series, which shall be equal to the first Series Net Asset Value calculated on that Valuation Date minus the amount of the distribution. For greater certainty, the second Series Net Asset Value shall be used for determining Series Net Asset Value per Unit on such Valuation Date for purposes of determining the purchase price and redemption price for Units on such date, as well as the redesignation basis for Units being redesignated into or out of such series, and Units redeemed or redesignated out of that series as at such date shall participate in such distribution while Units subscribed for or redesignated into such series as at such date shall not.
- (e) The Series Net Asset Value per Unit of a series of Units of a Fund as at any particular time is the quotient obtained by dividing the applicable Series Net Asset Value as at such time by the total number of Units of that series outstanding at such time. This calculation shall be made without taking into account any issuance, redesignation or redemption of Units of that series to be processed by the Fund immediately after the time of such calculation on that Valuation Date. The Series Net Asset Value per Unit for each series of Units of a Fund for the purpose of the issue of Units or the redemption of Units shall be calculated on each Valuation Date by or under the authority of the Manager-Trustee as at such time on every Valuation Date as shall be fixed from time to time by the Manager-Trustee and the Series Net Asset Value per Unit so determined for each series shall remain in effect until the time as of which the Series Net Asset Value per Unit for that series is next determined.
- (f) In the case of a Fund which is a “money market fund”, as that term is defined in Securities Legislation, the Manager-Trustee will use its best efforts to maintain

the Series Net Asset Value per Unit of each series at the amount and in the currency set out in the Disclosure Documents and/or Schedule "A" hereto from time to time.

3.4 Suspension of Calculation of Series Net Asset Value per Unit

- (a) The Manager-Trustee shall suspend the calculation of the Series Net Asset Value per Unit (and the right to redeem Units of the Fund) for each series of Units when required to do so under Securities Legislation or under any exemptive relief granted by the local securities authorities from Securities Legislation.
- (b) The Manager-Trustee may also suspend the calculation of the Series Net Asset Value per Unit (and/or the right to redeem Units) for each series of Units at such other times as it deems appropriate.
- (c) During any period of suspension there shall be no calculation of the Series Net Asset Value per Unit of any series of Units of the Fund and the Fund shall not be permitted to issue, redesignate or redeem any Units and the Manager-Trustee may postpone the payment of any redemption proceeds. The right to redeem Units and to receive redemption payments and the calculation of the Series Net Asset Value per Unit for each series of Units shall resume as soon as possible and in compliance with any applicable Securities Legislation or any exemptive relief granted therefrom.
- (d) In the event of such a suspension, a Unitholder who has delivered a redemption request for which the redemption price has not yet been calculated may either withdraw such Unitholder's redemption request prior to the end of the suspension period or receive payment based on the Series Net Asset Value per Unit of the applicable series of Units next calculated after the termination of the suspension and an investor who has submitted a purchase order for which the issue price has not yet been calculated may either withdraw such investor's purchase order prior to the end of such suspension period or receive Units based on the Series Net Asset Value per Unit of the applicable series of Units next calculated after the termination of the suspension, provided that if the Manager-Trustee has not received the withdrawal prior to the cut-off date and time of day established by the Manager-Trustee pursuant to Sections 3.6 and 4.1(b) hereof, the Unitholder shall be deemed to have decided to receive the payment or Units as set out above.

3.5 Minimum Investment

The minimum initial investment and each minimum subsequent investment in a Fund, if any, shall be determined from time to time by the Manager-Trustee and shall be set forth in the Disclosure Documents and/or Schedule "A" hereto. These minimum investment requirements may be waived by the Manager-Trustee, in its discretion, at any time and for any particular subscription. The Manager-Trustee shall be entitled in its discretion to reject subscriptions in whole or in part for purchases of Units of a Fund, but any decision to reject a subscription must

be made no later than two business days after receipt of the subscription and any moneys received must be refunded to the investor immediately.

3.6 Issue Price of Units

The issue price for each Unit of a series of Units of a Fund shall be the Series Net Asset Value per Unit of the applicable series next determined by the Manager-Trustee after the receipt by the Fund of the purchase order, provided that the Manager-Trustee may establish a cut-off date and time of day by which purchase orders must be received; purchase orders received after any such date and time shall, unless otherwise determined by the Manager-Trustee in its sole discretion, be processed on the following Valuation Date. The Series Net Asset Value per Unit of a Fund for the purpose of the initial subscription for Units of each series of a Fund shall be determined by the Manager-Trustee in its sole discretion.

3.7 Distribution of Units

Subject to Section 3.6, the Manager-Trustee may from time to time, at its discretion, determine the terms upon which Units of a Fund will be offered for sale to the public and the nature and amount of any fees or charges to be paid by investors in that Fund, whether at the time of purchase or on such other basis as the Manager-Trustee shall determine. Such terms, fees or charges as may be so determined shall be described in the relevant Disclosure Documents of the Fund and/or Schedule "A" hereto or in a notice that is given to Unitholders in accordance with the provisions of Article 9 hereof in order for them to be binding upon the investors in the Fund. The person to whom any such fee or charge shall be payable shall be determined by or under the authority of the Manager-Trustee from time to time.

3.8 Unit Certificates

Unless and until otherwise determined by the Manager-Trustee, no certificates in respect of the Units held by a Unitholder shall be issued, provided that every subscriber (including each Unitholder who reinvests distributions in additional Units) and every redeeming (or redesignating) Unitholder is advised as soon as is practicable, following such subscription, redemption or redesignation, of the number and series of Units held by them. In the event that the Manager-Trustee should authorize the issue of certificates as aforesaid, the Manager-Trustee shall be entitled to determine all procedures relating to the issue or surrender of certificates, including, without limitation, the form thereof, the persons authorized to sign the same, any fees charged in connection therewith and the procedures to be followed in the event of the loss or destruction of a certificate.

3.9 Registrar and Transfer Agent

The Manager-Trustee shall from time to time appoint a transfer agent and a registrar for each Fund (who may, but need not, be the same individual or company and who may, but need not, be the Manager-Trustee) and may appoint one or more branch transfer agents and/or registrars (who may, but need not, be the same individual or company and who may, but need not, be the Manager-Trustee). The transfer agent and/or registrar shall maintain a register for the registration of Units of each series of Units of each Fund, which shall include the names and latest known addresses of each Unitholder of each series, the number of Units of each series held by each

Unitholder, the date and details of each issue and redemption of Units of each series and each distribution of the Fund with regard to such Units. The transfer agent and/or registrar may provide for the transfer and the registration of transfers of Units in one or more places and may provide that Units will be interchangeably transferable or otherwise and such transfer agents and/or branch transfer agents and/or registrars and/or branch registrars shall keep all necessary books and registers of each Fund required by this Declaration of Trust and by Securities Legislation.

3.10 Manager-Trustee not Affected by Notice of Trust

Except as required by law, no person shall be recognized by a Fund or the Manager-Trustee as holding any Unit in trust, and neither the Fund, the Manager-Trustee, nor any transfer agent or registrar shall be charged with notice of or be bound or compelled in any way to recognize (even when having actual notice) any legal, equitable, contingent, future or partial interest in any Unit or in any fractional part of a Unit or any other rights in respect of any Unit except an absolute right to the entirety of the Unit of the Unitholder registered as holder of such Unit.

3.11 Transfer of Units

Units of a series of Units of a Fund are not transferable by a Unitholder except by operation of law, or if the Manager-Trustee has otherwise determined. Units shall be transferable only on the register of transfers or on one of the branch registers of transfers (if any) kept pursuant to this Declaration of Trust and only by the registered holder of such Units or by the owner's legal representative or representatives or the owner's attorney duly appointed by an instrument in writing in form and execution satisfactory to the Manager-Trustee or the transfer agent upon compliance with such reasonable requirements as the Manager-Trustee or the transfer agent may prescribe.

3.12 Transfer by Representative of Unitholder

The written authorization of an executor, administrator, committee of a mentally incompetent person, guardian, trustee or other fiduciary who is registered on the books of a Fund as holding Units in any such capacity is sufficient justification for the Manager-Trustee or the registrar and/or transfer agent to register a transfer of such Units, including a transfer into the name of such executor, administrator, committee of a mentally incompetent person, guardian, trustee or other fiduciary absolutely.

