Information has been incorporated by reference into this short form prospectus from documents filed with securities commissions or similar authorities in Canada*. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Propel Capital Corporation at Brookfield Place, 161 Bay Street, 27th Floor, Toronto, Ontario, 1-866-995-0050, and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue — March 29 , 2012

CANADIAN CONVERTIBLES PLUS FUND

Maximum $19,470,000 (2,200,000 Units)

The Fund's investment return is linked to the return on the Portfolio (as defined herein) held by Diversified Convertibles Fund (the "Portfolio Trust"), a closed-ended investment fund established under the laws of the Province of Ontario. An investment in Units of the Fund is not an investment in the securities of the Portfolio Trust. The Fund obtains exposure to, and its performance is based on the performance of, an actively managed diversified portfolio (the "Portfolio") held by the Portfolio Trust through a forward purchase and sale agreement (the "Forward Agreement") with the Bank of Nova Scotia (the "Counterparty"). The net proceeds of the Offering (as defined herein) will be used to fund the purchase of additional exposure to the Portfolio through an amendment to the Forward Agreement (the "Additional Exposure"). The Fund is fully exposed to the Counterparty's credit risk in respect of the Fund's existing exposure to the Portfolio under the Forward Agreement and will be fully exposed to the Counterparty's credit risk in respect of any Additional Exposure. However, the Counterparty has agreed to pledge collateral to the Fund to secure that portion of the Fund's mark-to-market exposure under the Forward Agreement attributable to the Additional Exposure. All Unitholders will benefit equally from the provision of such collateral to the Fund. See "The Fund", "Fees and Expenses" and "Risk Factors".

This short form prospectus qualifies the distribution (the "**Offering**") of a maximum of 2,200,000 units (the "**Offered Units**") of Canadian Convertibles Plus Fund (the "**Fund**"), a closed-end investment trust established under the laws of the Province of Ontario.

The Fund obtains exposure to, and its performance is based on the performance of, an actively managed diversified portfolio comprised primarily of convertible debentures of Canadian issuers. The Fund's investment objectives are to provide holders of units ("**Unitholders**") with:

(i) quarterly tax-advantaged distributions;

(ii) preservation of capital; and

(iii) the opportunity for capital appreciation. See "Investment Objectives".

Propel Capital Corporation ("**Propel**" or the "**Manager**") is the Manager and promoter of the Fund and the Portfolio Trust. Propel is responsible for creating, structuring, managing and promoting the Fund and the Portfolio Trust. Propel has retained Fiera Sceptre Inc. ("**Fiera**" or the "**Portfolio Manager**") to provide portfolio management services to the Fund and the Portfolio Trust.

The outstanding units of the Fund (the "**Units**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "CCI.UN". On March 29, 2012, the closing price for the outstanding Units on the TSX was $8.71 per Unit and the Net Asset Value per Unit was $8.40. The Manager has, on behalf of the Fund, received conditional approval to list the Offered Units distributed under this short form prospectus on the TSX. Listing of the Offered Units will be subject to the Fund fulfilling all of the listing requirements of the TSX.

Price: $8.85 per Unit

Minimum Purchase: 200 Units

	Price to the Public(1)	**Agents' Fee**	**Net Proceeds to the Fund(2)**
Per Unit	$8.85	$0.354	$8.496
Total Maximum Offering(3)	$19,470,000	$778,800	$18,691,200

Notes:

(1) The Offering price was established by negotiation between the Manager and the Agents (as defined herein). The price per Unit offered under this short form prospectus is equal to or exceeds the most recently calculated Net Asset Value per Unit plus the Agents' fees and the expected expenses of the Offering payable by the Fund.

(2) Before deducting the expenses of the Offering, estimated to be $215,000 (and subject to a maximum of 1.5% of the gross proceeds of the Offering), which together with the Agents' fees, will be paid by the Fund from the proceeds of the Offering.

(3) **There is no minimum amount of the Offering.** The Fund has granted the Agents an option (the "**Over-Allotment Option**"), exercisable for a period of 30 days from the Closing Date, to purchase additional Units in an amount equal to 15% of the aggregate number of Units issued on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fee and the net proceeds to the Fund before deducting the expenses of the Offering will be $22,390,500, $895,620 and $21,494,880, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the over-allocation position acquires those Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

	Maximum size of the Over-Allotment Option	**Exercise Period**	**Exercise Price**
Over-Allotment Option	330,000 Units	30 days from the date of Closing	$8.85

There is no assurance that the Fund will meet its investment objectives. There are certain risk factors associated with an investment in the Units including the use of leverage. See "Risk Factors". The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., GMP Securities L.P., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Raymond James Ltd., Dundee Securities Ltd., Macquarie Private Wealth Inc. and Manulife Securities Incorporated (collectively, the "**Agents**") have agreed to conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters by Stikeman Elliott LLP on behalf of the Fund and McCarthy Tétrault LLP on behalf of the Agents. The Agents may over-allot and effect transactions to cover their over-allotted position. See "Plan of Distribution".

The Fund is a party to the Forward Agreement with the Counterparty, a Canadian chartered bank and an affiliate of one of the Agents. Accordingly, the Fund may be considered to be a "connected issuer" of such Agent. See "Plan of Distribution" and "The Fund – Forward Agreement".

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing is expected to occur on or about April 11, 2012 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final short form prospectus is issued. Registrations and transfers of Units will be effected only through the book-entry only system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). No Unitholder will be entitled to a physical certificate evidencing that person's interest or ownership and a purchaser of Units will receive only a customer confirmation from the registered dealer who is a CDS Participant and from or through whom the Units are purchased. See "Attributes of the Securities – Registration and Redemption of Units".

The head and registered office of the Fund is located at Brookfield Place, 161 Bay Street, 27th Floor, Toronto, Ontario, M5J 2S1.

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GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated.

"**Additional Exposure**" has the meaning ascribed thereto under "The Fund – Forward Agreement".

"**affiliate**" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario).

"**Agency Agreement**" means the agency agreement dated as of March 29, 2012 among the Fund, the Manager, Fiera and the Agents.

"**Agents**" means, collectively, BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., GMP Securities L.P., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Raymond James Ltd., Dundee Securities Ltd., Macquarie Private Wealth Inc. and Manulife Securities Incorporated.

"**Annual Redemption Date**" means the second last Business Day of August in each year commencing in August, 2012.

"**Business Day**" means any day on which the TSX is open for business.

"**Canadian Securities Portfolio**" a specified portfolio of securities of Canadian public issuers that are "Canadian securities" as defined in subsection 39(6) of the Tax Act and are listed on the TSX.

"**Capital Gains Refund**" has the meaning ascribed thereto under "Income Tax Considerations – Taxation of the Fund".

"**CDS**" means CDS Clearing and Depository Services Inc., and any successor thereto.

"**CDS Participant**" means a participant in CDS.

"**Closing**" means the closing of the Offering on the Closing Date.

"**Closing Date**" means the date of the Closing, which is expected to occur on or about April 11, 2012 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final short form prospectus is issued.

"**Counterparty**" means the Bank of Nova Scotia.

"**CRA**" means the Canada Revenue Agency.

"**Custodian**" means CIBC Mellon Trust Company, the custodian of the assets of the Fund and the Portfolio Trust, and its successors or assigns.

"**Custodian Agreement**" means the master custodial services agreement dated as of December 9, 2010 between the Fund and CIBC Mellon Global Securities Services Company, as it may be amended from time to time.

"**Declaration of Trust**" means the declaration of trust of the Fund dated as of February 23, 2011 and/or the declaration of trust of the Portfolio Trust dated as of February 23, 2011, as the context may require, each as it may be supplemented, amended and/or restated from time to time.

"**Extraordinary Resolution**" means a resolution passed by the affirmative vote of at least 66 $^{2}/_{3}$% of the votes cast either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**Fiera**" means Fiera Sceptre Inc., and any successor thereto.

"**Forward Agreement**" means the forward purchase and sale agreement to be entered into on or about the Closing Date between the Fund and the Counterparty, as amended from time to time.

"**Forward Termination Date**" has the meaning ascribed thereto under "The Fund – Forward Agreement".

"**Fund**" means Canadian Convertibles Plus Fund, an investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust of the Fund.

"**IRC**" means the independent review committee of the Fund.

"**Management Fee**" has the meaning ascribed thereto under "Fees and Expenses".

"**Manager**" means Propel, in its capacity as Manager of the Fund and/or the Portfolio Trust, and any successor thereto.

"**Monthly Redemption Date**" means the second last Business Day of each month (other than the Annual Redemption Date).

"**NAV**" means the Net Asset Value of the Fund or the Net Asset Value of the Portfolio Trust, as applicable.

"**Net Asset Value of the Fund**" or "**NAV of the Fund**" on a particular date will be equal to (i) the aggregate fair value of the assets of the Fund, less (ii) the aggregate fair value of the liabilities of the Fund.

"**Net Asset Value of the Portfolio Trust**" or "**NAV of the Portfolio Trust**" on a particular date will be equal to (i) the Total Assets, less (ii) the aggregate fair value of the liabilities of the Portfolio Trust.

"**Net Asset Value per Unit**" or "**NAV per Unit**" means the Net Asset Value of the Fund divided by the number of Units then outstanding.

"**NI 81-102**" means National Instrument 81-102 - *Mutual Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

"**NI 81-106**" means National Instrument 81-106 - *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, as it may be amended from time to time.

"**NI 81-107**" means National Instrument 81-107 - *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators, as it may be amended from time to time.

"**Offering**" means the offering of a maximum of 2,200,000 Units at a price of $8.85 per Unit, as contemplated in this prospectus.

