

**REGULATION  
MALACHITE AGGRESSIVE PREFERRED FUND**

**WHEREAS** Hymas Investment Management, Inc. (the "Trustee") executed a Master Declaration of Trust made as of March 19, 2001 (the "Master Declaration of Trust"), providing for the creation and the continuing governance of certain independent unit trusts referred to in the Master Declaration of Trust and herein collectively as the Malachite Funds, with the Trustee to act as the trustee of each of such unit trusts;

**WHEREAS** pursuant to Section 2.2 of Article 2 of the Master Declaration of Trust, the Trustee has determined that a new, separate and independent unit trust to be known as Malachite Aggressive Preferred Fund (the "Fund") should be created, constituting one of the Malachite Funds;

**WHEREAS** the Master Declaration of Trust provides that the investment objective and any special terms and conditions of each unit trust comprising one of the Malachite Funds, including variations from or supplements to the Master Declaration of Trust, are to be specified in the Regulation pertaining to the Fund;

**NOW THEREFORE** the Trustee hereby enacts as the Regulation to the Master Declaration of Trust pertaining to the Fund, the following:

**ARTICLE I  
INTERPRETATION**

Unless otherwise defined herein, all capitalized terms used in this Regulation shall have the meanings ascribed thereto in the Master Declaration of Trust.

**ARTICLE II  
MALACHITE AGGRESSIVE PREFERRED FUND**

Pursuant to Section 2.2 of Article 2 of the Master Declaration of Trust, the Trustee hereby designates as of the date hereof, on and subject to the provisions hereof and of the Master Declaration of Trust, the Fund as one of the unit trusts comprising the Malachite Funds.

**ARTICLE III  
INVESTMENT OBJECTIVE**

The investment objective of the Fund is to achieve a long-term capital growth in addition to a high level of after tax income through investment primarily in preferred shares and preferred securities listed on The Toronto Stock Exchange. The tax rates used by the Fund in analyzing current and potential investments will be based on the marginal rates for the highest tax bracket in Ontario, as advised by the auditors of the Fund.

**ARTICLE IV  
INVESTMENT RESTRICTIONS**

The Trustee may from time to time invest and reinvest Fund Property in:

- (a) income producing instruments comprised of preferred shares and corporate debt obligations of issuers in any jurisdiction;
- (b) bonds and other debt instruments issued or guaranteed by any government or governmental body;
- (c) obligations of commercial banks (including certificates of deposit and bankers' acceptances) and other similar financial institutions; and
- (d) short-term debt or money-market instruments.

In addition, the Fund may borrow, provided that such borrowings do not exceed 25% of the Net Asset Value of the Fund, make any other investments consistent with the investment objectives of the Fund, lend portfolio securities, enter into repurchase transactions and reverse repurchase transactions, sell securities short and purchase or sell forward currency contracts in order to hedge against changes in currency exchange rates, except as limited herein and in the Master Declaration of Trust provided that, at all times the Trustee, the Manager and the Fund shall be bound by any other applicable investment restrictions and policies applicable to the Fund as a matter of law, whether statutory, regulatory or by operation of relevant jurisprudence.

**ARTICLE V  
DISTRIBUTIONS**

Dividend and interest income will be distributed quarterly, as of the last Valuation Date in each of the months of March, June and September. An additional distribution of net income and capital gains may be payable on the last Valuation Date of the Taxation Year.

DATED as of the        day of March, 2001.

**HYMAS INVESTMENT MANAGEMENT,  
INC.**

by: \_\_\_\_\_  
James I. Hymas  
President