

SUBSCRIPTION AGREEMENT
(for use by registered dealers trading through FundSERV)

TO: The Fund(s) (as defined below)

AND TO: Canso Fund Management Ltd. (the “**Manager**”)
100 York Blvd., Suite 550, Richmond Hill, Ontario, Canada L4B 1J8

AND TO: Canso Investment Counsel Ltd. (the “**Distributor**”)
100 York Blvd., Suite 550, Richmond Hill, Ontario, Canada L4B 1J8

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for that number of Class A units or Class F units (the “**Units**”) of the funds as set out below (each a “**Fund**”, and together the “**Funds**”) in the amount indicated below on the terms and conditions set out in the offering memorandum of the Fund (the “Offering Memorandum”) as it may be amended from time to time, and this Subscription Agreement.

Subscription

(Please check the appropriate boxes and insert amounts to be invested.)

Canso Corporate Value Fund

Class F (CFM111F) \$ _____
 Class A (CFM111A) \$ _____

Canso Corporate Bond Fund

Class F (CFM124F) \$ _____
 Class A (CFM124A) \$ _____

Canso Canadian Bond Fund

Class F (CFM174F) \$ _____
 Class A (CFM174A) \$ _____

Canso Short Term and Floating Rate Fund

Class F (CFM134F) \$ _____
 Class A (CFM134A) \$ _____

TOTAL INVESTED \$ _____

Delivery Instructions:

- 1. Fax this entire, completed document to Convexus Managed Services at 866-873-1163 or by e-mail to clientservices@convexus.com**
- 2. Send original to:**

**Canso Investment Counsel
100 York Blvd. Suite 550
Richmond Hill, ONT, L4B 1J8**

Prospectus and Registration Exemption

The Subscriber acknowledges that, if this subscription is accepted, Units will be distributed to the Subscriber pursuant to a regulatory exemption from statutory requirements that would otherwise require the Fund to deliver to the Subscriber a prospectus that complies with statutory requirements. In doing so, the Fund will be relying on the following representations and certification by the Subscriber:

The Subscriber hereby represents and certifies that the Subscriber is acting for his, her or its own account and is purchasing Units as principal (or is deemed by National Instrument 45-106 *Prospectus and Registration Exemptions* to be acting as principal) for investment purposes only and not with a view to resale and is one of the following (**please check the appropriate box**):

Accredited Investor

- a resident of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland and Labrador who meets the definition of "accredited investor" and has completed the Certificate of Accredited Investor attached as Schedule "A" (**please complete Schedule "A"**); or

\$150,000 minimum investment

- a resident of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland and Labrador and is making a firm commitment to invest an aggregate amount of at least \$150,000 and, if neither an accredited investor nor an individual, the Subscriber has not been formed, created, established or incorporated for the purpose of permitting the purchase of the Units without a prospectus; or

Subsequent top-up investment

- a resident of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland and Labrador and is purchasing Units with an aggregate acquisition cost of less than \$150,000, but already owns Units with a net asset value or aggregate acquisition cost of at least \$150,000; or

Other

- has the benefit of the following exemption (specify nature and source of exemption):

You may not change any part of this Subscription Agreement without the consent of the Distributor.

The Subscriber agrees as follows:

1. Definitions

Terms denoted herein with initial capital letters and not otherwise defined have the meanings given in the Offering Memorandum and the declaration of trust of the Fund, as it may be amended from time to time (the “**Declaration of Trust**”), unless the context otherwise requires.

2. Irrevocable

The Subscriber acknowledges that this subscription is subject to the acceptance, in whole or in part, by the Manager in its sole discretion and to certain other conditions set forth in the Offering Memorandum. The Subscriber agrees that this subscription is given for valuable consideration and shall not be withdrawn or revoked by the Subscriber. This subscription and the subscription proceeds shall be returned without interest or deduction to the Subscriber at the address indicated below if this subscription is not accepted. If the subscription is accepted only in part, a cheque representing the portion of the amount the Subscriber delivered with the subscription form for the Units which is not accepted will be promptly delivered or mailed to the Subscriber without interest or deduction.

