

MASTER DECLARATION OF TRUST

by

HYMAS INVESTMENT MANAGEMENT INC.

Dated as of March 19, 2001

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MASTER DECLARATION OF TRUST

THIS MASTER DECLARATION OF TRUST is made as of March 19, 2001 by Hymas Investment Management Inc., a corporation incorporated under the laws of Ontario, trustee of the Funds hereunder.

WHEREAS the Trustee wishes to create new, separate and independent unit trusts under this Master Declaration of Trust from time to time;

WHEREAS the Trustee is willing to stand seized and possessed of the trust fund and of the moneys and investments from time to time of each of the Funds and to manage and direct the affairs of the Funds, upon the terms, conditions and trusts hereinafter set forth;

NOW THEREFORE the Trustee does hereby declare that it will act as trustee of the Funds and hold the Fund Property of each Fund in trust for the benefit of the Unitholders of each Fund from time to time and will invest, dispose of and otherwise deal with Fund Property upon the trusts and subject to the express provisions of this Master Declaration of Trust and any applicable Fund Regulation as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions:

In this Master Declaration of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires:

"affiliate" and **"associate"** have the meanings given to them, respectively, in the Securities Act (Ontario) at the date hereof and derivations of those words have corresponding meanings;

"auditors" means an independent firm of professional accountants licensed to practice public accounting in Ontario duly appointed as auditors of the Fund;

"business day" means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or any other day on which The Toronto Stock Exchange is not open for trading;

"Custodian" means any Person appointed, employed or contracted with by the Trustee, to provide custodial services to a Fund pursuant to section 3.13 hereof;

"Custodial Agreement" means any agreement entered into by the Trustee with a Custodian;

"Fiscal Year" of the Fund means the period ending each December 31;

"Fund" means a unit trust, being an open-end mutual fund created and governed hereunder from time to time;

"Fund Property" with respect to a Fund, means as of any particular time any and all property which is transferred, conveyed or paid to and held by the Trustee on behalf of the Fund pursuant to the terms of this Master Declaration of Trust and the relevant Fund Regulation, and all income, profits and gains therefrom;

"Fund Regulation" means a regulation executed by the Trustee pursuant to section 2.2 of this Master Declaration of Trust in respect of a Fund, as same may be supplemented, amended or restated from time to time;

"Manager" means any Person appointed, employed or contracted with by the Trustee to provide management services to a Fund, as provided for in section 5.1 hereof;

"Master Declaration of Trust" means this Master Declaration of Trust as the same may be hereinafter supplemented, amended or restated from time to time;

"Net Asset Value of the Fund" means the total assets less total liabilities of a Fund, as more particularly described in section 1.7 and "Net Asset Value per Unit" has the meaning given to it in that section;

"Person" means and includes individuals, corporations, limited partnerships, general partnerships, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations whether or not legal entities and governments and agencies or political subdivisions thereof;

"Proportionate Share", when used to describe a Unitholder's interest in or share of, inter alia, a Fund, Net Asset Value, net income, net realized capital gains or distributions means that portion obtained by multiplying such amount by a fraction, the numerator of which is the number of Units of the Fund registered in the name of that Unitholder at that particular time and the denominator of which is the total number of Units of the Fund then outstanding and in calculating such fraction Units redeemed or to be redeemed as of that time or on the same day shall be included and Units to be purchased as of that time or on the same day shall be excluded;

"Purchase Agreement" means the agreement entered into between the Trustee and an investor in a Fund setting out the terms of the purchase and redemption by the investor of Units of one or more Funds and other related matters, as same may be amended, supplemented or modified from time to time;

"Sub-Custodian" means any Person appointed, employed or contracted with pursuant to section 3.13;

"Tax Act" means the *Income Tax Act* (Canada) R.S.C. 1985, c.1 (5th Supp) and the regulations thereunder as each are amended from time to time;

"Taxation Year" in respect of a Fund, means the taxation year of the Fund for the purposes of the Tax Act;

"Trustee" means Hymas Investment Management Inc., or such successor Trustee of the Funds as may be appointed in accordance with the provisions hereof;

"Unitholders", with respect to a Fund, means as of any particular time all holders of record of outstanding Units of a Fund at such time;

"Units" means the units into which the beneficial interest in a Fund may from time to time be divided;

"Valuation Date" means the last business day of each month and any other days as may be determined from time to time by the Trustee; and

"Valuation Time" means 4:00 p.m. (Eastern time) on each Valuation Date or such other specific time on a Valuation Date as of which the value of the particular investments in a Fund is to be determined, as established by the Trustee in its discretion from time to time.

1.2 Statutes

Wherever in this Master Declaration of Trust a statute is referred to, such reference shall be a reference to such statute as amended from time to time, unless the express provisions hereof otherwise require.

1.3 Headings

The headings of all the articles and sections hereof and the Table of Contents and in each Fund Regulation are inserted for convenience of reference only and shall not affect the construction or interpretation of this instrument.

1.4 Governing Law

This Master Declaration of Trust shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable hereto.

1.5 Gender and Number

In this Master Declaration of Trust or Fund Regulation, words importing the singular number only include the plural, and vice versa; words importing natural persons include firms and corporations, and vice versa; and the neuter gender includes the masculine and feminine, where applicable. References herein to "this Declaration", "this Master Declaration of Trust", "hereof", "herein", and similar expressions refer to this Master Declaration of Trust as a whole and not to any particular article or section hereof.

1.6 Currency

All references to currency in this Master Declaration of Trust and any Fund Regulation are to lawful money of Canada, unless otherwise expressly provided herein. Calculations required to be performed in accordance with this Master Declaration of Trust and any Fund Regulation may be completed in any currency, but all amounts required to be determined and statements required to be prepared shall be expressed in the currency of Canada, unless otherwise expressly provided, and all amounts in other currencies, including assets and liabilities of a Fund valued in terms of foreign currency, funds on deposit, funds borrowed and contractual obligations payable to or by a Fund in foreign currency, shall for the purposes of

such expression be translated into Canadian currency at the spot rate of exchange quoted by a Canadian chartered bank or an independent pricing service which uses quotes of major world banks on the date as of which such expression is to be made.

1.7 Net Asset Value

- (a) Net Asset Value of a Fund shall be the value of the Fund from time to time computed by the Trustee as of each Valuation Date obtained by deducting from the aggregate value of the assets, which include net income earned, of the Fund, an amount sufficient to provide for liabilities of the Fund then outstanding.
- (b) Net Asset Value per Unit of a Fund shall be computed by the Trustee dividing the Net Asset Value of the Fund by the total number of Units (including fractions and Units to be redeemed as of the day of computation but excluding Units to be issued on such day) of the Fund then outstanding.
- (c) Assets of the Fund will include its organizational costs, which will be determined by the Trustee in accordance with the expenses incurred in starting a Fund. These costs will include, without limitation, fees for legal and accounting advice. These costs will be amortized on each Valuation Day on a straight line basis over a period of 5 years, commencing with the inception of the Fund.
- (d) The aggregate value of the assets of a Fund at any time shall be determined by the Trustee in accordance with such method of valuation as the Trustee may deem proper, provided that such method is in accordance with generally accepted accounting principles and in accordance with any policies, guidelines, rules or regulations which may apply to the Fund. Subject to the foregoing, the following valuation rules shall apply.
 - (i) The value of any cash on hand or on deposit, bills and notes and accounts receivable, prepaid expenses, cash dividends declared but unpaid (where the investment on which the dividend has been declared is trading ex-dividend), and interest accrued but not yet received shall be deemed to be the face amount thereof, unless the Trustee determines that any deposit, bill, demand note or account receivable is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Trustee shall deem to be the fair value thereof.
 - (ii) The value of any security which is listed or dealt in upon a stock exchange shall be determined (a) at price which shall be determined by the Trustee which shall be no higher than the closing ask price and no lower than the closing bid price; or (b) if no bid or asked quotation is available, at the price last determined for such security for the purpose of calculating the Net Asset Value of the Fund, provided that, if in the opinion of the 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 redemptions of Units, the Trustee may

place such value upon such securities as appears to the Trustee to most closely reflect the fair value of the securities.