"**Over-Allotment Option**" has the meaning ascribed thereto under "Plan of Distribution".

"**Portfolio**" has the meaning ascribed thereto under "Investment Objectives".

"**Portfolio Manager**" means Fiera, and any successor thereto.

"**Portfolio Trust**" means Diversified Convertibles Fund, a trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust of the Portfolio Trust.

"**Portfolio Securities**" means the securities held in the Portfolio.

"**Propel**" means Propel Capital Corporation, and any successor thereto.

"**Registered Plan**" means a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, deferred profit sharing plan or tax-free savings account.

"**REITs**" means real estate investment trusts.

"**Service Fee**" has the meaning ascribed thereto under "Fees and Expenses".

"**SIFT Rules**" means the provisions of the Tax Act that apply to "SIFT Trusts" (within the meaning of the Tax Act) and their Unitholders.

"**Synthetic Convertible Security**" means a combination of a debt instrument and an equity option that when combined behave in a manner similar to a convertible debenture, and includes instruments issued by financial institutions which offer combined exposure to the credit and equity option of an issuer.

"**taxable capital gain**" has the meaning ascribed thereto under "Canadian Income Tax Considerations – Taxation of the Unitholders".

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as they may be amended from time to time.

"**Tax Proposals**" has the meaning ascribed thereto under "Canadian Income Tax Considerations".

"**Total Assets**" means the aggregate value of the assets of the Portfolio Trust as determined in accordance with the terms of the Declaration of Trust of the Portfolio Trust.

"**Trustee**" means Computershare Trust Company of Canada, in its capacity as trustee of the Fund under the Declaration of Trust, and any successor thereto.

"**TSX**" means the Toronto Stock Exchange.

"**Unit**" means a transferrable trust unit of the Fund.

"**Unitholder**" means, unless the context requires otherwise, a holder of a Unit.

"**US**" means the United States of America.

"**Valuation Agent**" means such person as may from time to time be appointed by the Manager to calculate the Net Asset Value per Unit, the Net Asset Value of the Fund and the Net Asset Value of the Portfolio Trust. The initial Valuation Agent is the Custodian.

"**$**" means Canadian dollars unless otherwise indicated.

INFORMATION REGARDING PUBLIC ISSUERS

Certain information contained in this short form prospectus relating to publicly traded securities and the issuers of those securities is taken from and based solely upon information published by those issuers. None of the Manager, the Fund or the Agents has independently verified the accuracy or completeness of any such information or assumes any responsibility for the completeness or accuracy of such information.

FORWARD LOOKING STATEMENTS

Certain statements included in this short form prospectus constitute forward looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could", and similar expressions to the extent they relate to the Manager, the Fund or the Portfolio Trust. The forward looking statements are not historical facts but reflect the current expectations regarding future results or events including results of the Fund and the Portfolio Trust. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including but not limited to, the matters discussed under "Risk Factors" and in other sections of this short form prospectus.

These and other factors should be considered carefully and readers should not place undue reliance on the Fund's forward-looking statements. The Fund does not undertake to update any forward-looking statement that is contained in this short form prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference and form an integral part of this short form prospectus:

(a) the annual information form of the Fund dated March 22, 2012, for the period ended December 31, 2011 (the "**AIF**");

(b) the annual financial statements of the Fund for the fiscal year ended December 31, 2011, together with the accompanying report of the auditors dated March 21, 2012; and

(c) the management report of fund performance of the Fund for the fiscal year ended December 31, 2011.

Any of the documents of the type referred to above including any material change reports (excluding confidential material change reports), annual information forms, interim and annual financial statements and related management reports of fund performance and information circulars filed by the Fund with a securities commission or similar authority in Canada after the date of this short form prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. Information on any of the websites maintained by the Manager does not constitute a part of this short form prospectus.

THE FUND

Canadian Convertibles Plus Fund (the "**Fund**") is a closed-end investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust of the Fund dated February 23, 2011 (the "**Declaration of Trust**"). The manager and promoter of the Fund is Propel Capital Corporation (the "**Manager**" or "**Propel**"). The principal office of the Fund and Propel is located at Brookfield Place, 161 Bay Street, 27th Floor, Toronto, Ontario, M5J 2S1. The trustee of the Fund is Computershare Trust Company of Canada (the "**Trustee**"). The principal office of the Trustee is located at 100 University Ave., 9th Floor – North Tower, Toronto, Ontario, M5J 2Y1.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to mutual funds under such legislation.

The Fund seeks to achieve its investment objectives by obtaining exposure to the Portfolio Trust. Fiera Sceptre Inc. (the "**Portfolio Manager**" or "**Fiera**") actively manages the Portfolio Trust with the intention of generating an attractive amount of current income while still preserving capital.

The Fund commenced operations on March 9, 2011 and raised gross proceeds of $102,800,000 in its initial public offering with the exercise of the Over-Allotment Option. The Fund used the net proceeds of the initial public offering for the pre-payment of its purchase obligations under the Forward Agreement.

Forward Agreement

The net proceeds of the Offering will be used to fund the purchase of additional exposure to the Portfolio through an amendment to the Forward Agreement (the "**Additional Exposure**"). The Counterparty has agreed to pledge collateral to the Fund with an aggregate value equal to 100% of the mark-to-market value of the Additional Exposure and the amount of the collateral will be reset on not less than a weekly basis to 100% of the mark-to-market value of the Additional Exposure. However, the Counterparty is not required to pledge collateral to secure its obligations under the Forward Agreement that are not attributable to the Additional Exposure. The collateral will be placed in a separate securities account and will be free and clear of all liens and adverse claims, other than those in favour of the Fund or a relevant securities intermediary in respect of any fees and expenses incurred by it and, to the extent the intermediary is the Counterparty or an affiliate of the Counterparty, any cash advances made by the intermediary to the Fund in accordance with section 2.6(a)(i) of NI 81-102 (as if the Fund were subject to NI 81-102). The Fund will have a first ranking security interest in such collateral, subject to the intermediary's priority in respect of such advances, fees and expenses. Eligible collateral will consist of TSX-listed securities, provided that the securities of any issuer that comprise such collateral together with any such securities owned by the Fund shall not represent more than 10% of the Net Asset Value of the Fund. Eligible Collateral may include units of the Portfolio Trust but such units are not subject to the 10% restriction. In the event of default by the Counterparty under the Forward Agreement, the Fund will have the ability to enforce its security interest and take possession of the collateral. All Unitholders will benefit equally from the provision of such collateral to the Fund.

Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about March 4, 2016 (the "**Forward Termination Date**"), the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of the relevant number of units of the Trust net of any amount owing by the Fund to the Counterparty. Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that the Counterparty's settlement obligations under the Forward Agreement will be discharged by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund. As a result of the Forward Agreement, the distributions paid by the Fund and the value of the Units are based on the distributions received by the Trust and the value of the Portfolio.

The terms of the Forward Agreement provide that the Forward Agreement may, in certain circumstances, be settled prior to the Forward Termination Date at the request of the Fund on one Business Days' notice with settlement to occur three Business Days later. The Fund may settle the Forward Agreement in whole or in part prior to the Forward Termination Date: (i) to fund quarterly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. Pursuant to the terms of the Forward Agreement, the Counterparty will, in connection with a requested partial settlement, deliver to the Fund securities of certain of the issuers in the Canadian Securities Portfolio based on the partial settlement amount.

The Counterparty may hedge its exposure under the terms of the Forward Agreement to the economic performance of the Portfolio Trust. There is no assurance that the Counterparty will maintain a hedge or will do so with respect to the full amount or term of the Forward Agreement. The Fund is fully exposed to the credit risk associated with the Counterparty in respect of the Forward Agreement.

RECENT DEVELOPMENTS

The Fund has announced a distribution of $0.15625 per Unit for the quarter ending March 31, 2012. The distribution will be paid on or before April 16, 2012 to Unitholders of record on March 31, 2012, consequently investors purchasing Units pursuant to this short form prospectus will not be entitled to such distribution. See "Distribution Policy".

On February 27, 2012 Fiera announced that it had signed a binding agreement under which Fiera will acquire the business of Natcan Investment Management Inc. from the National Bank of Canada. This will result in Fiera becoming one of the top five independent asset managers in Canada, with approximately $54 billion in assets under management as a result of the transaction.

On May 3, 2011, a notice of intention to make a normal course issuer bid was filed by the Fund with the TSX and accepted by the TSX. The bid, which commenced on May 5, 2011 and expires on May 4, 2012, enables the Fund to purchase through the facilities of the TSX, from time to time, if it is considered advisable, up to 1,028,000 Units of the Fund. Under the bid, from May 5, 2011 to March 16, 2012, 2,000 Units were repurchased by the Fund.

DESCRIPTION OF THE BUSINESS

INVESTMENT OBJECTIVES

The Fund's investment objectives are to provide holders of Units ("**Unitholders**") with:

(i) quarterly tax-advantaged distributions;

(ii) preservation of capital; and

(iii) the opportunity for capital appreciation.

The Fund seeks to obtain exposure to an actively managed, diversified portfolio (the "**Portfolio**"), through the Forward Agreement. See "The Fund – Forward Agreement". The Portfolio is actively managed by or on behalf of Propel.

INVESTMENT STRATEGIES

Investment Rationale

The Fund obtains exposure to the Portfolio comprised primarily of convertible debentures of Canadian issuers. The Manager believes that convertible debentures offer an attractive investment opportunity as they exhibit characteristics of both debt and equity securities, including:

(i) capital preservation given their debt-like characteristics;

(ii) more certain and attractive yields to maturity compared to an investment in equity securities;

(iii) more attractive yields to maturity compared to an investment in government debt securities; and

(iv) potential for additional returns through equity market participation.