3. Payment

Where the purchase order is submitted by a registered dealer over an electronic trading and settlement service, the dealer must provide full payment of the purchase price of the Units subscribed for and an electronic copy of the supporting documents for the purchase to the Manager (or its appointee) within three (3) business days of the Valuation Date determined as the date of purchase, and the **original** supporting documents for the purchase to the Manager (or its appointee) within five (5) business days of the Valuation Date determined as the date of purchase, or the subscription for the Units will be reversed and any shortfall resulting from the reversal will be an expense of the Subscriber and may be deducted from the purchase price tendered before returning it to the Subscriber.

4. Representations and Warranties

The Subscriber covenants, represents, acknowledges and warrants to and in favour of the Funds and the Manager as follows:

- (i) if an individual, the Subscriber has attained the age of majority and has the legal capacity and competence to execute this subscription and to take all actions required pursuant hereto;
- (ii) if not an individual, the Subscriber has good right, full power and absolute authority to execute this subscription and to take all necessary actions, and all necessary approvals have been given to authorize it to execute this subscription;
- (iii) this subscription, when accepted, will constitute a legal, valid, binding and enforceable contract of the Subscriber, enforceable against the Subscriber in accordance with its terms;
- (iv) the entering into of this subscription and the transactions contemplated hereby will not result in the violation of any terms or provisions of any law applicable to, or the constating documents of, the Subscriber or of any agreement, written or oral, to which the Subscriber may be a party or by which he, she or it is or may be bound;
- (v) the Subscriber is a resident of, or is otherwise subject to the securities laws of, Canadian jurisdiction set out under “Name and Address of Subscriber” below and is not purchasing the Units for the account or benefit of any person in any jurisdiction other than such jurisdiction;
- (vi) the Subscriber has no knowledge of a “material fact” or “material change” (as those terms are defined in applicable securities legislation) in the affairs of the Fund that has not been generally disclosed to the public, save knowledge of this particular transaction;

- (vii) the Subscriber is aware that there are securities and tax laws applicable to the holding and disposition of the Units and has been given the opportunity to seek advice in respect of such laws and is not relying upon information from a Fund, the Manager, or, where applicable, their officers, directors, employees or agents;
- (viii) the Subscriber acknowledges that no prospectus has been filed with any securities commission or other regulatory body in connection with the issuance of the Units, such issuance is exempted from prospectus requirements of applicable securities legislation; and
 - a) the Subscriber is restricted from using the civil remedies available,
 - b) the Subscriber may not receive information that would otherwise be required to be provided, and
 - c) the Funds are relieved from certain obligations that would otherwise apply, under certain applicable securities legislation which would otherwise be available if the Units were sold pursuant to a prospectus;
- (ix) the Subscriber has received, reviewed, and fully understands the Offering Memorandum and has had the opportunity to ask and have answered any and all questions which the Subscriber wished with respect to the business and affairs of the Funds, the Units and the subscription hereby made;
- (x) the Subscriber is aware of the characteristics of the Units, of the nature and extent of personal liability and of the risks associated with an investment in the Units;
- (xi) the Subscriber understands that (1) there is no right to demand any distribution from a Fund, other than by redemption of Units pursuant to the terms and procedures and subject to the restrictions described in the Offering Memorandum; (2) it is not anticipated that there will be any public market for the Units; and (3) it may not be possible to sell or dispose of Units;
- (xii) the representations, warranties, covenants and acknowledgments of the Subscriber contained in this subscription agreement shall survive the completion of the purchase and sale of the Units and the Subscriber undertakes to notify immediately the Fund at the address set forth above of any change in any representation, warranty or other information relating to the Subscriber set forth in this subscription agreement.

5. Subsequent Subscriptions

The Subscriber acknowledges and agrees that these representations, warranties, acknowledgments and covenants given by the Subscriber to and in favour of a Fund and the Manager shall be deemed to be repeated and reconfirmed as at the date of any subsequent subscription for Units made by the Subscriber (a “top-up”) or reinvestment of distributions made by a Fund unless a new subscription agreement is executed.

6. Fees

If the Subscriber is subscribing for Class O Units, the Subscriber agrees to pay the fee set out on Schedule B of this Agreement. These fees are in effect until such time as written notice is given to the Subscriber of a new fee schedule. The Manager will give the Subscriber at least 60 days notice of any changes in fees.

The fees shall be calculated quarterly, in arrears, on the last business day of each quarter, based on the market valuation of the Units held.