- (iii) The Trustee shall select the recognized public stock exchange whose quotations are used in the determination of the value of any security which is listed on more than one recognized public stock exchange.
- (iv) The value of any security which is not listed on any recognized public stock exchange shall be valued by the Trustee in its absolute discretion at the last recorded bid price, or the mean between the closing bid and asked prices prior to the Valuation Time on the date or at such price as the Trustee may from time to time determine more accurately reflects the fair value of such security.
- (v) Fixed income securities will be priced within the limits of the latest available or current bid and asked prices deemed best to reflect the fair value, as quoted by independent pricing services or dealers who make markets in such securities or at such price as the Trustee may from time to time determine more accurately reflects the fair value of such security.
- (vi) The value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract or the forward contract, as the case may be, were to be closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest.
- (vii) 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 such as a bid-side valuation based on debt security yields may be used.
- (viii) The value of all assets and liabilities of a Fund expressed or denominated in a currency other than Canadian dollars will be converted into Canadian dollars in accordance with section 1.6 hereof.
- (ix) In determining the Net Asset Value of the Fund, the Trustee may, in its sole discretion, accrue any expenses or liabilities which are chargeable to a Fund in accordance with generally accepted accounting principles.
- (x) Restricted securities shall be valued at the lesser of the value based on reported quotations in common use and a value relative to the market value of unrestricted securities of the same class, provided that such value shall be reduced by the same rate of discount which applied at the time of purchase and that the rate of such discount may be reduced proportionately where such restriction is to be lifted on a known date.
- (xi) The value of a long position in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants

shall be its market value on the date in question. In valuing a written covered clearing corporation option, option on futures or over-the counter option the premium received shall be reflected as a deferred credit which, so long as an open position is maintained, shall be valued at an amount equal to the current market value of that option which would have the effect of closing the writer's position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund. Securities which are the subject of a written clearing corporation option or over-the-counter option shall continue to be valued at current market value in the manner described above.

- (xii) The value of any security purchased or sold will be reflected in the computation of Net Asset Value not later than the first computation of such Net Asset Value made after the transaction becomes binding.
 - (xiii) The value of all other assets and of any asset for which price quotations are not available or for which the face value or other specified valuation is not, in the opinion of the Trustee, appropriate, shall be determined by the Trustee on such basis and in such manner as the Trustee determines most accurately reflects the fair value thereof.
 - (xiv) In the event that the Trustee is of the opinion that the fair value of any security is not accurately reflected as a result of the application of any of the foregoing, the fair value of such security shall be determined by such other means as the Trustee deems appropriate in the circumstances.
- (e) The liabilities of a Fund shall be deemed to include:
- (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable or accrued, or both (including management fees);
 - (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to the holders of Units of a Fund of record on or before that Valuation Date;
 - (iv) all allowances authorized or approved by the Trustee for taxes (if any) or contingencies; and
 - (v) all other liabilities of a Fund of whatsoever kind and nature, except liabilities represented by outstanding units of the Fund.
- (f) A Unit of a Fund shall be deemed to become outstanding as of the next calculation of Net Asset Value following the acceptance of the purchase order by the Trustee and the net sale price received for the issuance of the Unit shall be deemed to be an asset of the Fund.

- (g) A Unit of a Fund being redeemed shall be deemed to remain outstanding until (but not after) the next calculation of Net Asset Value following the receipt by the Trustee of a redemption request communicated via telecommunications facility or the receipt by mail by the Trustee of a properly completed redemption request therefor; thereafter, until paid, the redemption price shall be deemed to be a liability of the Fund.
- (h) In determining Net Asset Value, the Trustee may rely upon, as sufficient evidence, reports of sales and bid prices and quotes published in a recognized financial newspaper or journal of general circulation or a quotation service, or the records of the relevant stock exchange.
- (i) The Net Asset Value per Unit established by the Trustee in accordance with the provisions of this section shall be conclusive and binding on all Unitholders.

1.8 Determination of Materiality

Where a determination is to be made as to whether any act, occurrence, conduct, event, state of affairs, amendment or change is "material" or any grammatical variation of such word, such determination shall be made by the Trustee in its sole discretion and such determination shall be final and binding.

1.9 Rights of Unitholders

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

1.10 Inconsistency with Fund Regulation

In the event that the terms, conditions and provisions of a Fund Regulation are inconsistent with or in conflict with the terms, conditions and provisions of this Master Declaration of Trust, the terms, conditions and provisions of the Fund Regulation shall prevail in respect of the Fund created thereby. The Fund Regulation for a particular Fund may amend the terms, conditions and provisions of the Master Declaration of Trust in such manner as may be set forth in such Fund Regulation provided that such amendments shall be effective only in respect of that Fund.

ARTICLE 2 - ESTABLISHMENT OF THE FUNDS

2.1 Name of the Fund Group

Each Fund shall be known as one of the Malachite Funds or such other name as may be determined by the Trustee in its discretion from time to time.

2.2 The Malachite Funds

The Trustee may designate a Fund as one of the Malachite Funds, whether such Fund is to be newly created or is already existing, as may be specified from time to time by a Fund Regulation. The name, investment objective and any special terms and conditions,

including variations from or supplements to the terms of this Master Declaration of Trust, of a Fund shall be specified in the Fund Regulation pertaining to the Fund.

2.3 Purpose

Each Fund shall be operated and maintained by the Trustee as a separate and independent unit trust subject to the provisions of this Master Declaration of Trust, the Fund Regulation pertaining to the Fund and any applicable securities law, rules and regulations, for the purpose of the common or collective investment and reinvestment in the manner set forth herein of the Fund Property received by the Trustee from Unitholders of the Fund for such purpose.

2.4 Name of each Fund

The name of a Fund shall be set out in the relevant Fund Regulation. So far as may be practicable, legal or convenient, the Trustee shall conduct a Fund's activities, execute all documents and sue or be sued under name, which name and the word "Fund" wherever used in this Master Declaration of Trust or relevant Fund Regulation with respect to an act to be performed by a Fund or to an obligation of a Fund shall refer to an act to be performed by the Trustee or an obligation of the Trustee in its capacity as trustee of the Fund and not personally, and shall not refer to the Unitholders of the Fund or to the directors, officers, agents or employees of the Trustee. The Trustee may change the name of any Fund and the name of the Fund Group in its discretion.

2.5 Investment Objectives of the Funds

The assets of each Fund shall be invested and reinvested in accordance with the investment objective for the Fund as set out in the relevant Fund Regulation and the provisions hereof. A Fund may also make such other investments and carry on such other activities as are consistent with the Fund's investment objectives, subject always to the restrictions and limitations set forth herein and the Fund Regulation.

2.6 Investment Restrictions

The Trustee shall at all times in respect of the investment of the Fund Property of a Fund comply with the investment restrictions and practices:

- (a) set forth in this Master Declaration of Trust and the Fund Regulation of the Fund;
- (b) imposed by applicable legislative requirements, including applicable rules, policies and national instruments of the Canadian securities regulatory authorities, subject to variations therefrom as may be approved by such authorities.

Subject to the provisions of the Fund Regulation and the investment objectives of a Fund set out therein, a Fund may invest in or use derivative instruments. All such investments in or use of derivative instruments shall be consistent with the investment objectives of the particular Fund, to the extent, and for the purposes, permitted by Canadian securities regulators from time to time.

2.7 Interim Investments

Pending investment, in order to provide liquidity for the redemptions of Units of a Fund or for purposes consistent with the fundamental investment objectives and restrictions of the Fund, assets of a Fund may be held in interest-bearing accounts at a bank, discount broker or trust company, Canadian or foreign; invested in guaranteed investment certificates or short-term debt obligations, Canadian or foreign; held on a pooled basis in a pooled trust fund; or invested in such other investments as are specified in the relevant Fund Regulation.

2.8 No Limitation on Investment by Statute

Except as specifically required by any law or by the express provisions of any Trust Agreement, the Trustee shall not, with respect to the investment activities of a Fund, be in any way restricted by the provisions of any law or statute of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

2.9 Principal Office

The principal office of each Fund shall be in Toronto, Ontario at the address of the Trustee, or at such other location in Ontario as shall be designated by the Trustee.

ARTICLE 3 - POWERS OF TRUSTEE

3.1 General Powers

Except to the extent delegated to the Manager or other Person in accordance with the provisions herein, the Trustee shall have, subject to the specific restrictions and limitations contained in this Master Declaration of Trust and any Fund Regulation, full, exclusive and absolute power, control and authority over the Fund Property and over the management of each Fund to the same extent as if the Trustee was the sole and absolute owner of the Fund Property in its own right, including, without limitation, such power, control and authority to do all such acts and things as it in its sole judgment and discretion consider necessary, incidental or desirable for the carrying out of or the conducting of the operations of a Fund, and such powers of delegation as may be permitted by this Master Declaration of Trust. The enumeration of any specific power or authority in this Master Declaration of Trust shall not be construed as limiting the aforesaid power or authority or any other specific power or authority although the powers set forth in this Article 3 are subject to the specific restrictions and limitations set forth elsewhere in this Master Declaration of Trust and any Fund Regulation.

3.2 Investments

The Trustee shall have, subject to the investment powers and restrictions set forth herein, power to purchase or otherwise acquire, for cash or other property, and hold or retain for investment, sell, convey, transfer, assign, exchange or otherwise dispose of any or all of the Fund Property free and clear of any and all trusts upon such terms as the Trustee considers appropriate in its sole and absolute discretion. In the exercise of its powers, the Trustee shall not be limited by any law now or hereafter in effect limiting the investments which may be made, held or retained by trustees or other fiduciaries, but shall have full authority and power to make any and

all investments within the limitations of this Master Declaration of Trust and the applicable Fund Regulation that the Trustee, in its absolute discretion, shall determine, and without liability for loss.

