

DIGITAL WORLD TRUST

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

Meeting to be held at 8:30 a.m.

August 2, 2005

1 First Canadian Place

Suite 6300

100 King Street West

Toronto, Ontario

Digital World Trust

121 King Street West
Standard Life Centre
Suite 2600
Toronto, Ontario
M5H 3T9

June 28, 2005

Dear Unitholders:

You are invited to a special meeting (the "Meeting") of holders ("Unitholders") of Units of Digital World Trust (the "Trust") to be held on August 2, 2005 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario.

The purpose of the Meeting is to consider and vote upon a special resolution (the "Special Resolution") to reposition the Trust and enable it to continue on a sustainable basis with a new investment portfolio going forward.

As a result of the significant decline in the value of technology stocks since April 2000, the net asset value ("NAV") of the Trust has declined to approximately \$15 million. At this level it is becoming uneconomical to Unitholders from an expense perspective to continue to operate the Trust. Since inception, the Trust has accumulated approximately \$65.8 million of capital losses for which it would receive no value if the Trust ceased to operate. With the appropriate changes to the Trust, management believes the Trust could increase NAV and utilize these losses for the benefit of Unitholders. In an effort to provide the Trust with the ability to grow in size, increase in value and utilize these tax losses, Unitholders are being asked to approve the Special Resolution to implement a proposal to reposition the Trust and its portfolio in the following respects:

- amend the investment strategy and investment restrictions of the Trust. The Trust will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- amend the investment objectives of the Trust. The Trust's new investment objectives will be to provide Unitholders with a stable stream of quarterly cash distributions targeted to be 7.5% per annum on the NAV of the Trust and to return the NAV per Unit as of the date the Special Resolution is adopted upon termination of the Trust on December 31, 2010. The Trust believes this is a sustainable level for distributions which should promote stability and growth in NAV consistent with the investment attributes of the new portfolio;
- In connection with the Special Resolution, if approved, the Trust will change its name to Top 10 Canadian Financial Trust to reflect better its new investment strategy and Mulvihill Fund Services Inc., as manager, and Mulvihill Capital Management Inc., as investment manager, will reduce their fees from a total of 1.20% to 1.10% of the Trust's NAV from and after the effective date of the Special Resolution;
- extend the termination date of the Trust to December 31, 2010 from December 31, 2009;
- consolidate the remaining Units of the Trust immediately following the effective date of the Special Resolution on a 5 to 1 basis;
- add a one-time redemption right to permit Unitholders to redeem their Units at 100% of NAV for the August 31, 2005 redemption. The annual redemption right available in December of each year at 100% of the NAV per Unit will remain in place and will not be affected;
- permit the Trust to issue additional Units on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.30% of NAV if the Trust completes a public offering of additional Units after the Special Resolution has been approved.

As a result of the proposed Special Resolution and the other items discussed above, the Trust expects to be in a position to continue its operation with a new investment portfolio on a sustainable basis permitting it to increase in value and utilize the Trust's existing tax losses through to the new termination date, while at the same time permitting current Unitholders to exit at 100% of NAV should they choose not to participate going forward.

In order to become effective, the Special Resolution must be approved by a two-thirds majority of the holders of Units represented at the Meeting.

Attached is a Notice of Special Meeting of Unitholders and a Management Information Circular which contain important information relating to the Special Resolution. You are urged to read the Management Information Circular carefully. If you are in doubt as to how to deal with the matters described in the Management Information Circular, you should consult your financial advisor.

If you are a holder of Units and wish to approve the proposals listed above, you should contact your broker and submit the enclosed voting instruction form voting in favour of the Special Resolution, as soon as possible, and in any event no later than 5:00 p.m. (Toronto time) on July 29, 2005. All holders of Units are encouraged to attend the Meeting.

The Trust's Advisory Board and the Board of Directors of Mulvihill Fund Services Inc., the manager of the Trust, have determined that the Special Resolution is in the best interests of the Trust and its Unitholders. Accordingly, the Advisory Board and the Board of Directors recommend that Unitholders of the Trust vote in favour of the Special Resolution.