In addition to the management fees, there are brokerage charges imbedded in the purchase and sale of securities held within the Funds. There are no brokerage charges imposed by the Distributor for the purchase or sale of units of the Funds.

7. Reports

The Distributor shall provide the Subscriber within 30 days of the end of each calendar quarter with a summary of the holdings in the Funds and a summary of transactions during that quarter

8. Indemnities

The Subscriber agrees to indemnify and hold harmless each Fund and the Manager and its affiliates against any and all losses, liabilities, claims, damages and expenses whatsoever (including, without limitation, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claims whatsoever) arising out of or based upon any breach or failure by the Subscriber to comply with any representation, warranty, covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing indemnified persons in connection with this transaction or attributable to the application of the *Income Tax Act (Canada)* or any similar provision of any statute of a province or territory of Canada imposing an income tax to any amounts payable by the Fund to the Subscriber.

The Subscriber agrees to indemnify and hold harmless each Fund and the Manager and its affiliates against all losses, claims, costs, expenses and damages or liabilities which it may suffer or incur or cause arising from the reliance on the representations, certifications and covenants of the Subscriber by the Fund or the Manager.

9. Electronic Delivery of Documents

The Subscriber hereby consents to the electronic delivery of any document that the Manager or a Fund may elect to deliver to the Subscriber, including annual and interim financial statements. The Subscriber instructs that such documents may be delivered to the email address listed below. The Subscriber acknowledges that it may change this electronic delivery instruction and request to receive a paper copy of any document delivered electronically, at no cost, or may change the e-mail address to which the documents are delivered, by contacting the Manager as provided above. The Subscriber confirms its understanding that it will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

10. Arbitration

Any dispute, claim, question or disagreement between the parties to this agreement (the “Parties”) arising out of or relating to this agreement shall be finally settled by arbitration. Either Party may initiate arbitration within a reasonable time after any such dispute, controversy or claim has arisen, by delivering a written demand for arbitration on the other Party. The arbitration shall be conducted by a single arbitrator in accordance with the *Arbitration Act (Ontario)*. The arbitration shall take place in Toronto, Ontario, and shall be conducted in English. The arbitrator shall be appointed jointly by agreement of the Parties, failing which an arbitrator shall be appointed by ADR Chambers Inc., Toronto.

The parties agree that any and all appeals of any award of the Arbitrator shall be to a single Judge of the Superior Court of Justice of Ontario and that neither party will have any other rights of appeal. The parties further agree that any appeal must be commenced within 10 days following upon release of the award appealed from by serving a Notice of Appeal in writing on the opposite party. The Order of the Judge of the Superior Court of Justice on appeal shall be final and binding with no further rights of appeal.

This Section 10 shall survive termination and/or expiry of this agreement.

11. Anti-Money Laundering Laws

In order to comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Manager, the Distributor, and dealers who distribute Units of the Fund, may require additional information concerning investors from time to time and the Subscriber hereby agrees to provide all such information.

The Subscriber acknowledges that if, as a result of any information or other matter which comes to the attention of the Manager or Distributor, or if either of them has reason to believe that a Subscriber is engaged in money laundering, they are required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

12. Further Documentation Required

The Subscriber agrees to execute and deliver all documentation as may be required from time to time by applicable securities legislation or by the Funds, as the case may be, to permit the purchase of the Units on the terms herein set forth and the Subscriber will deliver such releases or any other documents for income tax purposes, if any, as from time to time may be required by the Manager.

13. Relationship Disclosure Form

The Distributor is required to make certain disclosure to the Subscriber regarding conflicts and other matters. The Distributor acknowledges receiving Canso's Relationship Disclosure Form, which is attached as Schedule C.

14. Confidentiality and Privacy

The Subscriber agrees that the investment portfolio and trading procedures of the Funds are proprietary to the Funds and all information relating to such investment portfolio and trading procedures shall be kept confidential by the Subscriber and will not be disclosed to third parties (excluding the Subscriber's professional advisers) without the written consent of the Manager.

The Subscriber consents to the collection, use and disclosure of his or her personal information in accordance with the Canso Privacy Policy, a copy of which is attached as Schedule D.

15. Governing Law and Language

The agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. In this Subscription Agreement all references to dollar amounts and "\$" are to Canadian dollars.