3.3 Legal Title

Legal title to all the Fund Property shall be vested in the Trustee and held by and transferred to the Trustee, except that the Trustee shall have power to cause legal title to the Fund Property to be held by or in the name of the Trustee with suitable reference to its trustee status, or in the name of a Fund, or in the name of any other Person (including but not limited to any Manager, Custodian or Sub-Custodian) as nominee or custodian, on such terms, in such manner and with such powers as the Trustee may determine.

3.4 Delegation

The Trustee shall have power, consistent with its continuing exclusive authority over the management of each of the Funds and the management and disposition of Fund Property, to delegate from time to time to a Person (who may be an associate or affiliate of the Trustee), the doing of such things and the execution of such deeds or other instruments either in the name of a Fund or the Trustee or as the Trustee's attorney or attorneys or otherwise as the Trustee may from time to time deem appropriate, and any such Person shall have the power to further delegate the doing of such things and the execution of such deeds or other instruments to the extent permitted in this Master Declaration of Trust or provided for in any instrument evidencing the delegation by the Trustee to such Person.

3.5 Deposits

The Trustee shall have power to deposit any money or securities included in the Fund Property with the Custodian or Sub-Custodian or with any one or more banks, discount brokers, trust companies or other financial or successor institutions, domestic or foreign, whether or not such deposits will draw interest, and with any "book-based" depository system. Such deposits are to be subject to withdrawal in such manner as the Trustee may determine. The Trustee shall have no responsibility for any loss to a Fund which may occur by reason of the failure or insolvency of the bank, trust company or other financial institution with which the monies or securities have been deposited. Such deposits may be kept in bearer form or in the name of the Trustee or in the names of nominees of the Trustee or in any manner which conforms to the policy of any such custodian or depository.

3.6 Power to Contract

Without limiting the power granted in sections 3.4 and 3.5, the Trustee shall have power to appoint, employ or contract with any Person, including, without limitation, any Person which is an associate, affiliate or successor of it, as the Trustee may deem necessary or desirable for the transaction of the business of any Fund and to carry out on behalf of the Trustee any power or authority granted to the Trustee hereunder, including any Person or Persons who may, amongst other things:

- (a) provide investment advisory, management or administrative services to the Fund;

- (b) serve as the Fund's investment manager, investment advisor, sub-advisor or consultant in connection with investment decisions;
- (c) furnish reports to the Trustee and provide research, economic and statistical data in connection with a Fund's investments;
- (d) act as consultants, accountants, auditors, correspondents, lenders, bankers, technical advisors, lawyers, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians or sub-custodians with the power to appoint nominees to hold the Fund Property, agents for collection, insurers or insurance agents, transfer agents, registrars or paying agents for Units, or in any other capacity deemed by the Trustee necessary or desirable;
- (e) investigate, select and deal with Persons and pay fees to, and enter into contracts with, or employ, or retain them to perform services in connection with the investments acquired, sold or otherwise disposed of, or committed, negotiated or contemplated to be acquired, sold or otherwise disposed of;
- (f) act as attorney-in-fact, nominee or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or settling of any claims by or against the Fund;
- (g) act as broker for the effecting of securities transactions for a Fund;
- (h) act as custodian of Fund Property;
- (i) assist in the performance of functions necessary in the administration and management of a Fund; and
- (j) act as a distributor of Units of the Fund;

and the Trustee shall have power to substitute any other Person for any such Person. Any fees, expenses, commissions or other compensation arising from any such appointment, employment or contract shall be paid out of Fund Property, unless the Trustee otherwise determines in its absolute discretion.

3.7 Insurance

The Trustee shall have the power to purchase, and pay for entirely out of Fund Property, insurance for the protection of the Unitholders, the Trustee, Custodians, Sub-Custodians, Manager and the officers, employees and agents of any of the foregoing and any other Persons who undertake any action, obligation or responsibility on behalf of the Fund, provided the Trustee determines, in its sole discretion, that the premiums therefor are reasonable in light of the coverage available. All such insurance shall be in such amounts and with such insurers as the Trustee may determine and a Fund may duly pay all premiums and other sums of money payable for that purpose with such contribution, if any, by those insured as may be determined by the Trustee. Notwithstanding the foregoing, the Trustee shall not have any liability to any Fund or to any Unitholder or to any of the foregoing Persons by reason of not having purchased insurance or insuring a potential risk under this section 3.7.

3.8 Distributions

The Trustee shall have power to declare and pay distributions to Unitholders in accordance with the applicable provisions hereof and of any Fund Regulation.

3.9 Indemnification

In addition to the mandatory indemnification provided for in section 9.3, the Trustee, on behalf of a Fund, shall have power to indemnify or enter into agreements with respect to indemnification by a Fund and its assets of any Person who undertakes any action, obligation or responsibility on behalf of the Fund including, without limitation, the Manager, Custodian, Sub-Custodian and any associates or affiliates of either, to indemnify such Person against:

- (i) any liability and all costs, charges and expenses that such Person sustains or incurs in respect of any claim, action, suit or proceeding that is proposed or commenced against such Person for or in respect of anything done or permitted or omitted to be done by such Person in respect of the execution of the duties of such Person; and
- (ii) all other costs, charges and expenses that such Person sustains or incurs in respect of the affairs of the Fund;

provided, however, that no such Person shall be indemnified by a Fund and its assets for a breach of any duty or responsibility imposed by this Master Declaration of Trust or any Fund Regulation or any contract entered into by a Fund unless such Person has achieved complete or substantial success as a defendant in any action brought against such Person before the courts. No such right of indemnity shall be satisfied except out of the Fund Property of a Fund and no Unitholder shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise.

3.10 Expenses

The Trustee shall have the power to incur and make payment out of Fund Property any charges or expenses which, in the opinion of the Trustee, are necessary or incidental to or proper for carrying out any of the purposes of this Master Declaration of Trust and any Fund Regulation, including without limitation any charges or expenses arising pursuant to section 9.3 and to pay compensation from the Fund Property to Persons with whom a Fund has contracted or transacted business or for special services provided to a Fund including, without limitation, services as a broker, transfer agent, registrar, or custodian or sub-custodian, whether performed by the Trustee or any Person associated or affiliated with it, or for legal, accounting or other professional services, as the Trustee acting in good faith deems reasonable.

3.11 Remuneration of Trustee

Except as otherwise provided in a Fund Regulation, the Trustee, or any Person to whom it has delegated such duties, to the extent that such duties can be delegated, shall be paid for acting as trustee and manager of Fund Property such amounts as it determines fair and reasonable. All amounts payable pursuant to this section 3.11 shall be paid from Fund Property,

unless the Trustee and the Unitholders agree that Unitholders shall be directly responsible for paying for such amounts as specifically provided in the Purchase Agreement.

3.12 Further Powers

The Trustee shall have power to do all such other matters and things and execute all such instruments as it deems necessary, proper or desirable in order to carry out, promote or advance the interests of a Fund, notwithstanding that such matters or things are not herein specifically mentioned, including without limitation, power:

- (i) to exercise all rights of ownership in respect of a Fund's portfolio securities, including the right to vote, to give general or special proxies or powers of attorney with or without power of substitution, to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto, to oppose or consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith;
- (ii) subject to a Fund Regulation, to borrow or raise money for the purposes of a Fund in such amount upon such terms and conditions as the Trustee in its discretion shall deem advisable including, without limitation, the right to issue promissory notes in its capacity as trustee of a Fund;
- (iii) to make fully collateralized loans of portfolio securities;
- (iv) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all instruments that may be necessary or appropriate to carry out the powers herein granted;
- (v) to amalgamate, merge, collaborate or combine a Fund with any other investment unit trust, corporation or other Person and to purchase, assume or acquire the assets and/or liabilities of any other investment unit trust, corporation or other Person on behalf of a Fund;
- (vi) to settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from a Fund, to commence, defend, compromise or settle suits or legal or administrative proceedings and to represent a Fund in all claims, suits and legal administrative proceedings;
- (vii) to employ agents and counsel (who may be counsel for the Trustee or the Manager or any of their associates or affiliates or counsel to a Fund) and to pay their reasonable fees and expenses;
- (viii) to pay from Fund Property any and all present and future taxes, levies, imposts, stamp taxes, duties, sales, consumption, commodity, value added, goods and services and use taxes, withholdings and any tax of whatsoever nature or kind of any jurisdiction including, without limitation, all Canadian federal, provincial and municipal taxes together with any and all

interest charges and penalties and other payments of any nature or kind relating thereto;

- (ix) to make elections under the Tax Act as it deems to be in the best interests of a Fund and any or all Unitholders including, not to limit the generality of the foregoing, an election under section 259 of the Tax Act; and
- (x) to comply with any law now or hereafter in force applying to a Fund or Fund Property.