Sincerely,



JOHN P. MULVIHILL
President

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NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TAKE NOTICE THAT a Special Meeting (the “Meeting”) of the holders (“Unitholders”) of units (“Units”) of Digital World Trust (the “Trust”) will be held at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario on August 2, 2005, at the hour of 8:30 a.m. (Toronto time) for the following purposes:

To consider and, if thought advisable, approve a special resolution (the “Special Resolution”) to:

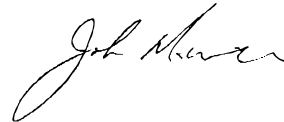
- amend the investment strategy and investment restrictions of the Trust. The Trust will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- amend the investment objectives of the Trust. The Trust’s new investment objectives will be to provide Unitholders with a stable stream of quarterly cash distributions targeted to be 7.5% per annum on the net asset value (“NAV”) of the Trust and to return the NAV per Unit as of the date the Special Resolution is adopted upon termination of the Trust on December 31, 2010;
- extend the termination date of the Trust to December 31, 2010 from December 31, 2009;
- consolidate the remaining Units of the Trust immediately following the effective date of the Special Resolution on a 5 to 1 basis;
- add a one-time redemption right to permit Unitholders to redeem their Units at 100% of NAV for the August 31, 2005 redemption;
- permit the Trust to issue additional Units on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.30% of NAV if the Trust completes a public offering of additional Units after the Special Resolution has been approved,

all as more fully described in the accompanying Management Information Circular.

A copy of the Special Resolution is attached as Appendix I to the accompanying Management Information Circular.

Dated at Toronto, Ontario this 28th day of June, 2005.

By Order of the Board of Directors of
Mulvihill Fund Services Inc., as Manager of the Trust



JOHN P. MULVIHILL
President

Note: Reference should be made to the accompanying Management Information Circular for details of the above matters. If you are unable to be present in person at the Meeting you are requested to complete and sign the enclosed voting instruction form and to return it in the enclosed envelope provided for that purpose.

DIGITAL WORLD TRUST

Digital World Trust (the “Trust”) is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated as of February 15, 2000 (the “Trust Agreement”) between Mulvihill Fund Services Inc. (“Mulvihill”), as manager, and The Royal Trust Company (the “Trustee”), as trustee. Mulvihill is a wholly-owned subsidiary of Mulvihill Capital Management Inc. (“MCM”), the Trust’s investment manager pursuant to an investment management agreement between the Trust and MCM dated February 15, 2000.

For further information relating to the Trust, see “Appendix II — Additional Information”.

The Trust’s current investment objective is to provide holders (“Unitholders”) of units (“Units”) of the Trust with superior returns through active management of the Trust’s portfolio. The Trust expects to provide returns to Unitholders through (a) quarterly distributions and (b) appreciation in the value of the Trust’s portfolio.

On February 23, 2000, the Trust completed its initial public offering of 7,500,000 Units pursuant to a final prospectus dated February 13, 2000. The Trust will terminate on December 31, 2009 (the “Termination Date”) and its net assets will be distributed thereafter to Unitholders unless the term is extended as part of the proposal contemplated in this Management Information Circular.

The Trust currently invests in a diversified portfolio (the “Current Portfolio”) consisting principally of common shares issued by leading “digitally-based” companies defined as those companies with products, services or functions which are provided or can be converted, transmitted or processed in a digital format or which provide, supply or facilitate digitization. Companies whose shares are included in the Current Portfolio must be listed on a major North American stock exchange or quoted on NASDAQ with a market capitalization in excess of US\$5.0 billion and operate within the sectors of Telecommunication Services; Telecommunication Equipment Suppliers; Enabling Hardware and Software; and Related Digital Commerce, Services and Products.