3.13 Subdivision of Units

The Manager-Trustee may, at any time or times and on not less than 21 days' notice in writing, give to Unitholders notice that each Unit of a series of Units of a Fund shall be subdivided into additional Units of that series, whereupon each Unit of that series of that Fund shall stand subdivided accordingly. Any notice to Unitholders under this Section 3.13 may be given in accordance with Section 9.2. After the effective date of such subdivision, the Manager-Trustee shall thereupon send or cause to be sent to each Unitholder of the applicable series of that Fund at that Unitholder's risk a written notice indicating the number of additional Units of the applicable series to which the Unitholder has become entitled by reason of the subdivision. The Manager-Trustee shall also take such steps as may be necessary to notify the registrar and/or

transfer agent of the basis of the subdivision so that applicable notification can be made in the register of Unitholders of the applicable series of the Fund.

3.14 Consolidation of Units

The Manager-Trustee may, at any time or times and, subject to Section 6.3, on not less than 21 days' notice in writing, give to Unitholders notice that each Unit of a series of Units of a Fund shall be consolidated into a fraction of a Unit of that series, whereupon each Unit of that series of that Fund shall stand consolidated accordingly. Any notice to Unitholders under this Section 3.14 may be given in accordance with Section 9.2. After the effective date of such consolidation, the Manager-Trustee shall thereupon send or cause to be sent to each Unitholder of the applicable series of that Fund at that Unitholder's risk a written notice indicating the basis of the consolidation and the number of Units of the applicable series which the Unitholder then owns. The Manager-Trustee shall also take such steps as may be necessary to notify the registrar and/or transfer agent of the basis of the consolidation so that appropriate notification can be made in the register of Unitholders of the applicable series of the Fund.

3.15 Closing of Registers

The Manager-Trustee may close the register of transfers and the branch register or registers of transfers, if any, of a Fund or of a series of Units for a period of time not exceeding 48 hours, exclusive of Saturdays and holidays as defined in the *Interpretation Act* (Canada) for the time being in force, immediately preceding any meeting of the Unitholders of that Fund or of that series, and notice of every such closing shall be given as set out in Article 9.

3.16 Receipts and Payments

The receipt by a Unitholder of a Fund in whose name a Unit is registered shall be a valid and binding discharge to that Fund and to the Manager-Trustee for any payment in respect of such Unit and if two or more persons are registered as joint holders, any one of them may give an effectual receipt on behalf of all of them. Unless otherwise directed in writing by Unitholders, all cheques in payment of amounts owing to Unitholders shall be sent by ordinary post addressed to the last address appearing on the register of Unitholders of the Fund. In the case of joint registered Unitholders, cheques shall, unless all of the joint registered Unitholders otherwise direct, be made payable to the order of all of the said joint registered Unitholders and if more than one address appears on the books of the Fund in respect of such joint unitholding, the cheque shall be mailed to the first address so appearing. The mailing of cheques as aforesaid shall satisfy and discharge all liability of the Fund and the Manager-Trustee for the payment represented thereby unless the cheque is not paid at par on presentation to the payor at Montreal, Québec, or at any other place where it is by its terms payable. In the event of non-receipt of any cheque by the person to whom it was mailed, the Manager-Trustee, on proof of the non-receipt and upon satisfactory indemnity being given to it and to the Fund, shall issue to the person a replacement cheque for a like amount.

ARTICLE 4 REDEMPTION OF UNITS

4.1 Right to Redeem Units

- (a) Subject to Sections 3.4 and 4.7, each Unitholder of a Fund shall be entitled at any time and from time to time to require the Fund to redeem all or any part of that Unitholder's Units on a Valuation Date at a redemption price equal to the Series Net Asset Value per Unit for the applicable series of Units calculated in the manner herein provided, less, in the discretion of the Manager-Trustee, any redemption charge or other fee determined pursuant to Section 4.2 hereof. Upon payment to the redeeming Unitholder of the Series Net Asset Value per Unit of the Units redeemed, less any applicable redemption charge or fee, the Fund and the Manager-Trustee shall be discharged from all liability to the Unitholder in respect of the Units redeemed.
- (b) The Manager-Trustee may establish a cut-off date and time by which redemption requests must be received in order to be processed at the next Valuation Date. Redemption requests received after any such cut-off date and time shall, unless otherwise determined by the Manager-Trustee in its sole discretion, be processed on the following Valuation Date. The Manager-Trustee may specify any other conditions of redemption it may impose before it will consider a redemption request.
- (c) Subject to Section 3.4, where the holding of Units by a Unitholder is administratively burdensome (for example, the net asset value is below a designated level) or detrimental to a Fund or other Unitholders of the Fund, the Manager-Trustee shall be entitled, at any time and from time to time, at its discretion, to compulsorily redeem or cause to be redeemed all or any part of the Units held by any such Unitholder, on such terms and conditions as the Manager-Trustee may, from time to time, determine, at its discretion, at the applicable Series Net Asset Value per Unit calculated in the manner provided herein, less, in the discretion of the Manager-Trustee, any redemption charge or other fee determined pursuant to Section 4.2 hereof.
- (d) The Manager-Trustee may from time to time impose such further conditions on the redemption of Units of any one or more Funds, or one or more series of Units within a Fund, provided that such conditions are set out in the Disclosure Documents and/or in Schedule "A" hereto as they related to such Fund or Funds and provided that such conditions would not result in the Fund ceasing to be a "unit trust" under the Tax Act.

4.2 Deductions on Redemption

The Manager-Trustee may from time to time provide that there will be deducted from redemption proceeds otherwise payable to a Unitholder the costs incurred by the respective Fund in connection with the redemption of Units, including the costs of liquidation of portfolio assets

and all fees payable by the Fund to its service providers as a result of the redemption. The Manager-Trustee may fix an absolute amount or a maximum amount which may be deducted (which in either event shall not exceed 2% of the Net Asset Value of the Units redeemed), and the terms of the application thereof, and may amend or waive the applicable maximum amounts or other terms for new investors from time to time, provided that notice of any such deduction that is so fixed and the terms of its application shall be given to Unitholders of the Fund either as provided in Article 9 hereof or by stating the same in the Disclosure Documents of the Fund prior to the purchase of the affected Units by the Unitholder or by stating the same in Schedule "A" hereto.

4.3 Method of Redemption

- (a) The Manager-Trustee may from time to time prescribe redemption procedures that are not inconsistent herewith or with Securities Legislation. Notice of such redemption procedures shall be given to Unitholders either as provided in Article 9 hereof or by stating the same in the Disclosure Documents and/or Schedule "B" hereto and as otherwise may be required under Securities Legislation. Such procedures may include, but are not limited to, the establishment of:
 - (i) any cut-off date and time as determined in accordance with Subsection 4.1(b);
 - (ii) any required method of transmission of a redemption request, including any required forms for redemption requests;
 - (iii) any procedures to be followed and documents to be delivered by the time of delivery of a redemption request to an order receipt office of the respective Fund or by the time of payment of the redemption proceeds;
 - (iv) any required documentation or evidence relating to the authority of any person to submit a redemption request;
 - (v) the requirements for the surrender of certificates, if any, representing the Units to be redeemed; and
 - (vi) a systematic redemption program.
- (b) Redemption requests will be processed in respect of each Valuation Date, and any partial redemption proceeds pursuant to Section 4.7 shall be allocated pro rata (based on respective numbers of Units to be redeemed on such date) amongst all Unitholders requesting redemption on such date; provided however that no redemption requests received after the cut-off date and time for redemptions on such Valuation Date (as set out in the Disclosure Documents or Schedule "B" hereto) shall be fulfilled in whole or in part until all redemption requests received prior to such cut-off date and time (and not withdrawn) have been fulfilled in whole.

- (c) Redemption requests specifying the receipt of the price on a forward date or specific price will not be processed and redemption requests will not be processed before payment has been received for the Units that are the subject of the redemption request.