Any determination made by the Trustee in good faith as to what is in the interests of a Fund or any or all Unitholders shall be conclusive and binding upon the Unitholders of that Fund. In construing the provisions of this Master Declaration of Trust, the presumption shall be in favour of a grant of power to the Trustee. The Trustee shall not be required to obtain any court order to deal with Fund Property or to obtain legal or other professional advice as to any action pursuant hereto. Subject to section 9.2, the Trustee shall not be bound to act upon the advice or opinion of its counsel or counsel to a Fund or its other professional advisers.

3.13 Holding of Fund Property

The Fund Property shall be held in the custody of the Trustee, a Custodian or Sub-Custodian as may be properly appointed by the Trustee. A Custodian shall be entitled to charge such fees as are normally charged by it for custodial services and it may, without diminishing its responsibility hereunder, appoint a chartered bank, trust company or other depository in Canada to hold any portion of the Fund Property. The Fund Property located in countries other than Canada shall be held by duly qualified Sub-Custodians.

ARTICLE 4 – THE TRUSTEE

4.1 Qualification

A Trustee shall hold office until its resignation or removal in accordance with the provisions of section 4.2 or its bankruptcy or other incapacity to exercise the duties of the office of a trustee. Any Trustee subsequently appointed or elected in accordance with section 4.2 shall hold office upon the same terms.

4.2 Resignation

The Trustee may resign from the trust created by this Master Declaration of Trust by an instrument in writing signed by it and delivered or mailed to Unitholders and any Manager in accordance with section 11.4 and such resignation shall be effective 90 days following the date such notices are delivered or mailed. Upon the resignation of the Trustee or its otherwise ceasing to be Trustee, the Trustee shall appoint and designate a successor Trustee and the Trustee shall be required to convey to the successor Trustee the Fund Property. If a successor Trustee has not been appointed within 45 days following the giving of notice by the Trustee of its resignation (or within 45 days following the Trustee's bankruptcy or other incapacity to exercise the duties of the office of a trustee), then, subject to applicable law, the Unitholders shall appoint and designate a successor Trustee within a further period of 45 days, failing which the Trust shall

be deemed to have been terminated pursuant to section 13.1. Upon the incapacity of the Trustee, its legal representatives shall execute and deliver on its behalf such documents as the foregoing conveyance may require.

4.3 Trustee May Have Other Interests

- (a) Subject to Parts XXI and XXIII of the *Securities Act* (Ontario) and the investment restrictions of a Fund, without affecting or limiting the duties and responsibilities or the limitations, exculpations and indemnities provided in this Master Declaration of Trust, the Trustee is hereby expressly permitted:
- (i) to be an associate or affiliate of a Person from whom the Fund Property has been or is to be purchased or to whom the Fund Property has been or is to be sold by the Fund;
 - (ii) to use, in other capacities, knowledge gained in its capacity as Trustee without liability in law or equity to the Manager, any Unitholders or the Fund;
 - (iii) to be, or to be an associate or affiliate of, any Person with whom a Fund contracts or deals with or which supplies services to a Fund including, without limitation, underwriters, financiers and counsel;
 - (iv) to acquire, hold and dispose of, for its own individual account, any property, real or personal, even if such property is of a character which could be held by the Fund, and to exercise all rights of an owner of such property as if it were not a trustee;
 - (v) to have personal business interests of any nature and to continue such business interests while Trustee including the rendering of professional or other services and advice to other persons for gain; and
 - (vi) to hold Units for its own account or for the account of its clients.
- (b) Subject to Parts XXI and XXIII of the *Securities Act* (Ontario), the Trustee is hereby expressly permitted (notwithstanding any liability which might otherwise be imposed by law or in equity upon it as a trustee) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with a Fund or the relationships, matters, contracts, transactions, affiliations or other interests permitted above. The Trustee shall not be liable, at law or in equity, to pay or account to a Fund or to any Unitholder (whether acting individually or on behalf of all Unitholders as a class) or any Manager for any such direct or indirect benefit, profit or advantage, nor shall any such contract or transaction be void or voidable at the instance of a Fund or any Unitholder.

4.4 Interests of Officers and Others

Subject to Parts XXI and XXIII of the *Securities Act* (Ontario), any officer, employee, consultant or agent of or to the Fund, the Trustee or a Manager may, provided that any

document or disclosure required by law, by the AIMR Standards of Practice, or hereunder is delivered or made to the Unitholders or the Trustee, while so engaged:

- (a) acquire, hold and dispose of any property for its own individual account even if such property is of a character which could be held by a Fund and may exercise all rights of an owner of such property as if it were not an officer, employee, consultant or agent, as the case may be; and
- (b) have personal business of any nature and may continue such business interests for its own account including the rendering of professional or other services and advice to other persons for gain;

and such activities shall be deemed not to conflict with its duties as officer, employee, consultant or agent of or to the Fund, the Trustee or a Manager. Except as otherwise specifically agreed with a Fund, no such officer, employee, consultant or agent shall have any duty to present to a Fund any investment opportunity which may be received in any capacity other than as such officer, employee, consultant or agent. Failure to present to a Fund any such investment opportunity shall not make such officer, employee, consultant or agent liable in law or in equity to pay or account to the Fund or to any Unitholder (whether acting individually or on behalf of all Unitholders as a class) for any benefit, profit or advantage derived therefrom.

ARTICLE 5 - THE MANAGER

5.1 Retaining of Manager

The Trustee may appoint one or more Persons (any such Person so appointed being hereinafter called a "Manager") to manage or direct certain affairs for a Fund. Except as hereinafter set forth or as prohibited by law, the Trustee may, in a manner consistent with its responsible management and control of a Fund and its Fund Property, delegate or transfer to such Manager or Managers such of its rights, powers, duties and responsibilities hereunder relating to management and administration of a Fund and Fund Property as it in its sole discretion may deem to be appropriate and grant to such Manager such authority as may be necessary or desirable in order to permit the Manager to exercise the rights or carry out the responsibilities so delegated or transferred; provided, however, that no such appointment, delegation, transfer or grant shall relieve the Trustee of its responsibilities hereunder. The Trustee shall be responsible for the compensation of any Manager so appointed.

ARTICLE 6 - UNITHOLDERS

6.1 Meetings of Unitholders

Meetings of the Unitholders of one or more Funds may be called at any time by the Trustee. The business which may be transacted at any meeting of Unitholders shall be only such business as such Unitholders are entitled to vote upon as provided in section 6.3. Meetings of Unitholders shall be held at the principal office of the Trustee in Toronto, Ontario or such other place as the Trustee may determine.

6.2 Notice of Meetings, Quorum and Adjournment

- (a) Notice of all meetings of Unitholders shall be given by mail to each Unitholder entitled to attend and vote thereat at the Unitholder's address of record, mailed at least 21 days and not more than 50 days before the meeting, subject to any applicable legislation, regulations, rules and policy statements. Such notice shall state the time when and the place where the meeting is to be held and shall specify, in general terms, the nature of the business to be transacted thereat. Any adjourned meeting may be held as adjourned without further notice. The accidental omission to give notice to or the non-receipt of notice by a Unitholder shall not invalidate any meeting of Unitholders or any action taken by the Unitholders at such meeting. Any Unitholder or a duly appointed proxy may waive any notice required to be given under the provisions of this paragraph and such waiver, whether given before, during or after the meeting shall cure any default in the giving of notice.
- (b) At any meeting of the Unitholders a quorum shall consist of one person present in person holding personally or representing as proxies not less than 10% of the outstanding Units entitled to be voted at the meeting. In the event of such quorum not being present on the date for which the meeting is called within half an hour of the time appointed for the holding of such meeting, the meeting shall stand adjourned to such date, being not less than 14 days later, and at such place and time as may be appointed by the Chairman of the meeting. If at such adjourned meeting a quorum is not present within half an hour of the time appointed the Unitholders present either personally or by proxy shall be deemed to constitute a quorum and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling same.
- (c) The Chairman of any meeting of Unitholders shall be designated by the Trustee. The Chairman may or may not be or represent a Unitholder.