Convertible debentures are more complex than conventional stocks and bonds given their hybrid nature (i.e. their combination of debt and equity like characteristics). Some of these complexities include:

(i) call features which allow the issuer to call the debenture for repayment before maturity. Some of the unrealized capital appreciation based on the performance of the underlying equity security can be lost if debentures are not converted or sold prior to being called;

(ii) that, the Canadian convertible debenture market has experienced periods of considerable illiquidity and volatility, making trading of these securities more difficult;

(iii) that, many convertible debentures of Canadian issuers may be subject to large bid/ask spreads which can have an impact on yields to maturity and overall returns; and

(iv) that, valuation can be more challenging given the combination of bond and equity characteristics. Consideration must be given not only to traditional risk/reward of conventional bonds (i.e. credit quality vs. yield to maturity) but to the valuation of the conversion privilege and the likelihood of its exercise.

Given these factors, the Manager believes the individual investors may benefit from a portfolio of active, professionally managed convertible debentures.

Investment Strategy of the Portfolio Trust

Convertible debentures of Canadian issuers comprised 72.3% of the Portfolio as of March 16, 2012. The Portfolio Manager expects that the allocation in the Portfolio Trust to convertible debentures may decrease periodically as a result of the conversion or maturity of the convertible debentures. In addition, the Portfolio Trust may hold equity securities of publicly listed issuers, preferred shares and fixed income securities of corporate issuers, including non-investment grade bonds and cash or cash equivalents. The Portfolio Manager does not expect to have significant exposure to non-Canadian issuers.

In managing the Portfolio Trust, the Portfolio Manager's investment process emphasizes capital preservation. In doing so, the Portfolio Manager focuses on convertible debentures that it believes offer a high degree of certainty that full principal repayment will be made upon maturity. Yield and/or return maximization are a secondary, but subordinate, consideration. Where possible, the Portfolio Manager looks to enhance yields to maturity by acquiring securities at a discount to par value.

The Portfolio Manager's research and analysis of potential investments focuses on, among other items:

(i) historical and projected cash flow of the issuer;

(ii) overall debt levels of an issuer and the covenants of other debt instruments in the issuer's capital structure;

(iii) key financial ratios of the issuer;

(iv) the business prospects of the issuer;

(v) the absolute and relative size of the convertible debenture issue; and

(vi) an assessment of the issuer's ability to refinance upon maturity.

As a result of such analysis, the Portfolio Manager believes that issuers selected for investment possess some or all of the following characteristics:

(i) strong balance sheets;

(ii) strong management team;

(iii) proven track record of delivering on revenue, earnings and cash flow forecasts;

(iv) attractive valuations; and

(v) sustainable competitive advantages in the industry in which they operate.

To the extent possible, the Portfolio Manager constructs a portfolio that is diversified by issuer, industry sector and key business drivers. However, the Portfolio Manager anticipates that, from time to time, certain sectors may be overweighted due to, among other things, trends in the issuance of new convertible debentures, overall market liquidity and general economic conditions.

Active duration management is not a key component of the investment strategy. The majority of convertible debentures are issued in Canada with a maturity of 7 years or less which reduces the ability to manage interest rate risk through duration management. The Portfolio Manager does not believe that this poses undue risk because the conversion privilege associated with convertible debentures make these bonds less interest rate sensitive than conventional bonds.

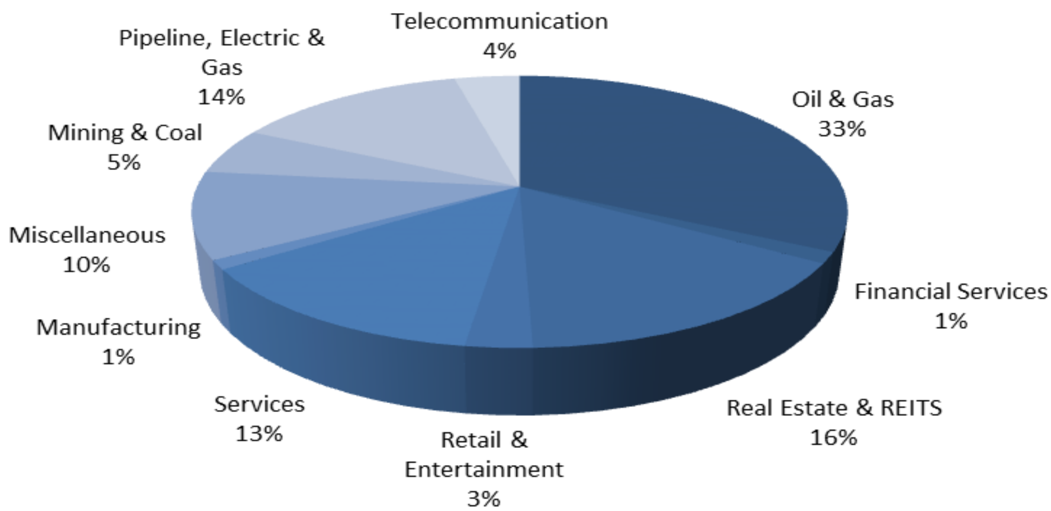
For the purposes of hedging (as defined in NI 81-102), the Portfolio Manager may sell short equity securities to be received by the Portfolio Trust in connection with the exercise of the right to acquire such securities pursuant to a conversion or in connection with the exercise by the issuer of the right to issue such securities at maturity of the convertible debentures.

Generally, at least 90% of the value of any securities held in the Portfolio that are denominated in US dollars will be hedged back to the Canadian dollar.

Portfolio Composition

As at March 16, 2012, securities in the Portfolio had a weighted average current cash yield of 7.88%, a weighted average yield to maturity of 8.25% and a weighted average term to maturity of 4.9 years.

The following chart shows the Portfolio's exposure by sector as at March 16, 2012:



The information contained in the above section is historical and is not intended to be, nor should it be construed to be, an indication as to the future yield of the securities comprising the Portfolio. The Portfolio's cash yield may be greater than or less than the current cash yield of the Portfolio and will change from time to time in connection with the changes in the composition of the Portfolio and will be influenced by matters set out herein, including under "Risk Factors". The Portfolio Manager will actively manage the Portfolio to seek to meet the Portfolio Trust's investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Portfolio Manager's assessment of market conditions and the availability of suitable convertible debentures, and may differ substantially from the sub-set of the Portfolio whose information is described above.

Permitted Ranges for the Portfolio

The following table sets forth the allocation of the Portfolio as at March 16, 2012 together with the minimum and maximum allocation to each asset class:

Asset Class	Allocation as at March 16, 2012	Permitted Ranges
Canadian convertible debentures	72.3%	70 - 100%
Other fixed income instruments, equities and cash	27.7%	0 – 30%

Notes:

(1) The permitted ranges assume normal market conditions. At the Portfolio Manager's discretion, the Portfolio Trust may be invested entirely in cash or cash equivalents.

(2) The Portfolio Trust will not purchase a security if, immediately after the transaction, the aggregate value of the securities in the asset class, taken at market value at the time of the transaction, falls outside the permitted range of such asset class based on the NAV. Generally, changes in the value of securities subsequent to their acquisition will not necessitate the selling of securities in order to adhere to the permitted ranges, subject to the provisions in "Investment Restrictions – Investment Restrictions of the Portfolio Trust" below.

In addition, the Portfolio Trust may from time to time hold such other securities as may be required in connection with the execution of the hedging strategies described above.

Leverage

The Portfolio Trust may employ leverage in an amount up to 25% of its Total Assets. Accordingly, the maximum amount of leverage that the Portfolio Trust could employ is 1.33:1. As of March 16, 2012 the Portfolio Trust employed leverage of approximately 18% of Total Assets.

Securities Lending

In order to generate additional returns, the Portfolio Trust may lend Portfolio Securities. Any securities lending by the Portfolio Trust must be pursuant to a securities lending agreement (a "**Securities Lending Agreement**") to be entered into between the Portfolio Trust and a securities borrower acceptable to the Portfolio Trust pursuant to which the Portfolio Trust will loan Portfolio Securities to the securities borrower on the terms therein, which terms shall include that: (i) the borrower will pay to the Portfolio Trust a negotiated securities lending fee and will make compensation payments to the Portfolio Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Portfolio Trust will receive collateral security. The Manager will be responsible for setting and reviewing any securities lending agreements. If a securities lending agent is appointed for the Portfolio Trust, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

FUND PERFORMANCE

The following table sets forth the Fund's 1 year and since inception returns for the period ending March 16, 2012.