To generate returns above the dividend income earned on the Current Portfolio, the Trust writes covered call options in respect of all or a part of the securities in the Current Portfolio from time to time. From time to time, the Trust may also hold a portion of its assets in cash equivalents, which may be used to provide cover in respect of the writing of cash covered put options in respect of securities in which the Trust is permitted to invest.

The Advisory Board of the Trust and the Board of Directors of Mulvihill have determined that the proposal described below under “Details of the Proposal” is in the best interests of the Trust and its Unitholders and unanimously recommend that holders of Units vote in favour of such proposal.

HISTORIC PERFORMANCE OF THE UNITS

Between February 23, 2000 and May 31, 2005, the Trust paid the holders of Units quarterly distributions totalling \$4.70 per Unit. This represents a yield from inception of 5.94% per annum based on the original issue price of \$15.00. Distributions on the Units have generally been characterized and treated as returns of capital to holders of the Units. The table below sets out in more detail information relating to the distributions paid to holders of Units.

Year	Historical Distributions Per Unit
2000 ⁽¹⁾	\$2.35
2001	\$0.95
2002	\$0.50
2003	\$0.40
2004	\$0.40
2005 ⁽²⁾	<u>\$0.10</u>
Total	<u><u>\$4.70</u></u>
Annualized Distributions ⁽³⁾	5.94%

Notes:

- (1) Includes all distributions from February 23, 2000 to December 31, 2000.
- (2) Includes all distributions through May 31, 2005.
- (3) Based on the original issue price.

The other aspect of the Trust’s investment objective with respect to the Units is to provide appreciation in the value of the Trust’s Current Portfolio. As at June 23, 2005, the net asset value (“NAV”) per Unit was \$3.12. Given the nature of the Trust’s investments and market conditions for issuers of the investments that the Trust may invest in, the value of the Current Portfolio has declined. In addition, as a result of these developments, the Trust does not believe that it can maintain the current level of quarterly distributions on an ongoing basis.

CURRENT PORTFOLIO

As of May 31, 2005, the top ten holdings of the Trust were:

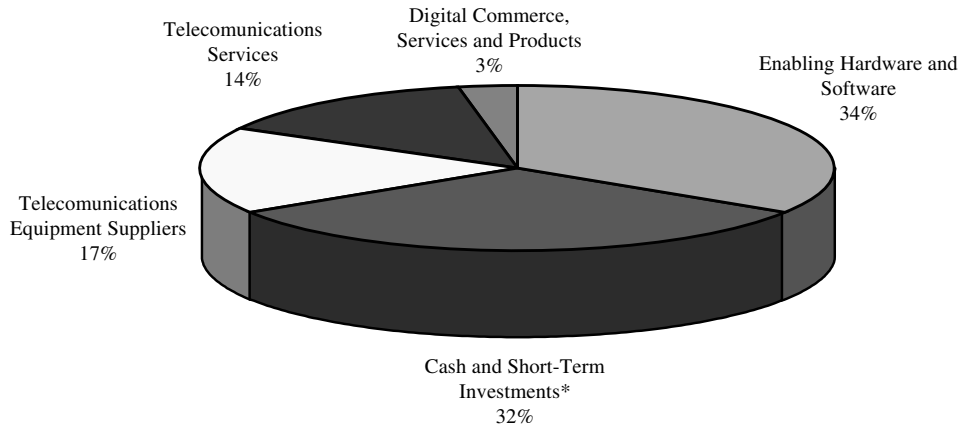
- Cisco Systems Inc.
- Intel Corporation
- Adobe Systems Inc.
- Nextel Communications Inc.
- China Mobile (Hong Kong) Limited
- Charles Schwab & Co., Inc.
- Microsoft Corporation
- Dell Inc.
- Network Appliance Inc.
- IBM Corporation

As of May 31, 2005, the top ten holdings of the Trust represented the following:

% of Portfolio in Top 10 Holdings	37.24%
% Cash Covered Put Positions	nil
% of Portfolio in Cash & Short Term Investments	31.82%

A breakdown of the asset mix of the Trust’s Current Portfolio as of May 31, 2005 is as follows:

Asset Mix as of May 2005



* Net of cash covered put positions

DETAILS OF THE PROPOSAL

As a result of the significant decline in the value of technology stocks since April 2000, the NAV of the Trust has declined to approximately \$15 million. At this level it is becoming uneconomical to Unitholders from an expense perspective to continue to operate the Trust. Since inception, the Trust has accumulated approximately \$65.8 million of capital losses for which it would receive no value if the Trust ceased to operate. With the appropriate changes to the Trust, management believes the Trust could increase NAV and utilize these losses for the benefit of Unitholders. In an effort to provide the Trust with the ability to grow in size, increase in value and utilize these tax losses, Unitholders are

being asked to approve the Special Resolution to implement a proposal to reposition the Trust and its portfolio in the following respects:

- amend the investment strategy and investment restrictions of the Trust. The Trust will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- amend the investment objectives of the Trust. The Trust's new investment objectives will be to provide Unitholders with a stable stream of quarterly cash distributions targeted to be 7.5% per annum on the NAV of the Trust and to return the NAV per Unit as of the date the Special Resolution is adopted upon termination of the Trust on December 31, 2010. The Trust believes this is a sustainable level for distributions which should promote stability and growth in NAV consistent with the investment attributes of the new portfolio;
- In connection with the Special Resolution, if approved, the Trust will change its name to Top 10 Canadian Financial Trust to reflect better its new investment strategy and Mulvihill, as manager, and MCM, as investment manager, will reduce their fees from a total of 1.20% to 1.10% of the Trust's NAV from and after the effective date of the Special Resolution;
- extend the termination date of the Trust to December 31, 2010 from December 31, 2009;
- consolidate the remaining Units of the Trust immediately following the effective date of the Special Resolution on a 5 to 1 basis;
- add a one-time redemption right to permit Unitholders to redeem their Units at 100% of NAV for the August 31, 2005 redemption. The annual redemption right available in December of each year at 100% of the NAV per Unit will remain in place and will not be affected;
- permit the Trust to issue additional Units on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.30% of NAV if the Trust completes a public offering of additional Units after the Special Resolution has been approved.

The Trust expects that following the implementation of the Special Resolution it will offer additional Units to the public by prospectus in order to increase its asset base going forward. There is no assurance that any such offering, if made, will be successful or completed.

As a result of the proposed Special Resolution and other items discussed above, the Trust expects to be in a position to continue its operation with a new investment portfolio on a sustainable basis permitting it to increase in value and utilize the Trust's existing tax losses through to the new termination date, while at the same time permitting current Unitholders to exit at 100% of NAV should they choose not to participate going forward.

Further details relating to the Special Resolution are discussed below.

Investment Objectives

Unitholders are being asked to permit the Trust to amend its investment objectives. The Trust's new proposed investment objectives are:

- (i) to provide Unitholders of the Trust with a stable stream of quarterly cash distributions in an amount targeted to be 7.5% of NAV per Unit; and
- (ii) to return the NAV per Unit as of the date the Special Resolution is adopted to Unitholders upon termination of the Trust on December 31, 2010.

New Portfolio/Investment Strategy

Unitholders are also being asked to permit the Trust to amend its investment strategy. The Trust's new proposed investment strategy will be to invest exclusively in: (i) the six (6) largest Canadian banks and (ii) the four (4) largest Canadian life insurance companies (the "Financial Portfolio"). The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in each of the companies in the Financial Portfolio.

The tables below set out, as at June 28, 2005, the following information for each entity whose securities would currently be included in the Financial Portfolio: name, market capitalization, dividend yield, the average 30-day volatility and the 5-year price compound annual growth rate.