6.3 Voting Rights of Unitholders

- (a) At all meetings of Unitholders of a Fund, each holder of Units entitled hereunder to vote thereat shall be entitled to one (1) vote for each whole Unit held. Fractions of Units shall not be entitled to vote. At meetings of Unitholders of more than one Fund, Unitholders shall be entitled to one vote for each \$1,000 of Net Asset Value (as at a Valuation Date to be determined by the Trustee) represented by Units held.
- (b) Notwithstanding any other provision of this Master Declaration of Trust, at any meeting of Unitholders of a Fund, the Unitholders shall be entitled to vote only upon such matters as the Trustee determines, which matters, not to limit the foregoing, shall include the following matters:
 - (i) to effect an amendment to this Master Declaration of Trust or applicable Fund Regulation as provided in section 12.1;

- (ii) to appoint new auditors of a Fund or remove the existing auditors of a Fund as provided in section 7.3;
- (iii) to appoint a new Trustee in the event the resigning Trustee fails to appoint a successor Trustee as pointed in section 4.2; or
- (iv) such matters as are required to be approved by Unitholders of a Fund under any applicable legislation, regulation, policy statements or rules;

and Unitholders of a Fund shall be entitled to a separate class vote to effect an amendment to the Fund Regulation of the Fund in which they are Unitholders, where required by section 12.1.

- (c) Any approval given by the affirmative vote of at least a majority of the votes cast in respect of the matters specified above at a duly constituted meeting shall be deemed to have been duly given.
- (d) A declaration by the Chairman of a duly constituted meeting as to the results of any vote, by ballot or otherwise, shall be deemed to be the decision of the meeting.
- (e) Except with respect to the matters specified in this section 6.3, no action taken by Unitholders at any meeting or otherwise shall, in any way bind any Fund, the Trustee or any Manager.

6.4 Record Date for Meetings and Other Matters

The Trustee may fix a time and date as the record date for the determination of Unitholders entitled to receive notice of and to vote at any meeting of Unitholders, which record date (the "Record Date") shall be, subject to any applicable legislation, regulations, policies, not more than 60 days and not less than 14 days before the date of the meeting. Any Unitholder who was a Unitholder at the close of business on the Record Date shall be considered a Unitholder for notice or voting purposes as the case may be, even though she may have sold or redeemed her Units subsequent to such record date. Any person purchasing Units after the Record Date shall not be entitled to vote in respect of such Units at a meeting or any adjournment thereof. Unless otherwise provided, the Trustee may also fix a date not more than 45 days prior to the date of any distribution or other action as a record date for the determination of Unitholders entitled to receive such distribution or to be treated as Unitholders of record for purposes of such other action.

6.5 Proxies

At any meeting of Unitholders, any holder of Units entitled to vote thereat may vote by means of a proxy appointing a Person, who need not be a Unitholder, as the Unitholder's nominee to attend, act and vote at the meeting in the manner, to the extent and with the power conferred by the proxy; provided, however, that no proxy shall be voted at any meeting unless it shall have been placed on file with the Trustee, or with such other officer or agent of a Fund as the Trustee may direct, prior to the commencement of such meeting. If approved by the Trustee, proxies may be solicited by a Fund naming one or more of the officers of the Trustee or Manager

as proxy. The cost of such solicitation may be paid out of Fund Property. When any Unit is held jointly by several Persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy and such joint owners or their proxy so present disagree as to any vote to be cast, such vote shall not be received in respect of such Unit. The instrument appointing any proxy shall be in such form and executed in such manner as the Trustee may from time to time determine.

6.6 Status of Unitholders

No Unitholder may be a "non-resident" of Canada within the meaning of the Tax Act or otherwise a "designated beneficiary" within the meaning of the Tax Act. No Unitholder shall change its status or transfer or purport to transfer its Units to any Person if such change or transfer would have the effect of making the Unitholder, or the transferee, a "designated beneficiary" within the meaning of the Tax Act. The Trustee shall have the power from time to time to request from each Unitholder evidence as to its status, in order to determine whether the Unitholder is a "designated beneficiary" under the Tax Act. In the event of such change, transfer or purported transfer or the refusal of the Unitholder to provide such evidence forthwith the Trustee has the power to require the Unitholder to redeem its Units in accordance with the provisions of section 10.4, *mutatis mutandis*.

6.7 Written Resolution

Any business which may be conducted at a meeting of Unitholders of a Fund may be approved by a resolution in writing in lieu thereof. Notice of such resolution shall be given to all Unitholders of a Fund and approval of such resolution shall be evidenced by the signature on any such resolution or counterpart thereof by the required percentage of Unitholders of the Fund for the matter to be determined.

6.8 Trustee and Manager as Unitholders

The Trustee and Manager may be Unitholders.

ARTICLE 7 - ACCOUNTS, RECORDS, REPORTS AND AUDITORS

7.1 Accounts

The Trustee shall keep accurate accounts of all investments, receipts and disbursements and other transactions in connection with each Fund and such records shall be maintained at the principal office of the Trustee and shall be open to inspection during usual business hours of the Trustee by a Unitholder of such Fund or its duly authorized representative. Upon payment of the reasonable charges of the Trustee, Unitholders shall have the right to obtain copies of records maintained by the Trustee in respect of the Fund in which Units are held by any such Unitholder.

7.2 Financial Statements

- (a) Financial statements for each Fund shall be prepared by the Trustee as at the end of the Fiscal Year in accordance with generally accepted accounting principles and shall be reported on by the auditors of such Fund. The Trustee shall also

prepare such additional unaudited financial statements for each Fund as may be required by the Trustee or by any regulatory authorities in any jurisdiction in which Units of a Fund are held by Unitholders. A copy of the audited financial statements of a Fund for each Fiscal Year shall be forwarded within 140 days after the end of the Fiscal Year to which they refer to each Unitholder of record of the Fund as at the close of business on a date selected by the Trustee which shall be no earlier than the 30th day preceding the date such statements are sent.

- (b) Semi-annual unaudited financial statements for each Fund will be mailed within 60 days of the end of the fiscal period to which they relate to each Unitholder of record as at the close of business on a date selected by the Trustee which shall be no earlier than the 30th day preceding the date such statements are sent.
- (c) In the event of the resignation or removal of the Trustee or Manager or the termination of a Fund, the Trustee shall, within 90 days of such event, furnish audited financial statements as at the date of such resignation, removal or termination.
- (d) The Trustee shall prepare income tax returns and forms and provide related information as required for each Fund and each Unitholder and file any such documents on behalf of each Fund or Unitholder.
- (e) Each Unitholder will be advised annually of any income distributions made that year and annually of the annual amount of income distributions and capital gain distributions, if any, paid or payable to such Unitholder.

7.3 Auditors

- (a) The Trustee shall from time to time appoint a firm of professional accountants licensed to practice public accounting in Ontario to act as the Auditors of the Fund, to make a report to the Trustee and the Unitholders on the annual financial statements of each Fund and to fulfil such other responsibilities as they may be properly called upon to assume.
- (b) The Auditors may at any time resign or be removed by the Trustee with the approval of a majority of the votes cast by Unitholders at a meeting of Unitholders duly called for the purpose and, upon the resignation or the removal of the Auditors as aforesaid, new auditors shall be appointed by the Trustee with the approval of a majority of votes cast by Unitholders at a meeting duly called for the purpose.

7.4 Records

The Trustee, or a Manager on its behalf, shall keep financial records and books similar to those required to be maintained by a corporation incorporated under the Canada Business Corporations Act. Such records will include a copy of the Master Declaration of Trust, each Fund Regulation, and any amendments thereto and minutes of meetings of Unitholders. Such records will be maintained by the Trustee, or the Manager on its behalf, at the principal office of the Fund. Unitholders shall have the right to examine such records during the usual

business hours of the Trustee. On payment of the reasonable charges of a Fund therefor, Unitholders shall have the right to obtain copies of such records.

ARTICLE 8 - DISTRIBUTIONS TO UNITHOLDERS

8.1 Computation and Distribution of Income and Net Realized Capital Gains

Except as otherwise provided in a Fund Regulation, the computation and distribution of net income and net realized capital gains for each Fund shall be made in accordance with this Article 8 by the Trustee or by any Person to which the Trustee delegates the responsibility in accordance with this Master Declaration of Trust.

8.2 Computation of Income

The net income or loss of a Fund for a period shall be computed in accordance with the provisions of the Tax Act regarding the calculation of net income for tax purposes (other than paragraph 82(1)(b) and subsection 104(6) thereof); provided, however:

- (a) unless the Tax Act otherwise requires, interest income, including any discount, bonus or premium that would be treated as income for the purposes of the Tax Act, shall be computed on an accrual basis and shall be deemed to accrue from day to day; and
- (b) capital gains and capital losses (as defined in the Tax Act) shall be excluded.

8.3 Computation of Net Realized Capital Gains

The net realized capital gains of a Fund for a period means the aggregate of the capital gains realized by the Fund during the period less the aggregate of the capital losses realized by the Fund during such period, all as determined for the purposes of the Tax Act.