4.4 Payment for Units Redeemed

Redemption proceeds shall be paid in cash, by cheque or by such other means as the Manager-Trustee may determine. Payment for Units that are redeemed shall be made within five business days following the later of the Valuation Date specified for such redemption and the receipt by the Manager-Trustee of properly completed redemption documents or the waiver by the Manager-Trustee of all such properly completed documents.

4.5 Redemption to Pay Elected Fees

Units held by a Unitholder may be redeemed by or under the authority of the Manager-Trustee to satisfy the payment of fees or charges to which such Unitholder has agreed to be subject, such agreement by the Unitholder to be conclusively evidenced by the purchase of any Unit that gives rise to such fee or charge being levied, provided the nature and amount of such fee or charge was disclosed in the relevant Disclosure Documents of the Fund, in Schedule "A" hereto or in a discretionary investment management agreement between the Unitholder and the Manager-Trustee (or an associate or affiliate) at the time of such purchase.

4.6 Special Distribution on Redemptions

When a Unitholder redeems all or any of his Units of a Fund, there shall be a distribution in cash of any Special Distribution accrued to such Unitholder to the time immediately prior to redemption as determined by the Manager-Trustee in its absolute discretion or allocated to such Unitholder pursuant to Subsection 6.4(b). The balance of the amount paid to such Unitholder at the time of redemption shall be paid as proceeds of redemption.

4.7 Postponement of Redemptions

The Manager-Trustee may, in its sole discretion, but subject to Securities Legislation, without being so required, postpone, in whole or in part, any Unitholder's right to redeem its Units, or to receive the proceeds thereof, or postpone the date of payment of such proceeds if such proceeds are to be paid, during any period in which the Manager-Trustee determines that conditions exist as a result of which disposal of the securities or assets or properties of a Fund is not reasonably practicable or would result in a significant loss to the Fund or reduction in a Series Net Asset Value per Unit of the Fund.

4.8 Managed Portfolios

Notwithstanding the provisions of Article 3 and Article 4 regarding subscriptions and redemptions of Units of a Fund, where the Manager-Trustee and a Unitholder have entered into an investment management agreement, to the extent provided for under the terms of any such agreement, any decision to subscribe or redeem Units of a Fund shall be made by the Manager-Trustee in its sole discretion, in its capacity as portfolio manager to such Unitholder.

Any procedure set out herein which becomes unnecessary as a result of the Manager-Trustee also being a Unitholder's portfolio manager, may be disregarded. The Manager-Trustee shall also, in its sole discretion, have the right to redeem any and all Units of any Fund held by such Unitholder if the agreement between the Manager-Trustee and the Unitholder is terminated for any reason whatsoever.

ARTICLE 5

INVESTMENT OF TRUST PROPERTY

5.1 General Investment Powers

In pursuit of the Investment Objective of each Fund, the Manager-Trustee may from time to time, in its sole discretion but subject to the investment restrictions adopted from time to time by the Manager-Trustee, invest and reinvest any money at any time held in or for the Fund in securities of any kind or other assets (including without limitation other pooled investment vehicles, whether managed by the Manager-Trustee, an associate or affiliate of the Manager-Trustee or otherwise, and derivatives and other financial instruments), pursue all such other investment strategies (including without limitation the use of leverage, securities lending and short sales) and retain any money at any time held in or for the Fund in cash or cash equivalents as shall be determined by the Manager-Trustee or any Investment Adviser. Each Fund may deposit moneys and other Fund assets, including for purposes of posting margin or for investment, with banks, investment dealers, trust companies and other depositories, whether or not the deposits are interest-bearing, the same to be subject to withdrawal on such terms and in such manner and by such persons as the Manager-Trustee may determine. Notwithstanding the Investment Objective of the Fund, the Manager-Trustee may from time to time, in light of prevailing economic conditions, temporarily invest in any securities or other assets as the Manager-Trustee deems appropriate to protect the capital of the Fund.

5.2 Investment Restrictions and Policies

Subject to Section 5.1 and any applicable Securities Legislation, the Manager-Trustee may adopt and amend from time to time, in its sole discretion, additional investment strategies, restrictions and policies that the Manager-Trustee intends to apply to the investment and reinvestment of the moneys or assets of a Fund. All such investment strategies, restrictions and policies shall be set out in or incorporated by reference in the Disclosure Documents of the Fund and/or Schedule "A" hereto or shall be included in a notice given to Unitholders of the Fund.

5.3 Not Restricted to Trustee Investments

Subject to the requirements of any regulatory body having jurisdiction over the sale of the Units of a Fund and to the provisions contained herein, the Manager-Trustee may invest and reinvest moneys and change and vary investments in the Fund's portfolio without being in any way restricted by the provisions of the laws of any jurisdiction purporting to limit investments that may be made by trustees.

5.4 Borrowing

The Manager-Trustee may borrow any money to the extent that the Manager-Trustee in its discretion deems necessary and to evidence the borrowing may execute and deliver negotiable or non-negotiable instruments to guarantee, indemnify or act as surety with respect to the payment or performance of the obligations of any person, to enter into other obligations on behalf of a Fund and to assign, convey, transfer, subordinate, pledge, grant security interests in, encumber or hypothecate the property of a Fund to secure any of the foregoing; provided, in all cases, that this may be done only in compliance with Securities Legislation.

ARTICLE 6 DETERMINATION AND DISTRIBUTION OF NET INCOME AND NET CAPITAL GAINS

6.1 Determination of Net Income

The Manager-Trustee shall compute the net income of each Fund (the “**Net Income**”) for each taxation year in accordance with the provisions of the Tax Act, other than paragraph 82(1)(b), taking into account such adjustments thereto determined by the Manager-Trustee in respect of amounts paid or payable by the Fund to Unitholders, non-capital losses, and such other amounts in the absolute discretion of the Manager-Trustee, but excluding therefrom the Net Capital Gains of the Fund for such taxation year. Such determination shall be made not less frequently than as of the close of business on the last day in each taxation year of each Fund and as set out in Schedule “A” hereto.

6.2 Determination of Net Capital Gains

The Manager-Trustee shall compute the net capital gains of each Fund (the “**Net Capital Gains**”) for each taxation year, which shall be the capital gains of the Fund for such taxation year less the capital losses of the Fund for such taxation year computed in accordance with the provisions of the Tax Act. Such determination shall be made not less frequently than as of the close of business on the last day in each taxation year of each Fund and as set out in Schedule “A” hereto.

6.3 Unitholder Entitlement for Tax Purposes

Subject as hereinafter provided and subject to Article 11, the Manager-Trustee shall have the sole discretion to determine if any distribution or distributions of the property or assets of a Fund are to be made, the series of Units such distribution will be paid on, the time or times of such distributions and the record date or dates for the purposes of determining Unitholders entitled to receive distributions. The Manager-Trustee shall declare and credit as due and payable in each calendar year all of the Net Income of each Fund for the taxation year ending in such calendar year and a sufficient amount of the Net Capital Gains of each Fund for the taxation year ending in such calendar year so that no Fund will have any obligation to pay tax under Part I of the Tax Act, other than alternative minimum tax, after taking into account any entitlement to a capital gains refund under the Tax Act and any Special Distributions made on the redemption of Units during the year. At 11:59 p.m. on December 31 of that calendar year an amount, not less than that amount necessary to ensure that the Fund will not be liable for income tax under Part I of the

Tax Act, other than alternative minimum tax, for the taxation year ending in such calendar year, after taking into account any entitlement to a capital gains refund, shall be considered to have been declared for each Fund by the Manager-Trustee and to have been payable to persons who are Unitholders on December 31 of that year, and such amount shall be automatically reinvested in additional Units of the same series of Units of the Fund on which the amount was considered to have been declared, be it understood that, in connection with such distribution, the cash distribution option, as contemplated in Section 6.6, will not be available to Unitholders. Immediately following the aforementioned reinvestment, the number of Units of the relevant series of Units outstanding shall, notwithstanding Section 3.14, be automatically consolidated so that the Series Net Asset Value per Unit after the reinvestment shall be the same as it was immediately before the amount was considered to have been declared as due and payable by the Fund (before any redesignation of Units from one series to another). Unitholders of record on December 31 of each calendar year shall be entitled to enforce payment of the amount of the aforesaid distributions to the extent that such distributions have not been paid or made payable to Unitholders in such calendar year. For these purposes, any taxes withheld from, or paid or payable on account of income, shall be considered to have been paid or be payable on behalf of Unitholders to the extent that related income is allocated to such Unitholders for income tax purposes.