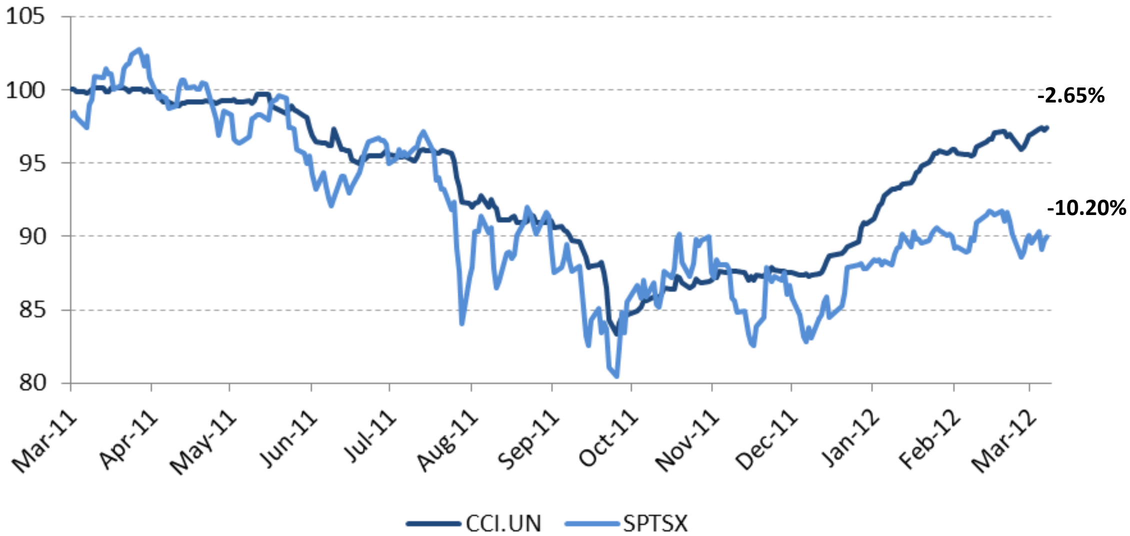
Net Compound Annual Returns

	One year	Since Inception[(2)]
Canadian Convertibles Plus Fund [(1)]	-2.39%	-2.65%
S&P/TSX Composite	-7.60%	-10.20%

(1) Unaudited. Based on the Net Asset Value per Unit and assuming that all distributions are re-invested in Units at the Net Asset Value per Unit. Returns are net of all fees and expenses.
(2) Annualized. Fund returns are calculated based on the Net Asset Value per Unit at inception on March 9, 2012 of $9.38.

Canadian Convertibles Plus Fund[(1)(2)] vs. S&P/ TSX Composite Index

Returns since inception



(1) Unaudited. Based on the Net Asset Value per Unit and assuming that all distributions are re-invested in Units at the Net Asset Value per Unit. Returns are net of all fees and expenses.
(2) Fund returns are calculated based on the Net Asset Value per Unit at inception on March 9, 2012 of $9.38.

The performance information presented above is not, and should not be construed as, indicative of the future performance of the Fund. This information is provided solely for illustrative purposes, and should not be construed as a forecast or projection. Past performance does not guarantee future investment returns.

OVERVIEW OF THE SECTOR THAT THE PORTFOLIO FUND INVESTS IN

As at December 31, 2011 there were 213 issues of publicly traded convertible debentures of Canadian issuers outstanding, representing a total of $16 billion. In 2011, there were 55 issues of convertible debentures by Canadian issuers totalling $4.0 billion.

Statistics, as at December 31, 2011

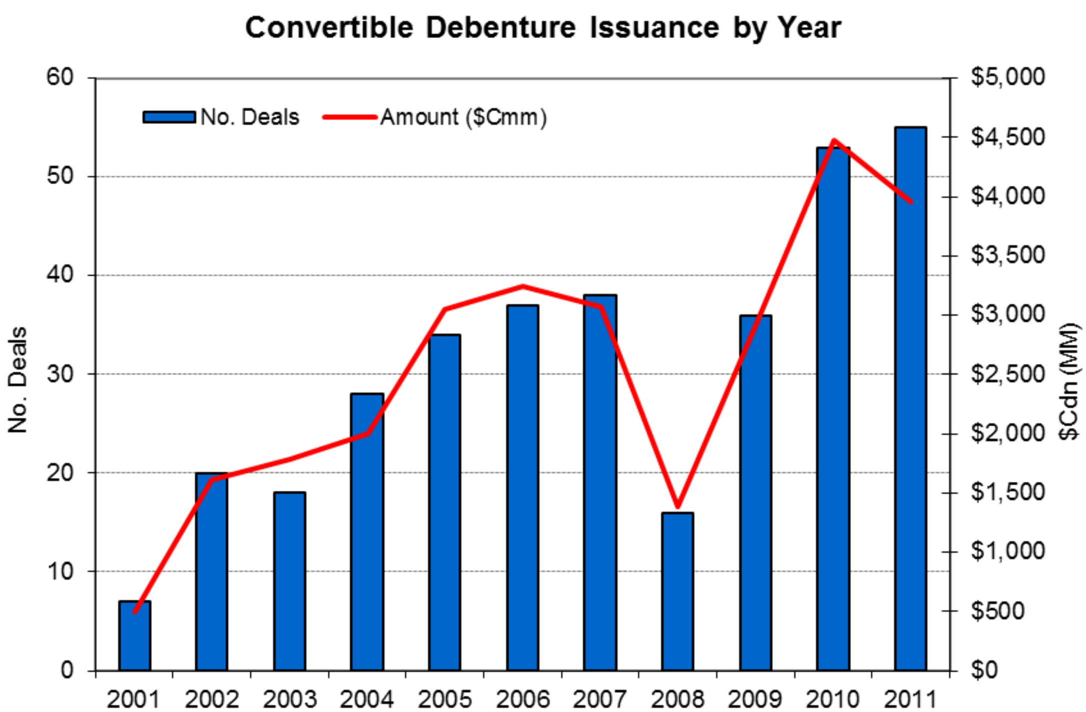
Sector	# of Issues	% of Issues
Real Estate & REITS	64	30%
Miscellaneous	38	18%
Oil & Gas	45	21%
Pipeline, Electric & Gas	10	5%
Mining & Coal	14	7%
Retail & Entertainment	10	5%
Transportation	12	6%
Food	6	3%
Financial Services	8	4%
Engineering & Construction	6	3%

Number of Issues Outstanding	213
Average Interest Rate at Issue	6.45%
Average Current Yield	6.57%
Weighted Average Yield To Maturity	7.23%
Average Maturity	3.8 years

* Current Yield and Yield To Maturity are based on the midpoint between the bid and ask prices. Weighted average yield to maturity excludes bonds where the underlying equity is 90% or more of the conversion price.

Source: BMO Capital Markets: January 2012

As indicated in the graph below, the convertible debenture market in Canada has experienced substantial growth over the past 10 years. The Portfolio Manager expects such growth to continue in the near term as convertible debentures offer an attractive financing opportunity for small to medium size Canadian issuers.



Source: BMO Capital Markets: January 2012

The Portfolio Manager believes that for the reasons noted below, convertible debentures offer an attractive investment opportunity in the current economic environment since they offer a combination of capital preservation, current income and the possibility for equity market participation. As a conventional bond alternative, convertible debentures may be attractive because:

(i) the yields on convertible debentures are higher than the yields on Canadian government bonds;

(ii) the conversion feature allows an investor the potential to generate additional returns linked to the performance of the underlying equity security; and

(iii) as a result of the conversion privilege, convertible debentures are less interest rate sensitive than conventional bonds. In a rising interest rate environment, which the Portfolio Manager believes is likely over the next 3-5 years, the price of convertible debentures will not decline as much as conventional bonds.

As an equity alternative, convertible debentures may be attractive because:

(i) the repayment of principal at maturity, usually $1,000, represents a contractual obligation of the issuer;

(ii) convertible debentures rank ahead of preferred and common equity in the capital structure of an issuer providing investors with a greater claim on the assets of the issuer in the event of bankruptcy;

(iii) convertible debentures offer a more stable income stream since the interest payment represents a contractual liability that is senior to a distribution on preferred and common equity;

(iv) the interest paid on convertible debentures is substantially higher than the average dividend on Canadian equities; and

(v) the prices of convertible debentures tend to be less volatile than the prices of common equity.

INVESTMENT RESTRICTIONS

Investment Restrictions of the Fund

The Fund is subject to the investment restrictions set out below. The investment restrictions of the Fund may not be changed without the approval of Unitholders by an Extraordinary Resolution at a meeting called for such purpose. The investment restrictions of the Fund, which are set forth in the Declaration of Trust, provide that the Fund will not:

(i) with respect to the securities acquired pursuant to the Forward Agreement, purchase any securities other than "Canadian securities" for the purposes of the Tax Act;

(ii) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, the Fund would be required to make a take-over bid that is a "formal bid" for the purposes of applicable securities laws;

(iii) borrow or employ financial leverage;

(iv) make or hold any investment that would result in the Fund failing to qualify as a "mutual fund trust" for purposes of the Tax Act;

(v) acquire or hold any property that would constitute "taxable Canadian property" of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof) (or any amendments to such definition) or other "specified property" as such term is defined in the proposed amendments to the Tax Act released on September 16, 2004; or

(vi) make or hold any investment that would result in the Fund being subject to the tax for SIFT trusts as provided for in section 122 of the Tax Act.

The Fund may also hold cash equivalents from time to time. The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to conventional mutual funds under such legislation, including NI 81-102. However, the Fund is subject to certain other requirements and restrictions contained in securities legislation, including NI 81-106, which governs the continuous disclosure obligations of investment funds, including the Fund.