8.4 Distribution of Net Income and Net Realized Capital Gains

The Trustee, or any Person to which responsibility is delegated, may, on any Valuation Date, or at such times as may otherwise be provided in any Fund Regulation, make payable to the Unitholders of a Fund, all or part of the net income or net realized capital gains of the Fund for the portion of the Taxation Year ending on the Valuation Date to the extent not previously made payable, pro rata in accordance with the number of Units held on such Valuation Date (before giving effect to subscriptions or redemptions to be implemented as of such Valuation Date and to the reinvestment of amounts payable on such Valuation Date).

8.5 Automatic Distributions

Subject to section 8.6, on the last Valuation Date of each Taxation Year, an amount equal to the net income of a Fund for such Taxation Year not previously made payable in the Taxation Year, less the amount of any "non-capital losses" as defined in the Tax Act of the Fund carried forward, shall be automatically payable to Unitholders in the Fund, pro rata in accordance with the number of Units held on such Valuation Date (before giving effect to subscriptions or redemptions to be implemented as of such Valuation Date and to the

reinvestment of amounts payable on such Valuation Date). In addition, subject to section 8.6, on the last Valuation Date of each Taxation Year, an amount equal to the net realized capital gains of a Fund for such Taxation Year not previously made payable in the Taxation Year shall be automatically payable to Unitholders in the Fund pro rata in accordance with the number of Units held on such Valuation Date (before giving effect to subscriptions or redemptions to be implemented as of such Valuation Date and to the reinvestment of amounts payable on such Valuation Date) except to the extent that:

- (a) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the net loss of the Fund for the Taxation Year or the carryforward of "net capital losses" as defined in the Tax Act;
- (b) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the carry forward of "non-capital losses" as defined in the Tax Act, provided that the Trustee exercises its discretion to so apply such loss carry forwards before the end of the Taxation Year; or
- (c) any tax payable on net realized capital gains retained by the Fund would be immediately recoverable by it.

Subject to section 8.6, a Unitholder shall be entitled on the last Valuation Date of the Taxation Year to enforce payment of all amounts payable to the Unitholder pursuant to this section 8.5. For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient income and net realized capital gains of each Fund be payable to Unitholders in each Taxation Year so that no Fund is liable to tax under Part I of the Tax Act (other than tax payable on net realized capital gains that is immediately recoverable by a Fund).

8.6 December 15 Year End Election

If a Fund qualifies as a mutual fund trust under the Tax Act and the Trustee determines that it is appropriate to do so, the Fund may elect pursuant to subsection 132.11(1) of the Tax Act that its Taxation Year in respect of which the election is made, and each Taxation Year thereafter, end on December 15 of a calendar year rather than December 31. If such election is made, the amounts payable pursuant to section 8.5 in respect of the net income and net realized capital gains of the Fund for a Taxation Year shall be calculated having regard to subsections 132.11(2) and (3) of the Tax Act and shall be payable to Unitholders on such Valuation Date (before giving effect to subscriptions or redemptions to be implemented as of such Valuation Date and to the reinvestment of amounts payable on such Valuation Date) as is determined by the Trustee that is in the period December 15 to December 31, inclusive, and in any event, not later than December 31, of the calendar year in which the Taxation Year ends and each such Unitholder shall be entitled to enforce payment of such amounts payable to the Unitholder on such Valuation Date.

8.7 Payment of Distributions

Unless the Unitholder of a Fund otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Unitholder, in which case payment will be made in cash, a Unitholder's share of net income or net realized capital gains payable to the Unitholder on a Valuation Date

pursuant to section 8.4, section 8.5 or section 8.6 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Unitholder on such Valuation Date through reinvestment in additional Units of the Fund at a price per Unit equal to the Net Asset Value per Unit on such Valuation Date. Cash distributions shall be made in Canadian dollars unless the Trustee otherwise determines.

8.8 Uncollected Income

In any case where a Fund fails to receive accrued income paid to Unitholders of the Fund, the Trustee shall have the right to recover or arrange for the recovery of such income from such Unitholders.

8.9 Use of Capital

For greater certainty, the Trustee may encroach upon and pay from the capital of the Fund an amount payable under this Article 8 if the net income of the Fund, calculated without regard to the provisions of the Tax Act, is insufficient to permit payment of the amount so payable.

8.10 Additional Distributions, Designations and Determinations of Amounts for Tax Purposes

The Trustee may make, or may arrange for the making of, on such date or dates and in such manner as it determines, such additional distributions of monies or properties of a Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which it has received, paid, declared payable or allocated to Unitholders of a Fund and of expenses incurred by a Fund and of tax deductions to which a Fund may be entitled as the Trustee may in its discretion determine.

8.11 Foreign Taxes

For greater certainty, taxes withheld or paid under the laws of a country other than Canada in respect of income or net realized capital gains of a Fund payable hereunder to a Unitholder of the Fund shall be considered to have been paid on behalf of such Unitholder.

ARTICLE 9- LIMITATION OF LIABILITY

9.1 Limitation of Liability of Unitholders

Except for fees for services payable directly by a Unitholder pursuant to the terms of the relevant Purchase Agreement, no Unitholder shall be subject to any personal liability whatsoever, due solely by reason of being a Unitholder, in tort, contract or otherwise, to any Fund or to the other Unitholders, the Trustee or any Manager, to the officers, employees or agents of any Fund or any of them, or any other Person in connection with Fund Property or the obligations or affairs of a Fund. All such other Unitholders, the Trustee, Manager, Custodian, Sub-Custodian and their officers, employees or agents and those of the Fund, or any of them, and any such other Person shall look solely to Fund Property for satisfaction of claims of any nature

arising out of or in connection therewith and the Fund Property only shall be subject to such levy or execution.

9.2 Limitation of Liability of the Trustee and Others

Neither the Trustee, any Manager, nor any director, officer, employee or agent thereof or any Fund (collectively the "Responsible Parties") shall be subject to any liability whatsoever, in tort, contract or otherwise, in connection with Fund Property or the affairs of a Fund, including without limitation in respect of any loss or diminution in value of the Fund Property, to a Fund or to any Responsible Party or to Unitholders, or any of them, or to any other Person for anything done or permitted to be done by any of them including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust in respect of the execution of the duties of its office or in respect of the affairs of a Fund, except only that arising from its own dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard of duty. The Responsible Parties, in doing anything or permitting anything to be done in respect of the execution of the duties of their offices or in respect of the affairs of a Fund, are and shall be conclusively deemed to be acting as Trustee, Manager, directors, officers, employees or agents as the case may be, of a Fund and not in their own individual capacities. Except to the extent provided in this section 9.2, no Responsible Party shall be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to a Fund arising out of anything done or permitted by any of them to be done in respect of the execution of the duties of their office or for or in respect of the affairs of a Fund. Each Fund shall be solely liable therefor and resort shall be had solely to the Fund Property for the payment or performance thereof. Notwithstanding the foregoing, all Responsible Parties shall exercise the powers and discharge the duties of their respective offices honestly, in good faith and in the best interests of the respective Fund and, in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Trustee shall not be liable for the acts or omissions of any Manager or any other Person to whom responsibilities in respect of a Fund are delegated, unless the Trustee is held to be grossly negligent in the choice of such Person or in such delegation.

9.3 Indemnification

- (a) Each Fund shall indemnify and save harmless the Unitholders of such Fund and each of them and each of their legal personal representatives from and against any and all claims, demands, costs, charges, expenses, liabilities and obligations, whether they proceed to judgment or are compromised or otherwise brought to a conclusion, to which such Unitholders may become subject solely by reason of their being or having been Unitholders. A Fund shall pay or reimburse such Unitholders for all legal and other costs, charges and expenses reasonably incurred by them in connection with any and all such claims, demands, costs, expenses, liabilities and obligations; provided, however, that a Fund shall have no liability to reimburse the Unitholders or any of them for taxes of any kind assessed against them by reason of their ownership of Units, nor for any losses suffered by reason of changes in the value of Fund Property.

- (b) Each Fund shall indemnify and save harmless the Responsible Parties and other Persons who undertake any action, obligation or responsibility on behalf of a Fund and each of them and each of their heirs, executors, administrators and other legal representatives from and against:
 - (i) any liability and all costs, charges and expenses that they or any of them sustain or incur in respect of any claim, action, suit or proceeding that is proposed or commenced against them or any of them for or in respect of anything done or permitted or omitted to be done by them or any of them in respect of the execution of the duties of their respective offices; and
 - (ii) all other costs, charges and expenses that they or any of them sustain or incur in respect of the affairs of the Fund;

provided, however, that no Person shall be indemnified by a Fund in respect of any liability, cost, charge or expense arising from its own dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard of duty. No right of indemnity or reimbursement granted herein may be satisfied except out of the Fund Property and no Unitholder shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise.