6.4 Special Distributions

- (a) In the event that the Manager-Trustee agrees to accept a reduction in the management fee rate charged to a Fund with respect to the Units held by a Unitholder and/or to provide a rebate to a Fund in respect of all or any portion of the Unitholder's share of a Fund's operating expenses on condition that an amount equal to such reduction in the fees and/or expenses otherwise payable by that Fund is paid to the Unitholder, the Manager-Trustee shall distribute an amount equal to such reduction to such Unitholder (a "**Management Expense Distribution**"). Management Expense Distributions shall be calculated on each Valuation Date, shall be distributed at such intervals as prescribed from time to time by the Manager-Trustee and shall be payable out of Net Income and Net Capital Gains of the Fund for the taxation year ending in the calendar year in which the Management Expense Distributions are made to the extent necessary so that the Fund will not have any obligation to pay tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund under the Tax Act, and otherwise out of capital.
- (b) The Manager-Trustee shall have the sole discretion to determine the amount, if any, of a Fund's Net Capital Gains for its taxation year and the sole discretion to allocate all or any portion of such Net Capital Gains to a Unitholder who has redeemed Units of the Fund at any time in that year, provided that the amount of Net Capital Gains allocated to a particular redeeming Unitholder shall not exceed the amount, if any, by which the amount payable on the redemption of the Units exceeds the Adjusted Cost Base of the Units being redeemed.
- (c) If the total of the amounts determined by the Manager-Trustee under paragraph (b) for all those redeeming Unitholders in any year exceeds the Net

Capital Gains of the Fund for that taxation year, Net Capital Gains shall be allocated rateably to those redeeming Unitholders based on the amounts determined under paragraph (b) above.

- (d) Such portion, if any, of the amount paid on the redemption of a Unit as is determined pursuant to paragraphs (b) or (c) shall be deemed to be a distribution of the Fund's Net Capital Gains for its taxation year ending in the calendar year.

6.5 Use of Capital

The Manager-Trustee, in its discretion, may return capital or temporarily transfer sufficient cash from capital to income to facilitate distributions of Net Income or Net Capital Gains to the Unitholders.

6.6 Reinvestment of Distributions

Each Unitholder of a Fund shall, subject to Section 6.7 hereof, receive his Proportionate Share of any distribution of the Fund made in respect of the applicable series of Units (less any tax required by law to be deducted therefrom), other than as provided in Section 4.6, by the reinvestment thereof in additional Units of the applicable series of Units of that Fund at the Series Net Asset Value per Unit computed for the Valuation Date on which such distribution is made unless: (a) subject to Section 6.3, the Manager-Trustee has determined to make the cash distribution option available to Unitholders, this option is described in the Disclosure Documents of the Fund and/or Schedule "A" hereto, and the Unitholder has requested payment of the Unitholder's distribution in cash; or (b) in the case of Management Expense Distributions, the Manager-Trustee has agreed that a Management Expense Distribution be paid in cash. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

6.7 Distribution to Pay Elected Fees

All or any part of a distribution in respect of which a Unitholder would otherwise receive additional Units of a Fund may be applied to the payment of any fee or charge to which the Unitholder has agreed to be subject, such agreement by the Unitholder to be conclusively evidenced by the purchase of any Unit that gives rise to such fee or charge being levied, provided the nature and amount of such fee or charge was disclosed in the Disclosure Documents of the Fund, or in Schedule "A" hereto or in a discretionary investment management agreement between the Unitholder and the Manager-Trustee at the time of such purchase. Upon payment of such fee or charge, any remaining amount of the distribution shall be reinvested in additional Units of the Fund or, if permitted by the Manager-Trustee, distributed in cash on the basis provided in Section 6.6.

ARTICLE 7

VOTING RIGHTS OF PORTFOLIO SHARES AND SECURITIES

7.1 Right to Vote Shares and Securities in Investment Portfolio

Except as provided or required in Securities Legislation, any shares or other securities carrying voting rights held from time to time as part of the assets of a Fund may be voted at any and all meetings of shareholders, bondholders, debentureholders, debenture stockholders or holders of other securities (as the case may be) in such manner and by such person or persons as the Manager-Trustee shall from time to time determine.

7.2 Execution of Proxies

The Manager-Trustee may also from time to time execute and deliver, or cause to be executed and delivered, proxies for and on behalf of a Fund and arrange for the issuance of voting certificates or other evidence of the right to vote in such names as it may from time to time determine. The Manager-Trustee shall be entitled to exercise the foregoing rights in its discretion as it considers to be in the best interests of the Unitholders of the Fund and shall not be subject to any liability or responsibility in respect of the management of the investment in question or in respect of any vote, action or consent given or taken, or not given or taken, by the Manager-Trustee, whether in person or by proxy.

7.3 Approval of Arrangements and Other Matters

The provisions of this Article shall apply to and govern not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the assets of a Fund and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

ARTICLE 8

AUDITORS AND ACCOUNTS TO AND INFORMATION FOR UNITHOLDERS

8.1 Appointment of Auditors

The auditors of each Fund shall be appointed and may be replaced from time to time by the Manager-Trustee. The auditors so appointed shall continue in office until they have resigned or have been replaced in accordance with this Declaration of Trust and Securities Legislation. In the event of a casual vacancy, the Manager-Trustee shall appoint successor auditors.

8.2 Duties of Auditors

The duties of the auditors shall include reviewing the annual financial statements of each Fund and reporting thereon in accordance with applicable legislation, regulations, policies or guidelines applicable to a unit trust distributing its securities in Canada.

8.3 Remuneration of Auditors

The auditors' remuneration shall be fixed by the Manager-Trustee from time to time and shall be payable by the Funds.

8.4 Reporting to Unitholders

The Manager-Trustee shall make available and forward, upon request, to each Unitholder any information required to be distributed to Unitholders by Securities Legislation, but in any event shall forward to Unitholders a copy of the audited annual financial statements of each Fund within ninety days of each fiscal year end and a copy of the unaudited interim financial statements of each Fund within such delay prescribed by Securities Legislation, except where a Unitholder has waived such requirement.

8.5 Financial Year

The financial year end of each Fund shall be determined from time to time by the Manager-Trustee.

8.6 Taxation Year

The taxation year of each Fund shall be determined from time to time by the Manager-Trustee, subject to the provisions of the Tax Act.

8.7 Information for Income Tax Purposes

The Manager-Trustee shall send, or cause to be sent, to all Unitholders information required by law for income tax purposes within the time prescribed by law.

8.8 Tax and Information Returns

The Manager-Trustee is authorized to prepare and file, or cause to be prepared and filed, all tax returns and other information returns that each Fund or the Manager-Trustee is required by law to file. The Manager-Trustee is empowered to exercise all discretions and make all designations, elections, determinations and applications under the Tax Act or under any other applicable legislation, regulations, policies or guidelines as may, in the opinion of the Manager-Trustee, be advisable or appropriate in connection with the Funds.

ARTICLE 9 MEETING AND NOTICE PROVISIONS

9.1 Meetings of Unitholders

- (a) Meetings of Unitholders as a whole or of any series of Unitholders of a Fund may be convened by the Manager-Trustee from time to time as it may deem advisable and in accordance with the notice provisions following. Meetings of Unitholders as a whole of a Fund shall be convened to consider and approve:

- (i) any matter which pursuant to Securities Legislation must be submitted to Unitholders for approval;
 - (ii) any amendment to this Declaration of Trust as may be required by Section 10.2; and
 - (iii) the appointment of a successor Manager-Trustee pursuant to Section 11.2 hereof if the Manager-Trustee fails to appoint one.
- (b) Unitholders holding not less than 50% of the votes attaching to all outstanding Units may request a meeting of Unitholders by giving a written notice to the Manager-Trustee setting out in detail the reason(s) for calling and holding such a meeting.
- (c) If required by Securities Legislation or if the Manager-Trustee determines that any matter would affect Unitholders of one or more particular series of Units of a Fund in a manner materially different from the Unitholders as a whole of that Fund, the Manager-Trustee shall convene separate meetings of Unitholders of those series of Units of the Fund. The meetings may be held concurrently and Unitholders shall be entitled to vote separately as a series with respect to any of these matters.