Investment Restrictions on the Portfolio Trust

The investment activities of the Portfolio Trust are conducted in accordance with, among other things, the following investment restrictions which provide that the Portfolio Trust will not:

(i) invest more than 10% of the aggregate value of the assets of the Portfolio Trust as determined in accordance with the terms of the Declaration of Trust of the Portfolio Trust ("**Total Assets**") in the securities of any single issuer, other than securities issued or guaranteed by the Government of Canada or a province or territory thereof;

(ii) purchase the securities of an issuer for the purpose of exercising control over management of that issuer;

(iii) invest more than 10% of its Total Assets in "illiquid assets" as such term is defined in NI 81-102;

(iv) borrow or enter into leverage transactions in respect of amounts exceeding 25% of its Total Assets;

(v) for a period of more than 90 days have less than 70% of Total Assets invested in convertible debentures of Canadian issuers;

(vi) invest more than 10% of Total Assets in a combination of debt instruments and equity options that when combined behave in a manner similar to a convertible debenture, and includes instruments issued by financial institutions which offer combined exposure to the credit and equity option of an issuer ("**Synthetic Convertible Securities**");

(vii) guarantee the securities or obligations of any person other than the Manager, and then only in respect of the activities of the Portfolio Trust;

(viii) purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Portfolio Manager or any of its affiliates, any officer, director or shareholder of the Portfolio Manager, any person, trust, firm or corporation managed by the Portfolio Manager or any of its affiliates or any firm or corporation in which any officer, director or shareholder of the Portfolio Manager may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any purchase or sale of securities, any such transaction is effected through normal market facilities, pursuant to a non-pre-arranged trade, and the purchase price approximates the prevailing market price or is approved by the Manager's independent review committee or IRC (as hereinafter defined);

(ix) own securities of an issuer if as a result of such ownership the Portfolio Manager would, either directly or indirectly, hold or exercise control or direction over greater than 19.99% of the securities of such issuer;

(x) engage in securities lending that does not constitute a "securities lending arrangement" for purposes of the Tax Act;

(xi) sell securities short (i) above a threshold of 15% of Total Assets and (ii) except for purposes of hedging (as defined in NI 81-102) the Portfolio's exposure to the equity securities to be received by the Portfolio Trust in connection with the exercise of the right to acquire such securities pursuant to a conversion or in connection with the exercise by the issuer of the right to issue such securities at maturity of the convertible debentures;

(xii) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Portfolio Trust (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Portfolio Trust (or the partnership) to report income in connection with such interest pursuant to the rules in proposed section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of proposed section 94 of the Tax Act, each of (i), (ii) and (iii) as set forth in the proposed amendments to the Tax Act dated August 27, 2010 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

(xiii) invest in any security that is a "tax shelter investment" within the meaning of section 143.2 of the Tax Act;

(xiv) invest in any security of an issuer that would be a "foreign affiliate" of the Portfolio Trust for purposes of the Tax Act; and

(xv) hold or invest in any "non-portfolio property" as defined in the Tax Act.

If a percentage restriction on investment or use of assets or borrowing or financing arrangements set forth above as an investment restriction is adhered to at the time of the transaction, later changes to the market value of the investment or Total Assets will not be considered a violation of the investment restrictions (except for the restrictions in paragraphs (i), (ii), (vii), (viii) and (xv) above which must be complied with at all times and which may necessitate the selling of investments from time to time). If the Portfolio Trust receives from an issuer subscription rights to purchase securities of that issuer, and if the Portfolio Trust exercises those subscription rights at a time when the Portfolio Trust's holdings of securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, the Portfolio Trust has sold at least as many securities of the same class and value as would result in the restriction being complied with.

FEES AND EXPENSES

Fees and Expenses Payable by the Fund

Agents' Fees

The Agents fees will be $0.354 per Unit (4.0%), which will be paid out of the proceeds of the Offering. See "Plan of Distribution".

Expenses of the Offering

In addition to the Agents' fees, the Fund will pay the expenses incurred in connection with the Offering, estimated to be $215,000 (subject to a maximum of 1.5% of the gross proceeds of the Offering).

Management Fee

Pursuant to the terms of the Fund's Declaration of Trust, the Manager receives an annual management fee payable by the Fund equal to 0.30% per annum of the NAV of the Fund, calculated daily and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Service Fee (as defined below), plus applicable taxes.

The Manager pays a portion of the Management Fee to the Portfolio Manager and no further fees are payable to the Portfolio Manager by the Fund.

Service Fee

The Manager pays to registered dealers a service fee (the "**Service Fee**") equal to 0.40% annually of the NAV of the Fund for each Unit held by clients of the registered dealers, calculated and paid at the end of each calendar quarter, plus applicable taxes.

Ongoing Expenses of the Fund

The Fund pays for all ordinary expenses incurred in connection with its operation and administration. The expenses for the Fund include, without limitation, all costs of portfolio transactions, fees payable to the Trustee and other third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the IRC, expenses related to compliance with NI 81-107, fees and expenses relating to the voting of proxies by a third party, premiums for directors' and officers' insurance coverage for the directors and officers of the Manager and members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements and investor relations, website maintenance costs, taxes, brokerage commissions, costs and expenses relating to the issue of Units, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund.

Counterparty Fee

The Fund also pays to the Counterparty a fee under the Forward Agreement equal to approximately 0.30% per annum of the NAV of the Portfolio Trust per annum, plus applicable taxes, if any. The Counterparty fee is paid monthly, based on the NAV of the Portfolio Trust calculated on Thursday of each week.

Additional Services

Any arrangements for additional services between the Fund and the Manager, or any affiliate thereof, that have not been described in this short form prospectus shall be on terms that are no less favourable to the Fund than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Fund shall pay all expenses associated with such additional services.

Fees Payable by the Portfolio Trust

Management Fee

Pursuant to the terms of the Portfolio Trust's Declaration of Trust, the Manager is paid an annual management fee by the Portfolio Trust of 0.55% per annum of the NAV of the Portfolio Trust, calculated daily and payable monthly in arrears, plus applicable taxes (collectively, the management fees payable by the Fund and the Portfolio Trust are referred to herein as the "**Management Fee**").

The Manager pays a portion of the Management Fee to the Portfolio Manager and no further fees are payable to the Portfolio Manager by the Portfolio Trust.

Ongoing Expenses of the Portfolio Trust

The expenses of the Portfolio Trust include all costs of Portfolio transactions, fees payable to the Manager and other third party service providers, custodial fees, legal, accounting, audit and valuation fees, other administrative expenses and any extraordinary expenses that the Portfolio Trust may incur.

CAPITALIZATION TABLE

The following table sets forth the unaudited capitalization of the Fund before and after giving effect to the Offering, assuming a maximum total Offering of 2,200,000 Units and assuming that the Over-Allotment Option is exercised in full:

Designation	Authorized as at March 29, 2012	Outstanding as at December 31, 2011	Outstanding as at March 29, 2012	Outstanding as at March 29, 2012 after giving effect to the Offering
Units	Unlimited	$81,108,931 (10,278,000 Units)	$86,335,200 (10,278,000 Units)	$107,587,200 (12,808,000 Units)

PRICE RANGE, NET ASSET VALUE, TRADING VOLUME OF UNITS AND DISTRIBUTIONS

The Units trade on the TSX under the trading symbol, "CCI.UN". On March 29, 2012, the closing price of the Units on the TSX was $8.71 per Unit and the Net Asset Value per Unit was $8.40. The following table sets forth the closing market price and trading volume of the Units on the TSX for the 12-month period prior to the date of this short form prospectus. All such information, other than the Net Asset Value per Unit and distributions per Unit, was obtained from Bloomberg or the TSX and the Fund, the Manager and the Agents do not assume any responsibility for the accuracy of such information.

	Net Asset Value per Unit			Closing Market Price		
Period	**Low**	**High**	**Distribution per Unit**	**Low**	**High**	**Volume**
2012						
March 1 to 29	$ 8.40	$ 8.65		$ 8.40	$ 9.18	333,803
February	$ 8.44	$ 8.61		$ 8.41	$ 8.63	353,923
January	$ 7.91	$ 8.43		$ 7.80	$ 8.50	298,673
2011						
December	$ 7.89	$ 8.03	$ 0.15625	$ 7.43	$ 7.97	586,674
November	$ 7.82	$ 7.92		$ 7.50	$ 8.18	253,643
October	$ 7.53	$ 7.89		$ 7.26	$ 8.10	274,311
September	$ 7.82	$ 8.43	$ 0.15625	$ 7.64	$ 8.42	196,154
August	$ 8.37	$ 8.83		$ 7.78	$ 9.35	119,785
July	$ 8.77	$ 8.84		$ 9.15	$ 9.60	103,275
June	$ 8.78	$ 9.28	$ 0.15625	$ 9.32	$ 10.15	151,211
May	$ 9.23	$ 9.35		$ 9.95	$ 10.22	119,446
April	$ 9.28	$ 9.38		$ 10.02	$ 10.54	158,904
March 9 to March 31	$ 9.36	$ 9.39		$ 9.93	$ 10.40	332,388

Based on current estimates and market conditions and assuming (i) a maximum total Offering of 2,200,000 Units and that the Over-Allotment Option is exercised in full, (ii) the employment of the investment strategy as described under "Investment Strategy", (iii) the use of leverage as described herein, and (iv) the fees and expenses described herein, the Portfolio will be required to generate a return of approximately 7.56% in order for the Fund to pay the target level of distributions through partial settlements of the Forward Agreement and maintain a stable Net Asset Value. The Portfolio as of March 16, 2012 had a current yield of 7.88%. There is no assurance that the Portfolio will continue to be able to generate such yields.

PRIOR SALES

On March 9, 2011 the Fund issued 9,750,000 Units at $10.00 per Unit for gross proceeds of $97,500,000. On April, 5, 2011, the Fund issued an additional 530,000 Units at $10 per Unit for gross proceeds of $5,300,000.

Other than as disclosed immediately above, the Fund has not issued any Units in the 12-month period preceding the date of this short form prospectus.

RISK FACTORS

There are many risks associated with an investment in the Units. Investors should consider the following risk factors, and those contained in the AIF which is incorporated by reference herein, before investing in Units:

No Assurances of Achieving Objectives

There is no assurance that the Fund will be able to achieve any of its investment objectives.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of their investment and who can withstand the effect of a distribution not being made in any period.

No Guaranteed Return

There is no guarantee that an investment in Units will earn any positive return in the short or long term.