- (c) The Trustee shall be fully protected in relying upon any instruments or directions given by an officer or director of any Manager, Custodian or Sub-Custodian or by a broker or any Unitholder, or by such other parties as may be authorized by a Fund to give instructions or directions to the Trustee. If required by the Trustee, any such party shall file with the Trustee a certificate of incumbency setting forth the names of parties authorized to give instructions or directions to the Trustee together with specimen signatures of such persons and the Trustee shall be entitled to rely on the latest certificate of incumbency filed with it. The Trustee, any Manager, Custodian and Sub-Custodian shall each be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and signed or presented by the proper person or persons, and they shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

9.4 Provisions Regarding Liability

Any written instrument creating an obligation of a Fund shall be conclusively deemed to have been executed by the Trustee or any Manager only in its or their capacity as trustee or manager. Any written instrument creating an obligation of a Fund shall refer to this Master Declaration of Trust and contain a provision to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the private property of any Responsible Party or any Unitholders, but that the Fund Property or a specific portion thereof only shall be bound, and may contain any further provision which they or it may deem appropriate. The omission of such provision in any such written instrument shall not operate to impose personal liability on any of the Trustee or any Manager or the Unitholders, directors, officers, employees or agents of a Fund or of the Trustee or Manager.

9.5 Apparent Authority

No purchaser, lender, registrar or other Person dealing with the Trustee or any Manager or any director, officer, employee or agent of a Fund or of the Trustee or any Manager shall be bound to make any enquiry concerning the validity of any transaction purporting to be made by the Trustee or any Manager or by such director, officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, loaned or delivered to or on the order of the Trustee or any Manager or of such director, officer, employee or agent.

9.6 Limitation of Liability of the Trustee and Others Respecting Tax Consequences

Neither the Trustee, any Manager nor any director, officer, employee or agent thereof or of a Fund (collectively, the "Responsible Parties") shall be subject to any liability whatsoever, in tort, contract, equity or otherwise, in connection with any taxes paid or payable by a Unitholder of a Fund or any change in the tax status of a Unitholder in a Fund. The Responsible Parties shall not give, and shall not be taken to have given, tax advice to any Unitholder or prospective Unitholder.

ARTICLE 10 - UNITS

10.1 Units

- (a) The beneficial interest in the rights and interests of each Fund shall be divided into Units.
- (b) Subject to any Fund Regulation, the Units of each Fund shall be all of one class, without par value, and shall entitle the holders thereof to equal distribution, liquidation and other rights. Each Unit shall entitle the holder thereof to one vote at all meetings of Unitholders of that Fund but, except as provided in section 10.4, shall have no preference, preemptive, conversion or exchange rights and shall not be subject to further call or assessment.
- (c) The number of Units authorized to be issued under this Master Declaration of Trust shall be unlimited. Units of any Fund may be subdivided or consolidated if authorized by the Trustee.
- (d) The Units may be issued as whole Units or as fractional Units. Subject to section 6.3, each fractional Unit shall be entitled to the same rights and be subject to the same conditions as apply to Units but in the proportion which such fractions bear to one Unit. The Units shall not be represented by certificates unless so provided in a Fund Regulation.

10.2 Issue of Units

- (a) The Trustee may allot and issue Units or fractions of Units at such time or times and in such manner and to such persons as the Trustee may determine. Units and fractions of Units shall not be issued otherwise than as fully paid and a Unit or

fraction of a Unit is not fully paid until all consideration therefor, whether in cash or in kind, has been received by or on behalf of the Fund.

- (b) Units of each Fund will be offered for sale on a continuous basis at their Net Asset Value. A completed purchase order for Units of a Fund received by the Trustee or such other person responsible for processing the order prior to the Valuation Time on a Valuation Date will be processed at the Net Asset Value per Unit calculated on that Valuation Date. A purchase order received after the Valuation Time on a Valuation Date or on a day other than a Valuation Date will be processed at the Net Asset Value per Unit calculated on the next following Valuation Date.
- (c) The Trustee shall have the right to set minimum amounts for initial and subsequent investments as well as minimum balances to be held in a Fund. No interest will be paid on monies tendered in advance of the Valuation Date on which the Units are purchased. Notwithstanding the foregoing, if the right to tender Units for redemption is suspended in accordance with paragraph 12.4(d) hereof subscriptions for Units shall not be accepted by the Trustee.
- (d) The Trustee reserves the right to accept or reject any subscription in whole or in part. Any decision to reject a subscription will be made within one business day after receipt of the subscription. If a subscription is rejected all amounts received will be returned without interest to the investor immediately or in any event within two days of the rejection.
- (e) Payment for Units may be accepted (in whole or in part) in kind, at the sole discretion of the Trustee. Payment in kind will only be accepted if the securities delivered are consistent with a Fund's investment objectives. When payment is accepted in kind, transfer documents for such securities are to be received by the Trustee prior to the Valuation Time on the relevant Valuation Date. The amount credited upon transfer of these securities will be determined by the Trustee in the same manner as values are assigned to the assets of the Fund. The precise nature and location of the securities tendered will be attached as a schedule to the Purchase Agreement. A fee may be charged to a Unitholder for accepting the securities so tendered and this fee will be stated on the Purchase Agreement.
- (f) The Trustee may authorize any Person to act as distributor of the Units.

10.3 Valuation of Units

Except as may be provided in any Fund Regulation, Net Asset Value per Unit shall be determined on each Valuation Date as at the Valuation Time, provided that such determination may not be made, if the Trustee so determines, in the circumstances described in paragraph 10.4(d) hereof.

10.4 Redemption of Units

- (a) A Unitholder may require a Fund to redeem as of a Valuation Date any or all of the Units of such Fund registered in the Unitholder's name by completing a

request for redemption in a form acceptable to the Trustee and delivering the same to the Trustee. Each request for redemption must be duly signed by the Unitholder with, where required by the Trustee, satisfactory evidence of authorization. Any request for redemption may not be revoked without the consent of the Trustee.

- (b) Unless otherwise provided in a Fund Regulation, the redemption proceeds for any Unit tendered for redemption shall be determined as of the next Valuation Date after receipt by the Trustee of a request for redemption, provided that if such Valuation Date is less than one business day subsequent to the date of tender of such Unit, the redemption proceeds of the Units shall be determined as of the next following Valuation Date.
- (c) The price payable by a Fund on redemption of a Unit shall be an amount equal to the aggregate Net Asset Value per Unit of the Units redeemed, determined as of the Valuation Date of redemption, less any amount required by law to be withheld in respect of the Units redeemed and any redemption charges, fees or other amounts, including unpaid management fees, prescribed by the Trustee from time to time as are set out in a Unitholder's Purchase Agreement, which charges fees or other amounts shall be for the account of the Trustee. A Unitholder shall not be entitled to any interest or income on or appreciation of redeemed Units after the Valuation Date as of which the redemption proceeds are is determined.
- (d) Payment by a Fund for any Units redeemed in accordance with the foregoing shall be made to the holder of record, in Canadian currency or, with the prior written consent of the Unitholder, in kind, no later than five business days following the relevant Valuation Date as of which they are redeemed.
- (e) Notwithstanding the foregoing, the Trustee may suspend the right to tender Units for redemption or may postpone the date of payment upon redemption in the following circumstances:
 - (i) for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which permitted derivatives are traded, which represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities;
 - (ii) subject to the consent which may be required from any applicable regulatory authorities, for such period during which the Trustee determines that conditions exist as a result of which the disposal of Fund Property necessary to satisfy redemptions is not reasonably practicable or prudent or determining Net Asset Value is not reasonably practicable; or
 - (iii) at any other time, with the consent of the Ontario Securities Commission.

Any suspension shall take effect at such time as the Trustee shall declare and thereafter there shall be no redemption of Units until the Trustee shall declare the suspension at an end or the first business day after the date on which the

circumstances which gave rise to the suspension cease to exist, whichever is earlier. In case of suspension of the right of redemption, a Unitholder may withdraw the redemption request or receive payment based on the net redemption proceeds of the Units next determined after the termination of the suspension.

- (f) In the event a Unitholder should deliver a notice of redemption the effect of which, on redemption, would be to reduce the aggregate Net Asset Value of the Units held by such Unitholder to less than \$50,000, the Trustee may, subject to giving 30 days notice in writing, require such Unitholder to redeem all of such remaining Units as of the Valuation Date immediately following the expiration of such 30 day period of notice.
- (g) Upon payment by a Fund to a Unitholder of the net redemption proceeds for Unitholder's Units, the Fund shall be released and forever discharged from all liability with respect to such redeemed Units.
- (h) Any Fund may, at the Trustee's option and with the prior written consent of the Unitholder, pay all or any part of the net redemption proceeds for any Units in portfolio securities of the Fund.

10.5 Transfer of Units

Upon the giving of at least 24 hours prior written notice, a Unitholder may require a Fund at any time and from time to time to transfer any or all of the Units in the Fund registered in the Unitholder's name, by completing a request for transfer on a form approved by the Trustee and delivering the same or surrendering the same to the Trustee. Transmissions of any Units in consequence of the death, or transfers pursuant to the bankruptcy or insolvency, of any Unitholder or otherwise by operation of law may only be effected through the office of the Fund. No transfer of Units shall be effective unless the transferor and/or transferee provides evidence that all relevant regulatory requirements have been met.