It is the express wish of the Subscriber that this Subscription Agreement, and any related documentation be drawn up in English. Il est de la volonté expresse du souscripteur que la présente entente et tous les documents s'y rattachant soient rédigés en anglais.

This agreement is not transferable or assignable by the Subscriber.

Dated at _____ in the Province of _____, Canada, this
(city) (province)

_____ day of _____, _____.
(day) (month) (year)

If Subscriber is an Individual:

Name of Subscriber

Address (No P.O. Box Number)

Social Insurance No

City, Province, Postal Code

Signature of Subscriber

Telephone Number

(The Subscriber's signature must be witnessed by a person
who is not a minor nor the spouse or child of the
Subscriber)

Witness

Signature

Name

If Subscriber is a Corporation, Trust or Partnership:

Name of Subscriber

Address (No P.O. Box Number)

Business/Trust Identification Number

City, Province, Postal Code

Signature of Authorized Representative

Telephone Number

Name of Authorized Representative

Email Address

Title of Authorized Representative

This section is to be completed by the Subscriber's registered adviser or dealer (the "Subscriber's Agent").

Dealer Purchases

If this application is submitted by a registered adviser or dealer on behalf of their client, then the dealer or adviser ("the Dealer") agrees that:

1. Units are being sold to the Dealer, the account will be held in the name of the Dealer and the Dealer is Canso's client;
2. The Dealer is an accredited investor;
3. The Dealer is duly authorized to execute and deliver this subscription and all other necessary documentation in connection with the purchase, to agree to the terms and conditions contained herein and therein and to make the representations, certifications, acknowledgements and covenants made herein and therein, and this subscription has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement enforceable against, the Dealer; and,
4. The Dealer agrees that the Manager has no responsibility with respect to any underlying purchaser. It is solely the responsibility of the Dealer to comply with all relevant "know-your-client" and suitability obligations, and all applicable anti-money laundering requirements.

Signature
of Dealer:

Name of Dealer (Firm Name)

Name of Registered Representative

ACCEPTANCE

This subscription is accepted by the Manager on behalf of the relevant Fund(s) on the date indicated below.

Canso Fund Management Ltd.

The Manager of the Canso Funds

By: _____

Title: _____

Date: _____

(Manager Only)

Fund: _____

Subscription Amount: \$ _____

Valuation Date: _____

Class Issued: _____

Price Per Unit: \$ _____

Number of Units Issued: _____

Exemption: _____

Fund: _____

Subscription Amount: \$ _____

Valuation Date: _____

Class Issued: _____

Price Per Unit: \$ _____

Number of Units Issued: _____

Exemption: _____

SCHEDULE "A"
CERTIFICATE OF ACCREDITED INVESTOR

TO: **Canso Fund Management Ltd. (the "Manager")**

In connection with the purchase by the **Subscriber** of units of the Fund(s) indicated in the attached subscription agreement (the "**Fund(s)**"), the Subscriber certifies for the benefit of the Fund(s) and the Manager that the Subscriber is (and will at the time of acceptance of the Subscription be) an accredited investor (an "**Accredited Investor**") within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions* (the "**Instrument**"). Specifically, the Subscriber is:

(Please initial the box beside the appropriate category in this Schedule A. Terms in bold are defined at the end of this Schedule A.)

- (a) a **Canadian financial institution**, or a **Schedule III bank**,
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- (c) a **subsidiary** of any **person** referred to in paragraphs (a) or (b), if the **person** owns all of the voting securities of the **subsidiary**, except the voting securities required by law to be owned by **directors** of that **subsidiary**,
- (d) a **person** registered under the securities legislation of a **jurisdiction** of Canada as an adviser or dealer, other than a **person** registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- (e) an **individual** registered or formerly registered under the securities legislation of a **jurisdiction** as a representative of a person referred to in paragraph (d),
- (f) the Government of Canada or a **jurisdiction**, or any crown corporation, agency or wholly owned entity of the Government of Canada or a **jurisdiction**,
- (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- (h) any national, federal, state, provincial, territorial or municipal government of or in any **foreign jurisdiction**, or any agency of that government,
- (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
- (j) an **individual** who, either alone or with a **spouse**, beneficially owns, **financial assets** having an aggregate realizable value that before taxes, but net of any **related liabilities**, exceeds \$1,000,000,