	<u>Market Capitalization (\$CAD Million)</u>	<u>Dividend Yield</u>	<u>30-Day Price Volatility</u>	<u>5-Year Price CAGR</u>
Banks				
Bank of Montreal	28,658.67	3.20%	9.52%	12.67%
The Bank of Nova Scotia	41,175.02	3.28%	7.54%	17.40%
Canadian Imperial Bank of Canada	26,093.04	3.53%	10.09%	13.17%
National Bank of Canada	9,221.26	3.19%	9.58%	19.24%
Royal Bank of Canada	48,847.61	3.23%	9.72%	14.43%
The Toronto-Dominion Bank	39,358.08	2.88%	13.92%	8.59%
Life Insurance Companies				
Great-West Lifeco Inc.	25,407.29	2.74%	15.28%	17.18%
Industrial Alliance Insurance and Financial Services Inc.	2,273.95	1.75%	22.04%	18.70%
Manulife Financial Corp.	47,920.48	2.00%	14.26%	17.43%
Sun Life Financial Corp.	24,911.13	2.27%	15.56%	11.64%

To generate additional returns above the dividend income earned on the Financial Portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the Financial Portfolio. In addition, the Trust may hold a portion of its assets in cash equivalents which may be used to provide cover in respect of the writing of cash covered put options in respect of securities in which the Trust is permitted to invest. The Financial Portfolio will be managed by the Trust’s investment manager, MCM. The composition of the Financial Portfolio, the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based upon MCM’s assessment of market conditions.

Covered Option Writing

The writing of call options by the Trust will involve the selling of call options in respect of some or all of the securities in the Financial Portfolio. Such call options may be either exchange traded options or over-the-counter options. Because call options will be written only in respect of securities that are in the Financial Portfolio and because the proposed investment restrictions of the Trust prohibit the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Trust at the strike price per security. By selling call options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Trust will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Trust may repurchase a call option which is in-the-money by paying the market value of the call option. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium. See “— Call Option Pricing” below.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security. The higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See “— Call Option Pricing” below.

If a call option is written on a security in the Financial Portfolio, the amounts that the Trust will be able to realize on the security during the term of the call option will be limited to the dividends received during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Trust will forgo potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

<i>the volatility of the price of the underlying security</i>	the volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or “trailing” the date of calculation.
<i>the difference between the strike price and the market price of the underlying security at the time the option is written</i>	the smaller the positive difference (or the larger the negative difference), the greater the option premium.
<i>the term of the option</i>	the longer the term, the greater the call option premium.
<i>the “risk-free” or benchmark interest rate in the market in which the option is issued</i>	the higher the risk-free interest rate, the greater the call option premium.
<i>the dividends expected to be paid on the underlying security during the relevant term</i>	the greater the dividends, the lower the call option premium.

Sensitivity Analysis Relating to the Option Premium

The table below illustrates the sensitivity of annualized option premiums from writing call options on securities to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the range of volatility shown in the table approximates the range of the historical average volatility of securities in the Financial Portfolio;
2. all options are exercisable at maturity and are written at the same percentage out-of-the-money;
3. all options have a term of 30-days (for illustrative purposes only — this assumption is not necessarily indicative of the extent to which options will be written by the Trust);
4. the Canadian risk-free or benchmark interest rate equals 2.52%; and
5. the average return from the dividends paid on the securities comprising the Financial Portfolio is 2.81%.

ANNUALIZED PREMIUMS FROM WRITING COVERED CALL OPTIONS (MEASURED AS A % RETURN)

		Average Volatility Of The Individual Stocks In The Financial Portfolio										
		10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
	3%	2.6%	4.3%	6.3%	8.5%	10.8%	13.1%	15.6%	18.1%	20.6%	23.2%	25.8%
% Out-Of-The-Money	2%	4.9%	7.1%	9.5%	11.9%	14.4%	17.0%	19.6%	22.2%	24.9%	27.6%	30.2%
	1%	8.4%	11.0%	13.6%	16.3%	19.0%	21.7%	24.4%	27.1%	29.8%	32.5%	35.2%
	0%	13.5%	16.2%	19.0%	21.7%	24.4%	27.2%	29.9%	32.6%	35.4%	38.1%	40.8%