Performance of the Portfolio

Fluctuations in the NAV per Unit (and/or the trading price of the Units) may occur for a number of reasons beyond the control of the Fund. The NAV and the funds available for distribution vary according to, among other things, interest and/or distributions paid on the Portfolio Securities, which depend, in part, upon the performance of the issuers of such securities, the performance of the convertible debenture market generally, interest rates and foreign currency exposure. Additionally, external economic forces can affect the competitive strength and profitability of the businesses represented by these securities which would significantly affect the value of such securities. Fluctuations in the market values of the Portfolio Securities may occur for a number of reasons beyond the control of the Fund. It is possible that, due to declines in the market values of such Portfolio Securities, the Fund may not be able to achieve its investment objectives.

As discussed above, the NAV per Unit varies in accordance with the value of the securities acquired by the Portfolio Trust and in some cases the value of the Portfolio Securities may be affected by factors beyond the control of the Fund. There is no assurance that an adequate market exists or will continue to exist for securities acquired by the Portfolio Trust. Investments issued by issuers who are not reporting issuers in certain jurisdictions may be subject to an indefinite hold period under applicable securities legislation. In some circumstances, the issuers of securities which the Portfolio Trust may acquire have limited operating histories. The Fund cannot predict whether the Portfolio Securities will trade at a discount to, a premium to, or at their respective NAV.

Trading Levels

Units may trade in the market at a discount to NAV per Unit, and there can be no assurance that the Units will trade at a price equal to (or greater than) the NAV per Unit.

Composition of the Portfolio

The composition of the Portfolio taken as a whole may vary widely from time to time but may be concentrated by geography and also may be concentrated by industry. Therefore, the Portfolio may be considered less diversified, particularly, as a result of exposure to real estate investment and oil and gas energy investments. In such circumstances, the Portfolio may not be as diversified to the same extent as other investment funds. Additionally, the Fund will be concentrated in the type of securities held in the Portfolio. As a result, the NAV of the Portfolio may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time in response to economic conditions and regulatory changes that specifically affect industries and securities in which the Portfolio is invested. This may have a negative impact on the value of the Units.

Convertible Debentures

The Portfolio Trust holds investments in convertible debentures which involve risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates, general economic conditions and the issuer's creditworthiness. Convertible debentures may be less liquid than other securities and involve the risk that the Portfolio Manager may not be able to dispose of them at current market prices. During periods of thin trading, the spread between bid and ask prices is likely to increase. Convertible debentures may experience greater price volatility than conventional debt securities, due to, among other things, the volatility of the underlying equity security. There is no guarantee that an investment in convertible debentures of an issuer will provide a greater rate of return than either the equity or fixed income securities of such issuer, or any positive return at all. Convertible debentures often rank subordinate to conventional debt securities of an issuer, and the analysis of the creditworthiness of convertible debentures may be more complex than for rated debt instruments. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. In addition, convertible debentures typically contain provisions which allow the issuer of these securities to call or redeem the securities. In circumstances where an issuer has exercised its call or redemption right, the Portfolio Trust would have to seek alternative investment opportunities.

Oil and Gas Energy Investments

Oil and gas prices have fluctuated widely during recent years and are affected by supply and demand, political events, weather and economic conditions, among other things, which can adversely affect the value of oil and gas and energy related investments.

Commodity Price Fluctuations

The operations and financial conditions of certain issuers are dependent in part on commodity prices applicable to the commodities accessing the issuers' assets. Prices for commodities may vary and are determined by supply and demand factors including weather and general economic and political conditions. A decline in commodity prices could have an adverse effect on the operations and financial condition of such issuers and on the amount of interest and distributions paid on their securities. In addition, certain commodity prices are based on a US dollar market price. Accordingly, an increase in the value of the Canadian dollar against the US dollar could cause a reduction in the amount of distributions or dividends paid on the securities of such resource based issuers.

Real Estate Investments

Investments in REITs are subject to the general risks associated with real property investments. Real property investments are affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. A REIT's income and funds available for distributions to its securityholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or if the REIT were unable to lease a significant amount of available space in its properties on economically favourable lease terms.

Counterparty Risk

The Forward Agreement, which is the sole material asset of the Fund, exposes the Fund to the unsecured credit risk of the Counterparty in respect of the Counterparty's obligations under the Forward Agreement that are not attributable to the Additional Exposure. The possibility exists that the Counterparty will default on its obligations under the Forward Agreement. The Counterparty will pledge collateral to the Fund with an aggregate value equal to 100% of the mark-to-market amount of the Additional Exposure to the Portfolio under the Forward Agreement. Should a bankruptcy or other similar event related to the Counterparty occur that precludes the Counterparty from performing its obligations under the Forward Agreement, the Fund would have to enforce its security interest in respect of the collateralized portion of the Forward Agreement and the Forward Agreement would be terminated. The Fund is subject to the unsecured credit risk of the Counterparty in respect of the Counterparty's obligations under the Forward Agreement that are not attributable to the Additional Exposure.

The Counterparty may have relationships with any or all of the issuers whose securities are included in the Portfolio which could conflict with the interests of the Fund. In addition, it is possible that the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of the Trust or the Counterparty and the Counterparty is not responsible for the returns of the Portfolio.

SIFT Rules

The SIFT Rules will apply to a mutual fund trust that is a SIFT trust. Provided that the Fund complies with its investment restrictions, the Fund should not hold any investment that would result in the Fund and Unitholders being subject to the potentially adverse tax consequences imposed by the SIFT Rules.

Treatment of Proceeds of Disposition

In determining its income for tax purposes, the Fund will not treat the acquisition of Canadian Securities Portfolio securities under the Forward Agreement as a taxable event and will treat gains or losses on any disposition of Canadian Securities Portfolio securities acquired under the Forward Agreement as capital gains and capital losses for the purposes of the Tax Act. No advance income tax ruling has been requested or obtained from the CRA regarding the timing or characterization of the Fund's income, gains or losses. If, contrary to the advice of counsel to the Fund or as a result of a change of law, the acquisition of Canadian Securities Portfolio securities under the Forward Agreement was a taxable event or if gains realized on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement were treated other than as capital gains on the sale of such securities (by virtue of the application of the general anti-avoidance rule or otherwise), after-tax returns to Unitholders would be reduced.

Forward Agreement Proceeds

The possibility exists that the Counterparty will default on its payment obligations under the Forward Agreement or that the proceeds of the Forward Agreement paid to the Fund will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third party creditors if the Fund has insufficient assets, excluding the proceeds of the Forward Agreement, to pay its liabilities. Unitholders have no recourse or rights against the assets of the Fund, the Portfolio, the Manager or the Counterparty in respect of the Forward Agreement or arising out of the Forward Agreement.

Risks Related to Redemptions

If holders of a substantial number of Units exercise their redemption rights, the number of Units outstanding and the NAV of the Fund could be significantly reduced. If a substantial number of Units is redeemed, this could increase the management expense ratio of the Fund and require the Fund to pre-settle the Forward Agreement and consequently require the Portfolio Trust to liquidate the Portfolio Securities at depressed prices to fund such pre-settlement and consequent redemptions. In any such circumstance, the Manager may determine it appropriate to (i) suspend redemptions of Units or (ii) terminate the Fund without the approval of the Unitholders if, in the opinion of the Manager, it is no longer economically feasible to continue the Fund or the Manager determines that it would be in the best interests of the Fund.

Sensitivity to Interest Rates

It is anticipated that the market price for the Units at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price of the Units will be negatively affected by interest rate fluctuations.

Reliance on the Manager and Portfolio Manager

Unitholders will be dependent on the ability of the Manager to effectively manage the Fund and the Portfolio Trust in a manner consistent with the investment objectives, strategy and restrictions of the Fund and the Portfolio Trust. Performance of the investments in the Portfolio will be dependent on the Portfolio Manager, which provides portfolio management services to the Fund and Portfolio Trust.

Use of Leverage

The Portfolio Trust will employ leverage in an amount up to 25% of its Total Assets. There can be no assurance that such a strategy will enhance returns and in fact the strategy may reduce returns (both distributions and capital). If the Portfolio Securities suffer a decrease in value, the leverage component will cause a decrease in NAV in excess of that which would otherwise be experienced.

Securities Lending

The Portfolio Trust may engage in securities lending. Although it will receive collateral for the loans and such collateral will be marked-to-market, the Portfolio Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Use of Short Selling

Selling securities short may result in the loss of an amount greater than the amount invested since there is theoretically no limit to the price to which the securities that have been sold short may rise before the short position is closed out. In addition, the supply of securities which can be borrowed in order to maintain short positions fluctuates from time to time. There is no assurance that the lender of securities or financial instruments will not require the security to be repaid before the Portfolio Manager wishes to do so, thereby requiring the Portfolio Trust to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that any borrowing fee will not increase during the borrowing period, adding to the expense of a short sale strategy. In addition, there is no assurance that a security sold short can be repurchased due to supply and demand constraints in the marketplace.

Market Disruptions

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers of Portfolio Securities. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time.

Illiquid Securities

There is no assurance that an adequate market will exist for the Portfolio Securities. The Portfolio Manager may be unable to acquire or dispose of securities in quantities or at prices which are acceptable to the Portfolio Manager, if the market for such securities is illiquid.

Global Financial Developments

Global financial markets have experienced a sharp increase in volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that if it continues, it will be successful or, that these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Fund and the value of the Portfolio Securities.

Taxation of the Fund

It is possible that, if certain Tax Proposals released on October 31, 2003 are enacted in the form currently proposed, the deduction of losses of the Fund in a particular taxation year would be limited. Under these tax proposals, with effect for taxation years commencing after 2004, a taxpayer will have a loss for a taxation year from a particular source that is a business or property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, and can reasonably be expected to carry on, the business or has held, and can reasonably be expected to hold, the property. Profit for this purpose will not include capital gains or capital losses. If the deduction of losses of the Fund was limited in a particular year, the taxable income of the Fund would be increased along with the taxable amount of distributions to Unitholders. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the tax proposals of October 31, 2003 would be released for comment. Such alternative proposal has not yet been released.