- (k) an **individual** whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a **spouse** exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- (l) an **individual** who, either alone or with a **spouse**, has net assets of at least \$5,000,000,
- (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statement and the Subscriber was not created or is not being used solely to purchase or hold Units as an accredited investor in reliance upon this paragraph.
- (n) an **investment fund** that distributes or has distributed its securities only to
 - (i) a **person** that is or was an accredited investor at the time of the distribution,
 - (ii) a **person** that acquires or acquired securities with an aggregate value of not less than \$150,000 under certain minimum purchase or additional investment exemptions specified in sections 2.10 or 2.19 of the **instrument** or
 - (iii) a **person** described in paragraph (i) or (ii) that acquires or acquired securities under the investment fund reinvestment exemption specified in section 2.18 of the **instrument**,
- (o) an **investment fund** that distributes or has distributed securities under a prospectus in a **jurisdiction** for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
- (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a **fully managed account** managed by the trust company or trust corporation, as the case may be,
- (q) a **person** acting on behalf of a **fully managed account** managed by that **person**, if that **person**
 - (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a **jurisdiction** or a foreign jurisdiction, and
 - (ii) is not in Ontario and the fully managed account holder is not in Ontario, unless the fully managed account holder is an accredited investor or is acquiring or has acquired securities with an aggregate value of not less than \$150,000 under certain minimum purchase or additional investment exemptions specified in sections 2.10 and 2.19 of the **instrument** or their equivalents under securities legislation of an applicable **jurisdiction** as specified in sections 8.1 and 8.2 of the **instrument**.
- (r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an **eligibility adviser** or an adviser registered under the securities legislation of the **jurisdiction** of the registered charity to give advice on the securities being traded,
- (s) an entity organized in a **foreign jurisdiction** that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,

- (t) a **person** in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by **directors**, are persons that are accredited investors,
 - (u) an **investment fund** that is advised by a **person** registered as an adviser or a **person** that is exempt from registration as an adviser, or
 - (v) a **person** that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as
 - (i) an accredited investor, or
 - (ii) an exempt purchaser in Alberta or British Columbia after September 14, 2005.
-

Defined Terms:

Certain terms used above are specifically defined by applicable securities legislation, regulation or rules, as follows:

“**Canadian financial institution**” means:

1. an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act,
- 2.
3. or
- 4.
5. a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a province or territory of Canada to carry on business in Canada or a province or territory of Canada;
- 6.

“**company**” means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“**director**” means:

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“**eligibility adviser**” means:

- (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the province or territory of a purchaser and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a province or territory of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a province or territory of Canada provided that the lawyer or public accountant must not
 - 1. have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - 2. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

“financial assets” means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada;

“fully managed account” means an account of a Subscriber for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

“individual” means a natural person, but does not include a partnership, unincorporated association, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

“person” includes:

- (i) an individual,
- (ii) a corporation,
- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

“related liabilities” means:

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets;

“Schedule III bank” means an authorized foreign bank named in Schedule III of the Bank Act (Canada);

“spouse” means, an individual who,

- (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

“subsidiary” means an issuer that is **controlled** directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

“Control”. A person (first person) is considered to control another person (second person) if

- (i) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

SCHEDULE B

INVESTMENT MANAGEMENT FEES

Investment management fees are charged directly to the funds as per the offering document of the fund(s).

SCHEDULE "C"

RELATIONSHIP DISCLOSURE FORM

Pooled Fund Clients

Securities legislation requires that Canso must deliver to a client all information that a reasonable investor would consider important about the client's relationship with the registrant.

For the most part, these required disclosures are outlined in the presentations we use in our initial meetings and in our client documents. At the risk of repetition however, we provide the following disclosures:

A description of the nature or type of the client's account:

The account we have opened for you is a pooled fund account. That is, you may purchase units of a pooled fund but we do not provide discretionary management for you.

A discussion that identifies the products or services the registered firm offers to a client:

Canso also offers the opportunity to invest in a segregated portfolio with Canso under a managed account arrangement, for clients with more than \$10 million to invest in one mandate.

A statement that the firm has an obligation to assess the suitability of a purchase or sale:

Canso has an obligation to assess the suitability of investments prior to purchasing them for you. As a result, Canso requires the initial completion of a Know Your Client (KYC) form and an annual update of such form.