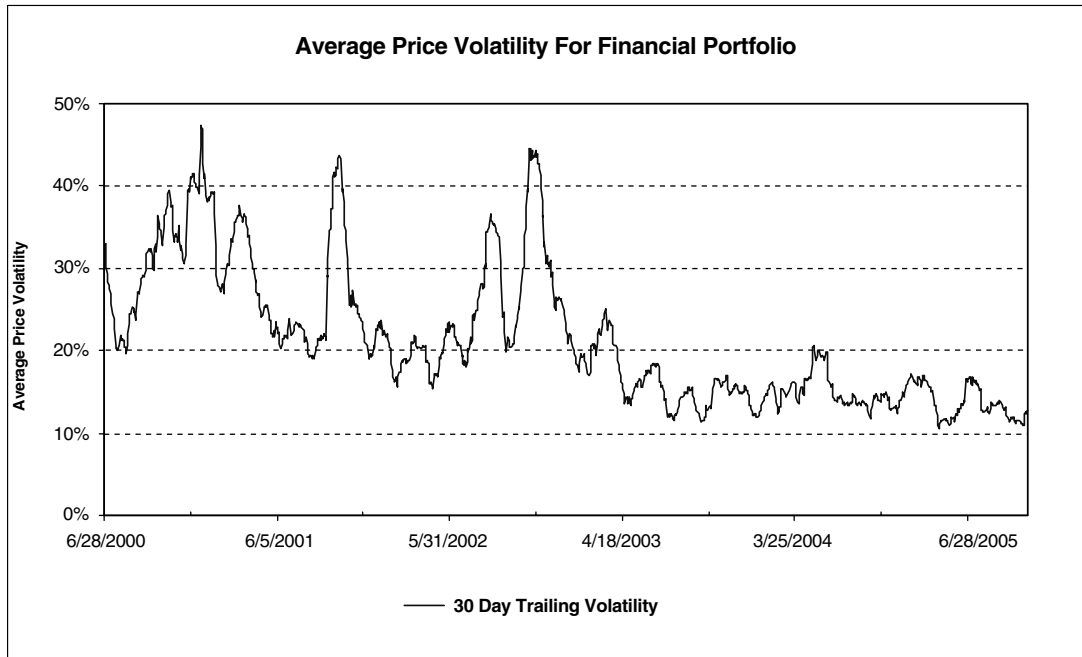
The information set forth above is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis would ever be available or

realized. The range of percentage out-of-the-money shown in the above table is based on the range generally utilized by MCM in writing call options.

Volatility History

The historical average, low, high and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in the Financial Portfolio for the 5 years ended June 28, 2005 is as follows:

	5 Year Volatility			
	Average	Low	High	Current
Financial Portfolio	21.36%	10.43%	47.29%	12.75%



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Financial Portfolio.

Sensitivity Analysis Relating to Volatility

Based on the assumptions set out below, and maintenance of a constant Financial Portfolio NAV by assuming no gains or losses in the underlying Financial Portfolio securities at the expiration of the option, the following represents the percentage of the Trust’s Financial Portfolio against which covered call options would need to be written at different volatility levels to pay the targeted distribution of 7.5% of initial NAV per Unit on the Units:

1. upon implementation of the Special Resolution, the Trust’s current NAV will be the same;
2. distributions on the Units are 7.5% of initial NAV per Unit;
3. the range of volatility shown in the table approximates the range of the historical average volatility of the securities in the Financial Portfolio;
4. all call options are exercisable at maturity and are written at the same percentage out-of-the-money;
5. all securities comprising the Financial Portfolio are subject to 30-day call options throughout the relevant period (for illustrative purposes only — this assumption is not necessarily indicative of the extent to which covered call options will be written by the Trust);
6. the Canadian risk-free or benchmark interest rate equals 2.52%;
7. the average return from the dividends paid on the securities in the Financial Portfolio is 2.81%;

8. annual expenses (ordinary and extraordinary) for the Trust are \$140,000, plus the fees payable to MCM and Mulvihill, which total 1.10% of total assets of the Trust, plus applicable tax.