9.2 Notice to Unitholders

Any notice required to be given to a Unitholder under this Declaration of Trust may be effectively given to each Unitholder of record (as at the day of sending) by ordinary post addressed to such Unitholder at that Unitholder's last address appearing on the register of Unitholders. Any notice so given shall be conclusively deemed to have been received by the Unitholder three business days after the notice is mailed and, in proving notice, it shall be sufficient for the Manager-Trustee to prove that the notice was properly addressed, stamped and mailed. Any notice given by electronic means shall be given in compliance with the provisions of Securities Legislation relating to the delivery of documents by electronic means. A notice convening a meeting of Unitholders shall be given at least 21 days prior to the meeting and shall state in general terms the business to be considered by the meeting and any other matter required by Securities Legislation and shall be accompanied by an information circular or other document or documents describing in sufficient detail the matters to be approved so as to enable Unitholders to make an informed decision. Accidental error or omission in giving notice to any Unitholder shall not invalidate any action or proceeding founded on such notice. A meeting of Unitholders may be held at any time and place without notice if all the Unitholders entitled to vote thereat are present in person or represented by proxy, or, if those not present or represented by proxy waive notice of, or otherwise consent to, such meeting being held.

9.3 Service on Joint Unitholders

Service of a notice or document on any one of several joint holders of Units shall be deemed effective service on the other joint holders.

9.4 Sufficiency of Service

Any notice or document sent by ordinary post or electronic delivery to, or left at the address of, a Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Manager-Trustee has notice of the death or bankruptcy, be deemed to have been duly served and the service shall be deemed sufficient service on all persons interested in the Units concerned.

9.5 Quorum for Meetings of Unitholders

- (a) Unless otherwise required by the provisions hereof or by Securities Legislation, a quorum for purposes of a meeting of Unitholders of a Fund as a whole or of a series of Units of a Fund shall be at least two (2) Unitholders of that Fund or series, as the case may be, present in person or represented by proxy representing not less than 2% of the votes attaching to all Units entitled to vote at such meeting. If within 30 minutes from the time appointed for the meeting of Unitholders a quorum is not present, the meeting shall stand adjourned without notice to such day and time, being not less than 14 days thereafter, and to such place as may be appointed by the chairman presiding at such meeting, and at such adjourned meeting, the Unitholders present in person or by proxy shall be a quorum.
- (b) Unless the information was already included in the notice for the regular meeting, notice of any adjourned meeting of Unitholders shall be given in the same manner as for a regular meeting and such notice shall state that the Unitholders present at the adjourned meeting, whatever their number and the number of Units held by them, will form a quorum.

9.6 Chairman

A person, who need not be a Unitholder, appointed in writing by the Manager-Trustee shall preside at every meeting of Unitholders and if no such person is appointed or if at any meeting the person appointed shall not be present within 15 minutes after the time appointed for holding the meeting, the Unitholders shall choose one of their number to be chairman.

9.7 Adjournments

The chairman may, with the consent of any meeting of Unitholders at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting from which the adjournment took place.

9.8 Voting

- (a) At any meeting of Unitholders, every person shall be entitled to vote who, as at the end of the business day immediately preceding the date of the meeting, is entered in the register of Unitholders, unless in the notice of meeting and

accompanying materials sent to Unitholders in respect of the meeting, a record date is established for persons entitled to vote thereat.

- (b) Unless otherwise provided herein or by Securities Legislation, every question submitted to a meeting of Unitholders shall be decided by a majority of the votes expressed on a show of hands unless a poll is demanded. If a poll is duly demanded, it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. On a show of hands every Unitholder who, being an individual, is present in person or by proxy or, being other than an individual, is present by proxy shall have one vote. On a poll every Unitholder who is present in person or is represented by proxy shall have such number of votes as provided in Section 3.1. If Units are held jointly by two or more persons, any one of them present as aforesaid or represented by proxy at a meeting of Unitholders may, in the absence of the other or others, vote thereon, but if more than one of them is present or represented by proxy, they shall vote together on the Units jointly held.

9.9 Proxies

Every Unitholder entitled to vote at meetings of Unitholders may, by means of a proxy, appoint a person, who need not be a Unitholder, as that Unitholder's nominee to attend and act at the meeting in the manner, to the extent and with the power conferred by the proxy. A proxy shall be in written or printed format or a format generated by telephonic or electronic means, shall be executed in writing or electronic signature by the Unitholder or the Unitholder's attorney authorized in writing or by electronic signature or, if the Unitholder is a body corporate, by an officer or attorney thereof duly authorized, and shall cease to be valid one year from its date. A proxy may be in such form as the Manager-Trustee from time to time may prescribe or in such other form as the chairman of the meeting may accept as sufficient, and shall be deposited with the secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Manager-Trustee may prescribe.

9.10 Validity of Proxies

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental incapability or incompetency of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of Units in respect of which the proxy is given, provided that no intimation in writing or by electronic means of such death, mental incapability or incompetency, revocation or transfer shall have been received by the Manager-Trustee before the commencement of the meeting or adjourned meeting at which the proxy is used.

9.11 Minutes

Minutes of all proceedings at every meeting of Unitholders shall be made and duly entered in books to be from time to time provided for that purpose by the Manager-Trustee and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.

9.12 Written Resolution

A written resolution signed by the holders of a majority of the Units otherwise entitled to be voted at a meeting shall be effective as if it had been passed at a meeting in accordance with this Article 9, provided all Unitholders are provided a copy of the proposed resolution (and all such other information they would have otherwise been entitled to pursuant to Section 9.2) as soon as is practicable and in any event prior to the effective date of such resolution.

ARTICLE 10 AMENDMENT

10.1 Changes

Subject to Section 10.2 and any approvals required under Securities Legislation, the Manager-Trustee shall be entitled, in its discretion from time to time, by supplemental trust deed or by amending and restating this Declaration of Trust or the Schedules hereto to amend, delete, expand or vary any provision of this Declaration of Trust and in any other appropriate fashion to consent or agree to any change in any management agreement, advisory agreement or other agreement to which a Fund is a party, to any change of the manager, investment manager or Investment Adviser of a Fund or to any change in any other agreement or matter relating to a Fund.

10.2 Amendments Upon Unitholder Notice or Approval

Any proposed change to this Declaration of Trust that would adversely affect the interest of the Unitholders of a Fund and/or of a series of a Fund, as a whole, may only take effect upon either:

- (a) the approval of not less than a majority of the votes cast at a meeting of Unitholders of that Fund or that series, as the case may be, duly called for the purpose of considering the proposed change (or by written resolution in accordance with Section 9.12); or
- (b) after 60 days' written notice of the proposed change has been given to the Unitholders in accordance with Section 9.2.

All persons remaining or becoming Unitholders after the effective date of such change shall be bound by such change. No amendment to this Declaration of Trust may be made without the consent of the Manager-Trustee.

ARTICLE 11 TERMINATION

11.1 Termination

The Manager-Trustee may, in its discretion, terminate a Fund or a series of Units of a Fund by giving notice, fixing the date of termination not earlier than 60 days following the giving of notice to Unitholders of the Fund or of the series, as the case may be.