On September 16, 2004, the Minister of Finance released Tax Proposals under which a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-residents (including partnerships with one or more non-resident members) is more than 50% of the aggregate fair market value of all units issued by the trust where more than 10% (based on fair market value) of the trust's property is "taxable Canadian property" within the meaning of the Tax Act or certain other types of specified property. Such draft amendments do not provide any means of rectifying a loss of mutual fund trust status. On December 6, 2004, the Minister of Finance tabled a Notice of Ways and Means Motion which did not include these proposed changes. The Minister of Finance has suspended implementation of those proposed changes pending further consultation with interested parties. Under the Declaration of Trust of the Fund, the Fund is restricted from acquiring investments that are "taxable Canadian property" as such term is defined in the Tax Act (without reference to paragraph (b) of that definition) or other types of specified property. If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations consequences described under the heading "Canadian Income Tax Considerations" would in some respects be materially and adversely different.

Changes in Legislation

There can be no assurance that income tax, securities and other laws or the interpretation and application of such laws by courts and governmental authorities will not be changed in a manner which adversely affects the distributions received by the Fund, the Portfolio Trust or the Unitholders.

Status of the Fund

The Fund is not a "mutual fund" as defined under Canadian securities laws and, accordingly, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds. As a result, some of the protections provided to investors in mutual funds under Canadian securities laws, including certain provisions of NI 81-102, do not apply to the Fund.

Operating History

The Fund is a relatively new investment trust with a short operating history.

Conflicts of Interest

The Manager and its respective directors and officers and their affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest primarily in securities to be held in the Canadian Securities Portfolio or the Portfolio.

Although none of the directors or officers of the Manager devote his or her full time to the business and affairs of the Fund, the Portfolio Trust or the Manager, each devotes as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Manager, the Fund and the Portfolio Trust, as applicable. Although officers, directors and professional staff of the Manager devote as much time to the Portfolio Trust as the Manager deems appropriate to perform its duties, the staff of the Manager may have conflicts in allocating its time and services among the Portfolio and the other portfolios of the Manager.

In addition, the Manager and/or its affiliates, in connection with their business activities, may acquire material non-public confidential information that may restrict it from purchasing assets or selling assets for itself or its clients (including the Portfolio Trust) or otherwise using such information for the benefit of its clients or itself.

The Portfolio Manager is engaged in a wide range of investment management, investment advisory and other business activities. The services of the Portfolio Manager under the portfolio management agreements are not exclusive and nothing in the portfolio management agreements prevent the Portfolio Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies, criteria or restrictions are similar to those of the Fund or the Portfolio Trust) or from engaging in other activities. The Portfolio Manager's investment decisions for the Portfolio will be made independently of those made for its other clients and independently of its own investments. On occasion, however, the Portfolio Manager may decide on the same investment for the Portfolio Trust and for one or more of its other clients. If the Fund or the Portfolio Trust, as applicable, and one or more of the other clients of the Portfolio Manager or its affiliates are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Use of a Prime Broker to Hold Assets

Some or all of the assets of the Portfolio Trust may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody agreement. The prime broker may also lend, pledge or hypothecate the assets of the Portfolio Trust in such accounts, which may result in a potential loss of such assets. As a result, the assets of the Portfolio Trust could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Portfolio Trust may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Fund.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. The Units are not "deposits" within the meaning of the *Canadian Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

Nature of Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the Fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Potential purchasers should consult with their own investment advisers for advice in connection with an investment in the Units.

DISTRIBUTION POLICY

The Fund intends to make quarterly tax-advantaged distributions to Unitholders of record on the last Business Day of each of March, June, September and December. Distributions will be paid no later than the 15th Business Day following the end of the quarter for which the distribution is payable. The Fund does not have a fixed quarterly distribution amount but intends to annually set periodic distribution targets based on the Manager and Portfolio Manager's assessment of anticipated cash flow in the

Portfolio Trust and anticipated expenses of the Fund and the Portfolio Trust from time to time. If the increase in the value of the Portfolio is less than the amount necessary to fund the quarterly distributions (through partial settlements of the Forward Agreement) and if the Manager chooses to nevertheless effect settlements of the Forward Agreement to ensure that the quarterly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders, and accordingly, NAV per Unit would be reduced. **The amount of quarterly distributions may fluctuate from quarter to quarter and there can be no assurance that the Fund will make any distribution in any particular quarter or quarters.**

The Fund has paid all quarterly distributions since inception in an aggregate amount of $0.46875 per Unit to its Unitholders. The Fund has also announced a distribution of $0.15625 per Unit for the quarter ending March 31, 2012. The distribution will be paid on or before April 16, 2012 to Unitholders of record on March 31, 2012, consequently investors purchasing Units pursuant to this short form prospectus will not be entitled to such distribution. Distributions are currently targeted to be $0.15625 per Unit per quarter ($0.625 per annum to yield 6.25% based on the original issue price of $10.00 per Unit).

Amounts distributed on the Units that represent returns of capital are generally not subject to tax but will reduce the Unitholder's adjusted cost base of the Units for tax purposes. See "Canadian Income Tax Considerations".

If the Fund's net income for tax purposes, including net realized capital gains, for any year exceeds the aggregate amount of the regular quarterly distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions (in either cash or Units) in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately after a pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will automatically be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. See "Canadian Income Tax Considerations".

There can be no assurance given as to the amount of targeted distributions, if any, in the future. There is no assurance that the Fund will meet its investment objectives.

REDEMPTION OF SECURITIES

Annual Redemption

Commencing in 2012, Units may be surrendered annually for redemption during the period from July 15th until 5:00 p.m. (Toronto time) on the 10th Business Day in August of each year (the "**Notice Period**") subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the second last Business Day in August of each year (the "**Annual Redemption Date**") and each Unitholder will receive a redemption price per Unit equal to 100% of the NAV per Unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption, if any, related to the partial settlements of the Forward Agreement. The NAV per Unit will depend on the performance of the Portfolio Trust by virtue of the Forward Agreement, among a number of other factors.

Monthly Redemptions

Units may be redeemed at the option of Unitholders on the second last Business Day of each month (other than the Annual Redemption Date) ("**Monthly Redemption Date**"), subject to certain conditions, and in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the 10th Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the 15th Business Day of the month following the Monthly Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances. Unitholders surrendering a Unit for redemption, except in connection with the Annual Redemption Date, will receive the redemption price per Unit equal to the lesser of (i) 95% of the weighted average trading price of the Units on the principal exchange or market on which the Units are quoted for trading for the 10 Business Days immediately preceding the applicable Monthly Redemption Date and (ii) 100% of the closing market price of a Unit on the applicable Monthly Redemption Date, less, in each case, any costs and expenses incurred by the Fund in order to fund such redemption including costs, if any, related to the partial settlements of the Forward Agreement. The "closing market price" means, on a particular date: (i) an amount equal to the closing price of the Units on the principal exchange or market on which the Units are quoted for trading if there was a trade on such date and the exchange or market provides a closing price; (ii) an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading on such date on the principal exchange or market on which Units are quoted for trading and the exchange or market provides only the highest and lowest trading prices of the Units traded on such date; or (iii) the weighted average of the last bid and last asking prices if there was no trading on the date.

The Manager may, without the approval of Unitholders, change the redemption rights attached to the Units on not less than 30 days' notice to Unitholders by increasing the number of times in each year that Units may be redeemed by Unitholders (at a redemption price per Unit to be determined by the Manager), so long as such change does not result in the Fund being a mutual fund for securities law purposes and provided that no such change may be made without Unitholder approval if it would eliminate the rights of Unitholders to redeem their Units on a Monthly Redemption Date.

Suspension of Redemptions

The Manager may suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on stock exchanges or other markets on which securities owned by the Portfolio Trust or the Fund, as applicable, are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the Portfolio Trust or the Fund, as applicable, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Portfolio Trust or the Fund, as applicable, or (ii) for a period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Portfolio Trust or the Fund or which impair the ability of the Manager to determine the value of the assets of the Portfolio Trust or the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

CANADIAN INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Fund and holds Units as capital property. Generally, Units will be considered to be capital property to a purchaser provided that the purchaser does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the facts set out in this prospectus, the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**") and certificates of the Manager and the Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is also based on the assumption that the Fund will at no time be subject to the tax for "SIFT trusts" as set out in the Tax Act. Provided that the Fund complies with its investment restrictions, the Fund should not be subject to the tax for SIFT trusts.

This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" (within the meaning of the Tax Act), that are listed on the TSX, and that the Fund will elect in accordance with the Tax Act to have each of its "Canadian securities" deemed to be treated as capital property.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province in which the investor resides or carries on business. Counsel express no view herein in respect of the deductibility of interest on any funds borrowed by Unitholders to purchase Units. This summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumptions that the Fund will qualify at all times as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units.

On September 16, 2004, the Minister of Finance released Tax Proposals under which a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-residents (including partnerships with one or more non-resident members) is more than 50% of the aggregate fair market value of all units issued by the trust where more than 10% (based on fair market value) of the trust's property is "taxable Canadian property" within the meaning of the Tax Act or certain other types of specified property. Such draft amendments do not provide any means of rectifying a loss of mutual fund trust status. On December 6, 2004, the Minister of Finance tabled a Notice of Ways and Means Motion which did not include these proposed changes. The Minister of Finance has suspended implementation of those proposed changes pending further consultation with interested parties. Under the Declaration of Trust of the Fund, the Fund is restricted from acquiring investments that are "taxable Canadian property" as such term is defined in the Tax Act (without reference to paragraph (b) of that definition) or other types of specified property. If the Fund were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.