The information a firm must collect about a client to meet their KYC requirement:

Canso is required to must take reasonable steps to:

- establish your identity and, if required, make reasonable inquiries as to the reputation of the client,
- establish whether you are an insider of a reporting issuer or any other issuer whose securities are publicly traded,
- establish whether you are a politically exposed foreign person, and
- establish your investment needs and objectives; your financial circumstances; and your risk tolerance,

If we have opened an account for a client that is a corporation, partnership or trust Canso must establish:

- the nature of the client's business;
- the identity of any individual who, in the case of a corporation, is a beneficial owner of, or exercises direct or indirect control or direction over, more than 10% of the voting rights attached to the outstanding voting securities of the corporation, or in the case of a partnership or trust, exercises control over the affairs of the partnership or trust.

A description of the types of risks that a client should consider when making an investment decision:

The value of an investment may fluctuate up and down depending on a number of factors including general economic and market conditions, the level of interest rates and material changes in issuers. In addition, there is credit risk associated with owning corporate bonds and this is mitigated through the detailed credit analysis that Canso conducts both before buying the bond and during the holding period. Canso normally limits the exposure to securities inversely to their perceived risk and diversifies the portfolios across sectors and issuers to further reduce risk. Bonds can also be subject to price declines when interest rates go up and this risk generally rises with the term-to-maturity of the bond. This risk is managed by diversifying the portfolio across various terms. Additionally, corporate bonds usually have an additional yield over Government bonds, which helps offset this interest rate risk.

There is also risk associated with owning equities and income trusts. These risks are assessed and monitored for all our portfolios where these assets are included in the portfolio and the risk is mitigated through our detailed analysis as well as through diversification.

Additional risks are outlined in the Offering Memorandum for the fund which will be provided to you prior to purchasing units of the fund.

A description of the risks to a client of using borrowed money to finance a purchase of a security:

We do not advise clients on the use of leverage or on asset mix but rather we focus on managing the portfolio allocated to Canso. However, we are required by the regulators to inform you of the risk of using leverage for investing with Canso. Clients who decide to use leverage for their investment face a higher risk of capital loss if their portfolio declines in value as their loan still needs to be repaid. Clients should not use leverage without first considering this risk.

A description of the conflicts of interest that the registered firm is required to disclose to a client under securities legislation:

Canso pooled funds are managed and advised by it or its affiliates and they receive fees for their services. Specifically, a Canso affiliate receives a management fee and from that fee, pays Canso an adviser fee. In addition, Canso or its affiliates receive a portion of the fund valuation fee as outlined in the financial statements for the fund.

A conflict can also arise because, the pooled fund may benefit from having greater assets under management and so it may be in Canso's interest to increase the number of clients in its pooled funds.

Canso does not use soft dollars for any of its services.

Disclosure of all costs to a client for the operation of an account:

The costs to operate your account are outlined in the Offering Memorandum provided to you. Any increase in operating costs will be communicated to you by means of written notice at least 60 days before the effective date on which the increase comes into effect.

In addition, there may be custodial charges related to the account, which is negotiated between you and the custodian bank.

A description of the costs a client will pay in making, holding and selling investments:

The costs of buying, holding and selling units of the fund are outlined in the Offering Memorandum.

A description of the compensation paid to the registered firm in relation to the different types of products that a client may purchase through the registered firm:

A client may purchase units of a pooled fund for which an affiliate of Canso may receive a management fee. A part of that management fee is then paid to Canso as an adviser fee.

A description of the content and frequency of reporting for each account or portfolio of a client:

We will provide a statement to you each quarter. Your statements will indicate, for each transaction during the period covered by the statement:

- the date of the transaction;
- whether the transaction was a purchase, sale or transfer;
- the name of the security purchased or sold;
- the number of securities purchased or sold;
- the price per security paid or received by the client;
- the total value of the transaction.

In addition, the statements will indicate as at the end of the period for which the statement is made:

- the name and quantity of each security in the account;
- the market value of each security in the account;
- the total market value of each security position in the account;
- any cash balance in the account;
- the total market value of all cash and securities in the account.