11.2 Failure to Appoint Successor Manager-Trustee

In the event that the Manager-Trustee becomes incapable of acting or if, for any cause, a vacancy shall occur in the office of Manager-Trustee, the Manager-Trustee shall, or should the Manager-Trustee fail to do so any Unitholder may, call a meeting of Unitholders of each Fund within 30 days thereafter for the purpose of appointing a successor Manager-Trustee. If the Unitholders of a Fund do not appoint a permanent successor Manager-Trustee at such meeting, that Fund shall terminate and the Manager-Trustee or, should the Manager-Trustee fail to do so, a person appointed by the Unitholders at such meeting as a temporary Manager-Trustee shall wind up the Fund and distribute its assets in accordance with the provisions hereof.

11.3 Procedure on Termination

On the effective date of termination of a Fund, or as soon thereafter as the Manager-Trustee deems advisable, the Manager-Trustee shall sell all non-cash assets of the Fund or such portion as may be necessary, unless the Manager-Trustee determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in specie. The Manager-Trustee shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by the Manager-Trustee in connection with or arising out of the termination of the Fund, series, and the distribution of the Fund's assets to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. The Manager-Trustee shall distribute from time to time to Unitholders of record as of the effective date of termination their Proportionate Share of all property and assets of the Fund attributable to the applicable series of Units and available at that time for the purpose of such distribution. As of and from the effective date of termination of the Fund, or of a series of Units, or as of such other date as the Manager-Trustee may determine, the rights of Unitholders with respect to redemption or redesignation of Units of the affected Fund or series shall cease. If required by the Manager-Trustee, a form of release satisfactory to the Manager-Trustee shall be provided by each Unitholder prior to the distribution of the Unitholder's Proportionate Share of the Fund's assets attributable to the applicable series of Units.

11.4 No Further Activities

Following the effective date of termination of a Fund, the Manager-Trustee shall carry on no further activities with respect to such Fund save for the winding-up of the Fund.

ARTICLE 12 THE MANAGER-TRUSTEE

12.1 Rights and Powers

By way of supplement to (and, where permitted, notwithstanding) the provisions of any Act of any province or territory of Canada for the time being relating to trustees and in addition to any other provisions of this Declaration of Trust, it is expressly declared as follows:

- (a) the Manager-Trustee shall have and shall be entitled to exercise, in its discretion, all of the rights and powers that an owner of the assets of a Fund would be entitled to have and exercise, including the right and power to enter into any and all agreements that it deems necessary for the operation of each Fund;
- (b) the Manager-Trustee may employ such assistants, including agents, attorneys, bankers, chartered accountants, counsel, managers, investment advisers, investment managers, notaries, officers and servants, as it may reasonably require for the proper discharge of its duties hereunder and shall not be responsible for any misconduct, neglect or default on the part of any such assistant unless such assistant shall be the Manager-Trustee or an associate or affiliate of the Manager-Trustee or any of their respective directors, officers or employees and, subject to Section 12.12, may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof without taxation of any costs or fees of such counsel, solicitor or attorney and shall be entitled to receive reimbursement for all disbursements, costs, liabilities and expenses made or incurred by it in the discharge of its duties hereunder;
- (c) the Manager-Trustee shall, except as herein otherwise provided, as regards all the trusts, powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode of and time for the exercise thereof and, in the absence of wilful neglect or default, it shall not be responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof;
- (d) the Manager-Trustee may delegate to any company or person the performance of any of the trusts, authorities and powers vested in it hereunder without regard to whether such trusts, authorities or powers are normally delegated by trustees and any such delegation may be made upon such terms and conditions and subject to such regulations, including limitations as to sub-delegation, as the Manager-Trustee may consider to be in the interests of the Unitholders; and
- (e) except as hereinafter provided with respect to affiliates of the Manager-Trustee and to obtaining any required approval of Unitholders, the Manager-Trustee may appoint any person, including an affiliate of the Manager-Trustee, to assume the duties and responsibilities of the Manager-Trustee hereunder in accordance with Section 12.13 hereof.

12.2 Banking

The banking business of the Funds, or any part thereof, shall be transacted with such bank, trust company, investment dealer or other firm or corporation carrying on a banking business as the Manager-Trustee may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Funds' behalf by such one or more officers of the Manager-Trustee and/or other persons as the Manager-Trustee may designate, appoint or authorize from time to time including, but without restricting the generality of the foregoing: the operation of the Funds' accounts; the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Funds; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Funds' behalf to facilitate such banking business.

12.3 Management and Investment Services

The Manager-Trustee is vested with the sole management of each Fund. In carrying out the management of the Funds, the Manager-Trustee is responsible for the day-to-day administration of the Funds including, when considered appropriate by the Manager-Trustee, the preparation and filing of Disclosure Documents, as and when required, to permit offering of the Units of the Funds in those jurisdictions specified from time to time by the Manager-Trustee, the preparation of all written and printed material for distribution to investors and ensuring compliance with the registration and filing, reporting and similar requirements of all regulatory bodies having jurisdiction over the sale of Units of the Funds. The Manager-Trustee may also assume the performance of such other general supervisory and administrative functions on behalf of the Funds as it may elect from time to time. The Manager-Trustee also provides or causes to be provided investment counselling services to the Funds for the management of the investment portfolio of the Funds including the evaluation of current information and data relating to the economy generally, to the particular investments of the Funds and to any security or securities which the Manager-Trustee considers desirable for inclusion in the investments of the Funds and the taking on behalf of the Funds, of all such actions as the Manager-Trustee may deem desirable to invest or reinvest in, or to purchase or sell securities generally, securities of a particular series or kind or securities of a particular issuer, including the placing of orders for the purchase and/or sale of such securities.

12.4 Appointment of Substitute Manager, Principal Distributor, and Registrar and Transfer Agent

The Manager-Trustee may appoint, upon such terms and conditions as it may determine and subject to the person so appointed agreeing to comply with the standard of care required under Securities Legislation, a substitute manager and one or more agents (who may, but need not be, the same individual or company and who may, but need not be, the substitute manager) to provide management and administrative services to the Funds, to act as principal distributor of the Units of the Funds and to act as registrar and transfer agent of the Funds, provided that the substitute manager, principal distributor and registrar and transfer agent shall be appointed

pursuant to one or more agreements between the Funds and the manager or other agent, as the case may be. In addition to any other authority or power that the Manager-Trustee may delegate, the Manager-Trustee may delegate to any manager appointed by it the authority to sign on its behalf any Disclosure Documents and other documents or instruments that the Manager-Trustee is or may be required to sign in its capacity as manager of the Funds, provided such delegation is not prohibited by any applicable legislation, regulations, policies or guidelines. In order to comply with any decision document of applicable securities regulatory authorities, the Manager-Trustee and/or the substitute manager may confer certain powers and authority on an independent review committee.

12.5 Appointment of Investment Adviser or Sub-Adviser

The Manager-Trustee or substitute manager may appoint or retain an Investment Adviser and/or a Sub-Adviser for each Fund to make investment decisions with respect to the property of that Fund in accordance with the investment objective, policies and restrictions of the Fund as set forth in this Declaration of Trust and Schedule "A" hereto, which appointment shall be on such terms and conditions as the Manager-Trustee or substitute manager shall determine. All fees of the Investment Adviser and Sub-Adviser, if any, shall be borne by the Manager-Trustee or substitute manager, as may be agreed between them. Such costs and expenses of the Investment Adviser and Sub-Adviser, if any, as shall be agreed between the Manager-Trustee or substitute manager and the Investment Adviser or Sub-Adviser as being the responsibility of the Fund shall be borne by the Fund.

12.6 Responsibility of the Manager-Trustee

To the extent required under Securities Legislation, the Manager-Trustee shall be responsible for the advice received from the Investment Adviser and any Sub-Adviser.

12.7 Duties of the Investment Adviser

If appointed, the Investment Adviser shall have, and a Sub-Adviser may have, responsibility for making investment decisions with respect to a Fund. The Investment Adviser may itself receive investment advice from one or more Sub-Advisers retained by it in accordance with Securities Legislation. Unless otherwise agreed, each Sub-Adviser will make recommendations to the Investment Adviser with respect to the investments of the Fund that are in accordance with the Fund's stated investment objective, policies and restrictions. The Investment Adviser will, and a Sub-Adviser may, select brokers and dealers to execute portfolio transactions on behalf of the Fund and will transmit purchase and sale orders to such brokers and dealers. All fees, costs and expenses related to the Sub-Advisers shall be borne by the Investment Adviser, the Manager-Trustee or the substitute manager.