Taxation of the Fund

The Fund is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, if any, and net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Manager has advised counsel that the Fund intends to make distributions to Unitholders and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the capital gains refund mechanism. In determining its income for tax purposes, the Fund will treat gains and losses on the disposition of securities in the Canadian Securities Portfolio acquired by the Fund under the Forward Agreement as capital gains and losses.

The Fund will not realize any income, gain or loss as a result of entering into the Forward Agreement and no amount will be included in computing the Fund's income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. Provided the Fund elects in accordance with the Tax Act to have each of its "Canadian securities" (as defined in the Tax Act) treated as capital property, gains or losses realized by the Fund on the sale of the Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses. If the obligations of the Fund and the Counterparty are settled by making cash payments, a payment made or received by the Fund may be treated as an income outlay or receipt, as applicable.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the disposition of securities included in the Canadian Securities Portfolio acquired by the Fund under the Forward Agreement in connection with the redemption of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering and of other issuances or sales of Units paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

On October 31, 2003 the Department of Finance (Canada) released a Tax Proposal (the "**October 2003 Proposals**") relating to the deductibility of losses under the Tax Act. Under the October 2003 Proposals, a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If the October 2003 Proposals were to apply to the Fund, deductions that would otherwise reduce the Fund's taxable income could be denied with after-tax returns to Unitholders reduced as a result. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 2003 Proposals would be released. To date, no such alternative proposal has been released. There can be no assurance such alternative proposal will not adversely affect the Fund.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

The non-taxable portion of the Fund's net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Unitholder's share of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income, but will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

On the disposition or deemed disposition of a Unit (whether on a sale, redemption or otherwise), the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount of capital gains made payable by the Fund to the Unitholder which represents capital gains realized by the Fund in connection with its partial settlements of the Forward Agreement in order to fund the redemption) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. In computing the adjusted cost base of a Unit so acquired, the cost of such Unit will be averaged with the adjusted cost base of all other Units owned by the Unitholder as capital property that were acquired before that time. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the total adjusted cost base to a Unitholder of Units.

One-half of the amount of any capital gain (a "**Taxable Capital Gain**") realized on the disposition of Units will be included in the Unitholder's income and one-half the amount of any capital loss (an "**Allowable Capital Loss**") realized may be deducted from Taxable Capital Gains of the Unitholder for that year. Allowable Capital Losses for a taxation year in excess of Taxable Capital Gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against Taxable Capital Gains in accordance with the provisions of the Tax Act. In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized

Taxable Capital Gains as well as Taxable Capital Gains realized by the Unitholder on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains included in a Registered Plan's income are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Registered Plan. See "Eligibility for Investment". Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Tax Implications of the Fund's Distribution Policy

The NAV per Unit will, in part, reflect any income and gains of the Fund that have accrued or been realized but not made payable at the time Units were acquired. A Unitholder who acquires Units, including on a distribution in the form of Units, may become taxable on the Unitholder's share of income and capital gains of the Fund that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. Since the Fund makes quarterly distributions, the consequences of acquiring Units late in the calendar year will generally depend on the amount of the quarterly distributions throughout the year and whether a special distribution to Unitholders as described under "Distribution Policy" is necessary to ensure that the Fund will not be liable for non-refundable income tax on such amounts under the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act or the Offered Units are listed on a designated stock exchange (which currently includes the TSX), the Offered Units will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding the foregoing, if the Units are ''prohibited investments'' for a tax-free savings account (''TFSA''), a registered retirement savings plan (''RRSP'') or a registered retirement income fund (''RRIF''), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. A ''prohibited investment'' includes a unit of a trust which does not deal at arm's length with the holder of the TFSA, or annuitant of the RRSP or RRIF, as the case may be, or in which the holder or annuitant has a significant interest, which in general terms means the ownership of 10% or more of the value of the trust's outstanding units by the holder or annuitant, either alone or together with persons and partnerships with whom the holder or annuitant does not deal at arm's length. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their own tax advisors in this regard.

TRUSTEE, CUSTODIAN, AUDITOR, TRANSFER AGENT AND PRIME BROKER

Trustee

Computershare Trust Company of Canada is the Trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust of the Fund. The address of the Trustee is 100 University Ave., 9th Floor – North Tower, Toronto Ontario M5J 2Y1.

Custodian

CIBC Mellon Trust Company (the "**Custodian**"), at its principal offices in Toronto, Ontario, is the custodian and valuation agent of the Fund's assets pursuant to the Custodian Agreement. The Custodian may employ sub-custodians as considered appropriate in the circumstances.

Auditor

The auditor of the Fund is PricewaterhouseCoopers LLP, at its principal address at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2.

Registrar and Transfer Agent

Computershare Investor Services Inc. ("**Computershare**") is the registrar, transfer agent and distribution agent for the Units. The register and transfer ledger for the Units are kept by Computershare, at their principal offices located in Toronto, Ontario.

Prime Broker

NBCN Inc. ("**NBCN**") is the prime broker and custodian of the Portfolio Trust and facilitates the Portfolio Trust's leverage. The Manager reserves the right to appoint another prime broker from time to time in its sole discretion. NBCN is located in Toronto, Ontario.

USE OF PROCEEDS

The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be $21,279,880, assuming the exercise of the full Over-Allotment Option. The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in the Portfolio through the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of the Portfolio Trust.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to conditionally offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. The Agents will receive a fee equal to $0.354 per Unit sold (4.0%) and will be reimbursed for reasonable out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units that are not sold.

The Units will be issued at a price of $8.85 per Offered Unit.

The Fund has granted the Agents an option (the "**Over-Allotment Option**"), exercisable for a period of 30 days from the Closing Date to purchase additional Units in an amount equal to 15% of the aggregate number of Units issued on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fee and the net proceeds to the Fund before deducting the expenses of the Offering will be $22,390,500, $895,620 and $21,494,880, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the over-allocation position acquires those Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

The maximum number of Offered Units which will be sold is 2,220,000 Units or $19,470,000. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Offered Units on behalf of subscribers. Subscriptions for Offered Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about April 11, 2012 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a receipt for the final short form prospectus is issued. The Agents may over-allot and effect transactions to cover their over-allotted positions.

The Manager has, on behalf of the Fund, received conditional approval to list the Offered Units distributed under this short form prospectus on the TSX. Listing of the Offered Units will be subject to the Fund fulfilling all of the listing requirements of the TSX.

The Fund has entered into the Forward Agreement with the Counterparty, a Canadian chartered bank and an affiliate of one of the Agents. Accordingly, the Fund may be considered a “connected issuer” of such Agent. See “Overview of the Investment Structure”.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of Units. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Agents may over-allot and may effect transactions to cover their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

EXPERTS

The matters referred to under “Canadian Income Tax Considerations” and certain other legal matters relating to the securities offered hereby will be passed upon by Stikeman Elliott LLP, on behalf of the Fund and McCarthy Tétrault LLP, on behalf of the Agents. The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditor’s report dated March 21, 2012 on the annual financial of the Fund for the fiscal year ended December 31, 2011. PricewaterhouseCoopers LLP is independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

As of the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, and McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Units.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a short form prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

INDEPENDENT AUDITOR'S CONSENT

We have read the short form prospectus of Canadian Convertibles Plus Fund (the "**Fund**") dated March 29, 2012 relating to the offering of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the Unitholders of the Fund on the following:

- the statements of net assets and investment portfolio of the Fund as at December 31, 2011; and
- the statements of operations and deficit, changes in net assets and cash flows of the Fund for the period from March 9, 2011 (commencement of operations) to December 31, 2011.

Our report is dated March 21, 2012.

Toronto, Ontario
March 29, 2012

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants, Licensed Public Accountants

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CERTIFICATE OF THE ISSUER, THE MANAGER AND THE PROMOTER

Dated: March 29, 2012

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CANADIAN CONVERTIBLES PLUS FUND
by
PROPEL CAPITAL CORPORATION
(as Manager, Trustee, Promoter and on behalf of the Fund)

(Signed) RAJ LALA
President and Chief Executive Officer

(Signed) KRISTA MATHESON
Senior Vice President and Chief Financial Officer

On behalf of the Board of Directors of
PROPEL CAPITAL CORPORATION
(as Manager, Trustee, Promoter and on behalf of the Fund)

(Signed) RAJ LALA
Director

(Signed) MICHAEL SIMONETTA
Director

(Signed) KRISTA MATHESON
Director

(Signed) KEITH H. CRONE
Director

CERTIFICATE OF THE AGENTS

Dated: March 29, 2012

To the best of our knowledge, information and belief, this short form prospectus together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

BMO NESBITT BURNS INC.	CIBC WORLD MARKETS INC.	RBC DOMINION SECURITIES INC.	NATIONAL BANK FINANCIAL INC.
(Signed) ROBIN G. TESSIER	(Signed) MICHAEL D. SHUH	(Signed) EDWARD V. JACKSON	(Signed) TIMOTHY EVANS

GMP SECURITIES L.P.

(Signed) NEIL SELFE

SCOTIA CAPITAL INC.	TD SECURITIES INC.
(Signed) BRIAN D. MCCHESNEY	(Signed) CAMERON GOODNOUGH

CANACCORD GENUITY CORP.	DESJARDINS SECURITIES INC.	RAYMOND JAMES LTD.
(Signed) RON SEDRAN	(Signed) BETH A. SHAW	(Signed) J. GRAHAM FELL

DUNDEE SECURITIES LTD.	MACQUARIE PRIVATE WEALTH INC.	MANULIFE SECURITIES INCORPORATED
(Signed) AARON UNGER	(Signed) BRENT LARKAN	(Signed) WILLIAM PORTER