10.6 Trustee not Affected by Notice of Trust

The Trustee, any Manager, registrar or transfer agent, as the case may be, shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Units of a Fund.

ARTICLE 11 - REGISTER OF UNITS

11.1 Unit Register

A register for each Fund shall be kept which shall contain the names and addresses of the Unitholders and the number of Units held by them respectively. The Trustee shall have the power to employ any Person to keep the register. Only Unitholders whose Units are recorded on such a register shall be entitled to receive distributions or otherwise exercise or enjoy the rights of Unitholders. No Unitholder shall be entitled to receive any distribution, nor to have notice given to it as herein provided, until it has given its address to the registrar or such other agent of the Fund as shall keep the register for entry thereon.

11.2 Owner of Record

Any person becoming entitled to any Units in consequence of the death, bankruptcy or insolvency of any Unitholder, or otherwise by operation of law, shall be recorded as the holder of such Units upon production of the proper evidence thereof and, if required, appropriate succession duty and tax disposal permits or releases. Until such record is made, the Unitholder of record shall be deemed to be the holder of such Units for all purposes hereof. None of the Trustee, the Manager nor any registrar nor any agent of a Fund shall be affected by any notice of death, bankruptcy, insolvency or other event affecting a Unitholder, but they may nevertheless upon becoming aware of any such event take such action as any of them may deem appropriate to ensure compliance with the law and they shall not become liable to a Unitholder for so doing.

11.3 Limitation of Fiduciary Responsibility

The Trustee and Manager shall not, nor shall the Unitholders or any director, officer, employee, registrar or other agent of a Fund, be bound to see to the execution of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or any interest therein are subject, or to recognize any Person as having any interest therein except the Persons recorded as such Unitholders. The receipt by the Person in whose name any Unit is recorded, or, if such Unit is recorded in the names of more than one Person, the receipt by any one of such Persons or of the duly authorized agent or agents of any such Person shall be a sufficient discharge for all money, securities and other property payable, issuable or deliverable in respect of such Unit and from all liability to see to the proper application thereof.

11.4 Notices

Any and all notices to be given to the Trustee, or the Unitholders hereunder and all other communications provided for herein shall be deemed duly served or given if delivered, mailed, postage prepaid or sent by telecopier or other telecommunications facility to the Trustee at: 129 Humbercrest Boulevard, Toronto, Ontario, M6S 4L4, Attention: President, Fax Number: (416) 604-4204; and to Unitholders of record at their last known postal addresses as recorded in the Unit registers provided for in section 11.1 hereof. Any such delivered or telecommunicated notice shall be deemed given when delivered or telecommunicated and any such mailed notice shall be deemed given five business days following the mailing thereof, except in the event of any interruption of normal postal service which might affect such mailing, in which event such mailed notice shall be deemed given when actually received by the addressee. Notice of a change of address of any of the above shall be given pursuant to the provisions of this section 11.4.

ARTICLE 12 - AMENDMENTS TO DECLARATION OF TRUST

12.1 Amendment by Unitholders

Subject to section 6.3 and this Article 12, this Master Declaration of Trust or a Fund Regulation may be amended upon the approval of a majority of the votes cast at a meeting of the affected Unitholders duly called in accordance with Article 6, with such amendment

taking effect the first Valuation Date following such meeting unless otherwise specified in the relevant resolution of Unitholders.

12.2 Amendment by the Trustee

Subject to the provisions of any Fund Regulation, this Article 12, the terms of this Master Declaration of Trust or a Fund Regulation may be amended from time to time by the Trustee upon written notice to each Unitholder in accordance with section 11.4. Such amendment will become effective on the first Valuation Date falling 30 days or more after the mailing of such notice or such later Valuation Date as determined by the Trustee. All Unitholders thereafter remaining or becoming Unitholders of a Fund shall be bound by the amendment from the effective date thereof. The Trustee may make any amendment to this Master Declaration of Trust or any Fund Regulation, pursuant to this section 12.2, without the approval of the Unitholders, which they determine to be in the best interests of the Unitholders of the affected Fund(s) and, not to limit the foregoing, the Trustee may, in particular, make any amendment to:

- (a) add to the rights of the Unitholders of a Fund;
- (b) add to the attributes of the Units of a Fund;
- (c) ensure or continue compliance with and conformity to any provisions of any law, regulation, policy, rule, ruling or order or any requirement or direction of a governmental authority applicable to or affecting the Fund, the Trustee any Manager or their agents, including, but not to limit the foregoing, the Tax Act, any securities legislation, and any policy, ruling, rule, order or requirement of any securities regulatory authority;
- (d) maintain the status of a Fund for the purpose of the Tax Act;
- (e) add any provisions for the purpose of protecting the Unitholders; or
- (f) bring the Master Declaration of Trust or any Fund Regulation into conformity with current practice;

provided that such amendment does not materially adversely affect the pecuniary value of the interest of any Unitholder.

12.3 Amendments Without Notice

Subject to any Fund Regulation, amendments may be made to this Master Declaration of Trust or any Fund Regulation without the approval of or notice to Unitholders where the amendment is to:

- (a) remove any conflicts or other inconsistencies which may exist between any of the terms of the Master Declaration of Trust and/or any Fund Regulation; or
- (b) to make any change or correction in this Master Declaration of Trust or any Fund Regulation as to which the Trustee shall have been advised by legal counsel that

the same is a typographical correction or change or is required for the purpose of curing any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained herein.

12.4 Amendment Not A Revocation or Resettlement

Any amendment to the terms of this Master Declaration of Trust or a Fund Regulation shall not be construed as a revocation of the trust and resettlement.

ARTICLE 13 - TERMINATION

13.1 Termination

- (a) The Trustee may terminate any or all of the Funds upon giving written notice to the affected Unitholders at least 90 days prior to the effective date of termination.
- (b) Upon the termination of a Fund pursuant to paragraph (a) above:
 - (i) a Fund shall carry on no activity except for the purpose of winding up its affairs;
 - (ii) the Trustee shall proceed to wind up the affairs of such Fund and dispose of the Fund's portfolio as expeditiously as prudent practice permits and all the powers of the Trustee under this Master Declaration of Trust shall continue until the affairs of the Fund shall have been so wound up, including, without limitation, the power to fulfil or discharge the contracts of the Fund, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Fund Property of the Fund to one or more Persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities and do all other acts which the Trustee considers appropriate to liquidate its business; and
 - (iii) after paying or adequately providing for the payment of all liabilities and upon receipt of such releases, indemnities and refunding agreements as it deems necessary for their protection, the Trustee may distribute the remaining Fund Property, in cash or in kind, or partly in each, among the Unitholders of the Fund according to their Proportionate Share.

ARTICLE 14 - MISCELLANEOUS

14.1 Severability

If any provision of this Master Declaration of Trust or of any Fund Regulation shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Master Declaration of Trust or any Fund Regulation in any jurisdiction.

14.2 Execution and Effect of Restated Declaration of Trust

A restated Master Declaration of Trust setting forth the terms of this Master Declaration of Trust as amended to the time of execution may be executed at any time or from time to time by the Trustee and such restated Master Declaration of Trust so executed shall thereafter be effective and may thereafter be referred to in lieu of the original Master Declaration of Trust as so amended; provided, however, that no such execution of a restated Master Declaration of Trust shall be deemed to constitute a termination or resettlement of the trusts created hereunder or this Master Declaration of Trust.

14.3 Compliance with Law and Policy

It shall be the responsibility of the Trustee to ensure that this Master Declaration of Trust, each of the Fund Regulations and any distribution of Units complies with applicable securities legislation, regulatory requirements and the policies of regulatory authorities. To this end the Trustee, on behalf of a Fund shall take such action and execute such deeds and documents as may be necessary or desirable to be filed with appropriate regulatory authorities on behalf of a Fund.

ARTICLE 15 - DURATION OF THE TRUST

15.1 Duration

Any trust created hereby shall commence on the first receipt of Fund Property by the Trustee and shall continue until termination of a Fund in accordance with the provisions hereof.

ARTICLE 16 - LANGUAGE

16.1 French Name

The Trust and any Fund may be legally designated by the French form of its name.

16.2 English

This agreement has been drawn up in English at the express wish of the parties. Il est la volonté expresse des parties aux présentes que ce contrat et certains documents y relatifs soient rédigés et signés en anglais.

IN WITNESS WHEREOF this Master Declaration of Trust has been executed by the proper officer of the Trustee duly authorized in that regard as of the date first above written.

HYMAS INVESTMENT MANAGEMENT INC.

Per:

James I. Hymas
President