12.8 Custodian

The Manager-Trustee shall open one or more separate accounts with respect to each Fund, and shall not co-mingle any assets of the Fund with its own assets. The Manager-Trustee shall appoint one or more of a bank, trust company, investment dealer or any other institution that is qualified to act as a custodian to be responsible for the safekeeping of all of the portfolio assets of the Fund and who shall be paid for those services out of the assets of the Fund, or to make

such other arrangements for the safe custody of some or all of the Fund's assets as the Manager-Trustee deems prudent.

12.9 Standard of Care of Manager-Trustee

The Manager-Trustee shall exercise its powers and discharge its duties hereunder as the manager and as the trustee of each Fund honestly, in good faith and in the best interests of each Fund and shall perform the duties of the manager and as the trustee to the standard of care a reasonably prudent person would exercise in the circumstances. The Manager-Trustee shall adopt policies and procedures to identify and avoid, or address and disclose, conflicts between its own interests and the interests of the Funds and/or the Unitholders, in accordance with applicable laws.

12.10 Reliance

In exercising its powers and discharging its duties hereunder, the Manager-Trustee may, but shall not be bound to, with respect to any act done or permitted to be done by it, rely upon:

- (a) financial statements of each Fund stated in a written report prepared by the auditors of the Fund to present fairly the financial position of that Fund;
- (b) any instrument or document reasonably believed by it to be genuine and to be correct; or
- (c) the advice or opinion of legal counsel, accountants, appraisers or other experts, including, without restricting the generality of the foregoing, any Manager, consultant, adviser, investment manager, Investment Adviser or custodian retained by or on behalf of the Manager-Trustee;

and the Manager-Trustee shall in no event be liable under this Declaration of Trust for any action taken or not taken as a result of so relying in good faith.

12.11 Indemnification of Manager-Trustee

- (a) The liability of the Manager-Trustee in respect of its actions as Manager-Trustee of a Fund (except liability for breach of Section 12.9 hereof) is limited to the realizable value of the assets of that Fund. The Manager-Trustee shall at all times be indemnified and saved harmless by each Fund from and against:
 - (i) costs, charges and expenses that the Manager-Trustee properly sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by it in or about the proper execution of the duties of its office; and
 - (ii) all other costs, charges and expenses that it may properly sustain or incur in or about or in relation to the affairs of the Fund;

so long as, in respect of such act, deed, matter or thing, it has acted honestly and in good faith with a view to the best interests of the Fund and has exercised the standard of care required by Section 12.9 and, in the case of a criminal suit or administrative action or proceeding, it had reasonable grounds for believing that its conduct was lawful. The Manager-Trustee is hereby authorized from time to time to cause each Fund to give indemnities to any person (except the Manager-Trustee in its capacity as manager, principal distributor and registrar and transfer agent of the Fund or any associate or affiliate of the Manager-Trustee or any of their respective directors, officers or employees, other than in respect of reimbursement for costs, expenses or liabilities that are the responsibility of the Fund), including any member of any independent review committee, who has undertaken or is about to undertake any liability on behalf of the Fund and any action taken by the Manager-Trustee under this Section shall not require confirmation or approval by the Unitholders, provided that such indemnities shall be permitted under Securities Legislation and shall be limited to actions properly taken or liabilities properly incurred by such persons on behalf of the Fund. In no event shall such indemnities cover any action or liability arising out of a failure to satisfy any applicable standard of care.

- (b) The Manager-Trustee, at the expense of a Fund, may purchase and maintain insurance on behalf of that Fund in respect of any obligation of the Fund to indemnify any person pursuant to Subsection 12.11(a) hereof.

12.12 Compensation and Expenses

- (a) The Manager-Trustee may be compensated for its services as trustee of the Funds in accordance with any fee that may be established by the Manager-Trustee. The Manager-Trustee shall also be entitled to receive compensation for the provision of services in any other capacity.
- (b) For services performed as Investment Adviser hereunder, the Manager-Trustee or its agents are entitled to receive the management fees and/or performance fees payable by each Fund as may be agreed to in writing by the Manager-Trustee on behalf of the Fund or as set out in Schedule "A" hereto.
- (c) Each Fund shall be responsible for payment of all expenses relating to the operation of the Fund and the carrying on of its business, including, but not limited to:
 - (i) administrative fees and expenses of the Fund, which include fees payable to the Manager-Trustee, fees payable to sub-advisers (if any), accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, fees, costs and expenses relating to the issue, redesignation and redemption of Units, all Unitholder communication expenses, all costs incurred in the preparation of Disclosure Documents relating to Units and all amendments to or renewals of such Disclosure Documents and all other documents as

may be required to comply with Securities Legislation or other applicable laws, regulations and policies or as may be deemed beneficial to the Unitholders by the Manager-Trustee; all other promotional expenses, organizational expenses, the cost of maintaining the Fund's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses;

- (ii) fees and expenses relating to the Fund's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, due diligence costs (including reasonable travel and the engagement of third party consultants), brokerage fees, commissions and expenses, and banking fees;
 - (iii) fees and expenses for consulting, research, data, and statistical services and all reasonable extraordinary or non-recurring expenses, including litigation expenses; and
 - (iv) fees and expenses payable to independent members of advisory bodies appointed by the Manager-Trustee as compensation for considering matters relating to the Fund; and any regulatory fees and expenses payable in respect of the Fund.
- (d) The expenses listed above shall be allocated by the Manager-Trustee to each series of Units of a Fund as follows:
- (i) all Series Expenses shall be allocated only to the series of Units of the Fund in respect of which the Series Expenses were incurred; and
 - (ii) each type of Common Expense shall be allocated among the series of Units of the Fund as determined by the Manager-Trustee, in its sole discretion.

12.13 Resignation of Manager-Trustee

The Manager-Trustee shall have the right to resign as trustee and manager of a Fund by giving notice in writing to the Unitholders not less than sixty (60) days prior to the date on which such resignation is to take effect. Such resignation shall take effect on the date specified in such notice. The Manager-Trustee may appoint any person, including an affiliate of the Manager-Trustee, to assume the duties and responsibilities of the Manager-Trustee hereunder and upon such appointment being made and such person agreeing to act as Manager-Trustee for the Unitholders of the Fund, and assuming the duties and responsibilities of the Manager-Trustee hereunder, the Manager-Trustee shall cease to be Manager-Trustee for the Unitholders of the Fund and shall be relieved from its duties and responsibilities under this Declaration of Trust, provided however that Unitholders must be given not less than sixty (60) days' written notice prior to the appointment of a successor Manager-Trustee. As a condition precedent to the appointment of a successor Manager-Trustee, the name of the Fund shall be changed to remove any reference to the name "Steinberg" unless the successor Manager-Trustee is an affiliate of the

current Manager-Trustee or the current Manager-Trustee otherwise consents in writing to the continued use of that name.

12.14 Successor Trustees

The right, title and interest of the Manager-Trustee in and to the property of a Fund shall vest automatically in all persons who may hereafter become trustee upon their due appointment without any further act and they shall thereupon have all the rights, privileges, powers, obligations and immunities of the Manager-Trustee hereunder. Such right, title and interest shall vest in the successor trustee whether or not conveyancing documents have been executed and delivered in connection therewith.

IN WITNESS WHEREOF the Manager-Trustee has caused this Master Declaration of Trust to be executed as of the 6th day of May, 2010.

LORNE STEINBERG WEALTH MANAGEMENT INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE "A"
dated May 6, 2010

to the Master Declaration of Trust of the Steinberg Funds
executed by Lorne Steinberg Wealth Management Inc.
dated as of May 6, 2010

Existing Funds

Steinberg High Yield Fund

Currency:

Canadian \$

Series and Features of the Series:

- Series A – Available to all investors.
- Series F – Available only to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager-Trustee, any other investor for whom the Manager-Trustee does not incur distribution costs.
- Series O – Available only to an investor who, pursuant to the terms of an agreement between such investor and the Manager-Trustee, pays management fees directly to the Manager-Trustee. In the event of termination of such agreement or a failure by the investor to pay such fees, the Manager-Trustee may, in its discretion, redeem the Series O Units held by the investor or redesignate them as Units of another Series.