Disclosure that independent dispute resolution is available to the client

Independent dispute resolution or mediation services are available to you in the event there is a dispute with Canso. The costs of such services would be borne by Canso.

Code of Ethics:

Canso subscribes to the CFA Code of Ethics and Standards of Professional Conduct.

SCHEDULE “D”
CANSO PRIVACY POLICY

Canso Investment Counsel Ltd. is committed to safeguarding the personal information entrusted to us by our clients. We manage our clients' personal information in accordance with all applicable laws of the jurisdictions in which we conduct our business. This policy outlines the principles and practices we follow in protecting personal information.

This policy applies to Canso Investment Counsel Ltd. and its affiliates Canso Fund Management Ltd. and Lysander Funds Limited (collectively "Canso").

A copy of this policy is provided to any client upon request.

Personal information means information about an identifiable individual. This includes an individual's name, home address and phone number, age, sex, marital or family status, an identifying number, financial information, educational history etc.

Collection of Personal Information:

Personal information is collected from you or from your adviser, if you have bought our funds through an adviser. Also, we may generate personal information, including transaction information, when we service your account.

Use of Personal Information:

We collect and maintain your personal information in order to give you the best possible service and allow us to establish your identity, protect us from error and fraud, comply with the law and assess your eligibility in our products.

We may also use your information for general research in an effort to enhance our service and product offerings.

Disclosure of Personal Information:

We may disclose your personal information to third parties, when necessary, and to our affiliates in connection with the services we provide related to your holding of Units of the Funds, including:

- (a) financial service providers, such as banks and others used to finance or facilitate transactions by, or operations of, the Funds;
- (b) other service providers to our Funds, such as accounting, legal, or tax preparation services; and
- (c) taxation and regulatory authorities and agencies.

If we make arrangements for your custodial account to be set up with TD Waterhouse Institutional Services (TDWIS), we may collect the required personal information from you and share such information with TDWIS.

We may also disclose personal information in order to comply with legal requirements, such as government tax reporting requirements.

We may disclose your information to a third party without your consent if we have reason to believe that disclosing this information is necessary to identify, contact or bring legal action against someone who may be causing injury to or interference with (either intentionally or unintentionally) our rights or property, the rights or property of our funds, or other investors in the funds.

We may also disclose your information in connection with a corporate re-organization, a merger or an amalgamation with another entity, or a sale of all or a substantial portion of our assets. In this case, we would ensure that the information disclosed continues to be used only for the purposes permitted by this Privacy Policy and by the entity acquiring the information.

Storage of Personal Information

Your personal information is maintained on our networks or on the networks of our service providers accessible at Lysander Funds Limited and/or Convexus Managed Services Inc., 1725 Sixteenth Avenue, Richmond Hill, Ontario, Canada, L4B 4C6. Your information may also be stored on a secure off-site storage facility.

All information collected will be kept in a secure environment and will be subject to restricted access by the Canso Investment Counsel employees and partners.

We may keep information about you in our records for as long as is needed for the purposes described above even if you cease to be a customer.

You should be aware that the Funds are required to file with the securities regulatory authorities a report setting out the Client's name and address, the units of the Funds issued, the date of issuance and the purchase price of units of the Funds issued to the Client. Such information is collected indirectly by the regulators under the authority granted to them in securities legislation, for the purposes of the administration and enforcement of the securities legislation in each province. For clients in Ontario, the following official can answer questions about the indirect collection of such information in Ontario:

Administrative Assistant to the Director of Corporate Finance (c/o the OSC)
Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8086 Facsimile: (416) 593-8252

Access to your information:

Clients of Canso have a right of access to their own personal information in a record that is in our custody or under our control, subject to some exceptions. For example, we will not provide information that would reveal personal information about another individual.

If we refuse a request in whole or in part, we will provide the reasons for the refusal. In some cases where exceptions to access apply, we may withhold that information and provide the client with the remainder of the record.

Withdrawal of Consent:

Subject to legal and contractual requirements, you can refuse to consent to our collection, use or disclosure of information about you, or you may withdraw your consent to our further collection, use or

disclosure of information at any time in the future by giving us reasonable notice. Such notice should be provided in writing to the Compliance Officer of the firm.

Please note that your ability to participate in the Funds may be impacted should you withdraw your consent to the collection, use and disclosure of your personal information as outlined above.