Minimum Initial Amount:

\$150,000

Subsequent Investment Amount:

\$5,000

Limitations / Requirements on Redesignation of Series:

None

Investment Objective:

The investment objective of the Fund is to provide high total income return and capital appreciation.

Investment Strategies, Policies and Restrictions:

The Fund will attempt to achieve its objectives by principally investing in non-investment grade fixed income securities, and/or high yielding equities, income trusts, convertible bonds and investment grade securities focusing on income and capital. The Fund may invest up to 100% of the assets in cash and short-term securities as market conditions may warrant. The Fund will have a maximum exposure to any single issuer at market value not exceeding 10% of the Fund's Net Asset Value, except government issuers.

Fees:

- All Series – No fees upon subscription or redemption.
- Series A – Management fees – For series A Units, the Manager-Trustee shall receive from the Fund a monthly management fee equal to one-twelfth of 2.50% of the applicable Series Net Asset Value, as calculated by the Manager-Trustee pursuant to its usual practices on the last Valuation Date of each month. These management fees shall be Series Expenses applicable to series A Units.
- Series F – Management fees – For series F Units, the Manager-Trustee shall receive from the Fund a monthly management fee equal to one-twelfth of 1.50% of the applicable Series Net Asset Value, as calculated by the Manager-Trustee pursuant to its usual practices on the last Valuation Date of each month. These management fees shall be Series Expenses applicable to series F Units.
- Series O – No management fees.
- All Series – Performance fee – For each series, the Manager-Trustee shall be entitled to receive from the Fund, on an annual basis, a performance fee equal to 20% of the increase, if any, in the Series Net Asset Value (adjusted to include distributions and cash flows and to exclude any accrual of the performance fee) for the Fund's financial year, after the first 5% of returns attributable to the series (the "**Hurdle**"). In determining the increase in the Series Net Asset Value, negative returns in a financial year of the Fund will be carried forward into the next financial year, but not beyond. The performance fees shall accrue on each Valuation Date as Series Expenses of the series of Units. For the purposes of such accrual, the Hurdle shall be prorated.

Determination of Net Income:

- The Net Income for the Fund shall be determined on the last Valuation Date of each quarter.

Steinberg Value Equity Fund

Currency:

Canadian \$

Series and Features of the Series:

- Series A – Available to all investors.
- Series F – Available only to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Manager-Trustee, any other investor for whom the Manager-Trustee does not incur distribution costs.
- Series O – Available only to an investor who, pursuant to the terms of an agreement between such investor and the Manager-Trustee, pays management fees directly to the Manager-Trustee. In the event of termination of such agreement or a failure by the investor to pay such fees, the Manager-Trustee may, in its discretion, redeem the Series O Units held by the investor or redesignate them as Units of another Series.

Minimum Initial Amount:

\$150,000

Subsequent Investment Amount:

\$5,000

Limitations / Requirements on Redesignation of Series:

None

Investment Objective:

The investment objective of the Fund is to provide long-term capital appreciation.

Investment Strategies, Policies and Restrictions:

The Fund will attempt to achieve its objectives by principally investing in issuers with a long-term track record of dividend growth, earnings growth, and/or free cash flow generation, strong balance sheet and strong management team. The Fund may invest up to 100% of the assets in cash and short-term securities as market conditions may warrant. Investments shall be restricted to securities on recognized stock exchanges with a maximum exposure to any single issuer at market value not exceeding 10% of the Fund's Net Asset Value.

Fees:

- All Series – No fees upon subscription or redemption.
- Series A – Management fees – For series A Units, the Manager-Trustee shall receive from the Fund a monthly management fee equal to one-twelfth of 2.50% of the applicable Series Net Asset Value, as calculated by the Manager-Trustee pursuant to its usual practices on the last Valuation Date of each month. These management fees shall be Series Expenses applicable to series A Units.
- Series F – Management fees – For series F Units, the Manager-Trustee shall receive from the Fund a monthly management fee equal to one-twelfth of 1.50% of the applicable Series Net Asset Value, as calculated by the Manager-Trustee pursuant to its usual practices on the last Valuation Date of each month. These management fees shall be Series Expenses applicable to series F Units.
- Series O – No management fees.

Determination of Net Income:

- The Net Income for the Fund shall be determined on the last Valuation Date of each quarter.

SCHEDULE "B"
dated May 6, 2010

to the Declaration of Trust of the Steinberg Funds
executed by Lorne Steinberg Wealth Management Inc.
dated as of May 6, 2010

Valuation Principles

The value of the assets of a Fund is determined with reference to the following valuation methods, depending on the type of security being valued:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to unitholders of record on a date before the date as of which the net asset value is being determined), and interest accrued and not yet received, is deemed to be the full amount thereof, unless the Manager-Trustee has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend or distribution received or interest is not worth such full amount, in which event, the Manager-Trustee shall determine the reasonable value of such securities;
- (b) the value of any security or interest therein which is listed or dealt in upon a stock exchange is determined by taking the latest available sale price, or lacking any recent sales or any record thereof, the latest available bid price, whichever in the opinion of the Manager-Trustee better reflects the value of such securities, as at the day on which the Net Asset Value is being determined, all as reported by any means in common use;
- (c) the value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager-Trustee; provided however that if, in the opinion of the Manager-Trustee, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to effect any redemption of Units of the Fund, the Manager-Trustee may place such value upon such securities as appears to the Manager-Trustee to most closely reflect the fair value of such securities;
- (d) the value of any security or interest therein which is not listed or dealt in upon any exchange shall be determined as nearly as may be possible in the manner described in the preceding subparagraph, except that there may be used, for the purpose of determining the sale price or the ask and bid prices, any public quotations in common use which may be available;
- (e) the value of any security or other asset for which no market quotation is readily available or for which there is no last sale price or last reported bid price for the date in question or for which the last trade price does not, in the view of the Manager-Trustee, represent the fair market value of such security, or for which no provision for other valuation has been made, shall be determined by the Manager-

Trustee in such manner as the Manager-Trustee deems appropriate to reflect fair value;

- (f) the value of any security, the resale of which is restricted or limited by reason of any representation, undertaking or agreement by the Fund or by the Fund's predecessor in title, shall be determined by the Manager-Trustee in such manner as the Manager-Trustee deems appropriate to reflect fair value;
- (g) fixed income securities will be priced within the limits of the latest available current bid and ask prices deemed best to reflect fair value, as quoted by independent pricing services or dealers who make markets in such securities;
- (h) the value of any short-term security will be stated at cost which, when combined with accrued interest, approximates market value or, if a more representative value can be obtained, other methods may be used; and
- (i) securities of any underlying fund held by the Fund will be valued at their respective security values on the relevant Valuation Date, as determined by the manager of the underlying fund and as communicated by such manager to the Manager-Trustee.

The Manager-Trustee may determine such other rules or principles of valuation, as it deems necessary from time to time, which may deviate from Canadian generally accepted accounting principles.

Redemption Procedures

Units of a Fund may be redeemed on any Valuation Date. Redemption requests may be delivered directly to the Manager-Trustee by any of the following methods:

- (A) by mail to the address of the Fund set forth in Section 2.1 of this Declaration of Trust;
- (B) by fax to (514) 876-9994;
- (C) by hand delivery to the Manager-Trustee at the address of the Fund set forth in Section 2.1 of this Declaration of Trust; or
- (D) by phone at (514) 876-9888 or toll free at (866) 876-9888.

Payments for redemption of Units shall be delivered by the Manager-Trustee to a Unitholder within three business days of the applicable Valuation Date.

The Manager-Trustee may, in its sole discretion, redeem Units of a Fund if a Unitholder's investment in a Fund has a value of less than \$100,000 at any time. Prior to redeeming such investment, the Manager-Trustee shall provide the Unitholder with thirty (30) days notice that such redemption will occur.