**% Of Portfolio Required To Be Written To Achieve Target Distribution of 7.5% of
Initial NAV per Unit
(Net of Fees and Expenses)**

		Average Volatility Of The Individual Stocks In The Portfolio										
		10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
	3%	177.7%	134.4%	105.1%	85.0%	70.7%	60.2%	52.2%	46.0%	41.0%	37.0%	33.6%
% Out-Of-The-Money	2%	125.3%	97.0%	78.3%	65.2%	55.6%	48.4%	42.8%	38.3%	34.6%	31.6%	29.1%
	1%	85.7%	69.5%	58.4%	50.2%	44.1%	39.2%	35.3%	32.1%	29.4%	27.2%	25.2%
	0%	58.8%	50.4%	44.1%	39.2%	35.2%	32.0%	29.4%	27.1%	25.2%	23.5%	22.0%

Utilization of Cash Equivalents

The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. Such cash covered put options will only be written in respect of securities in which the Trust is permitted to invest.

The holder of a put option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Trust at the strike price per security. By selling put options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. The Trust however, must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written. If at any time during the term of a put option or at expiry, the market price of the underlying securities is below the strike price, the holder of the option may exercise the option and the Trust will be obligated to buy the securities from the holder at the strike price per security. In such case, the Trust will be obligated to acquire a security at a strike price which may exceed the then current market value of such security. If, however, the option is out-of-the-money at the expiration of the put option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium.

Investment Restrictions

Unitholders are being asked to permit the Trust to amend its investment restrictions. The following investment restrictions will replace the current investment restrictions of the Trust such that the Trust may:

- (i) purchase securities of an issuer only if such securities are common equity securities of issuers selected from the Financial Portfolio. The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in the securities of each issuer in the Financial Portfolio;
- (ii) not purchase equity securities of issuers other than those permitted under paragraph (i) and may only purchase debt securities if such securities are cash equivalents;
- (iii) write a call option in respect of any security only if such security is actually held by the Trust at the time the option is written;
- (iv) not dispose of any security included in the Financial Portfolio that is subject to a call option written by the Trust unless such option has either terminated or expired;
- (v) write put options in respect of any security only if (a) the Trust is permitted to invest in such security, and (b) so long as the options are exercisable, the Trust continues to hold cash equivalents sufficient to acquire the securities underlying the options at the aggregate strike price of such options;
- (vi) reduce the total amount of cash equivalents held by the Trust, only if the total amount of cash equivalents held by the Trust remains an amount not less than the aggregate strike price of all outstanding put options written by the Trust;
- (vii) not enter into any arrangement (including the acquisition of securities for the Financial Portfolio and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the *Income Tax Act* (Canada) (the "Tax Act");

- (viii) purchase put options on individual securities in the Financial Portfolio or exchange-listed index put options and purchase call options and put options with the effect of closing out existing call options and put options written on the Trust;
- (ix) purchase derivatives or enter into derivatives or other transactions to facilitate achieving the investment objectives of the Trust;
- (x) not make or hold any investment that would result in more than 10% (by fair market value) of the Trust's property being "taxable Canadian property" or other "specified property" as described in proposed amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004; and
- (xi) not make or hold any investments that would result in the Trust failing to qualify as a "mutual fund trust" or a "unit trust" within the meaning of the Tax Act.

Use of Other Derivative Instruments

The Trust may purchase put options on individual securities in the Financial Portfolio or exchange-traded indexed put options in order to protect the Trust from declines in the market prices of the individual securities in the Financial Portfolio or in the value of the Financial Portfolio as a whole. The Trust may enter into trades to close out positions in such permitted derivatives. In addition to writing covered call options and cash covered put options, and to the extent permitted by Canadian securities regulators from time to time, the Trust may purchase call options and put options with the effect of closing out existing call options and put options written by the Trust.

Securities Lending

In order to generate additional returns, the Trust may lend Financial Portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (a "Securities Lending Agreement"). Under a Securities Lending Agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the 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 Trust will receive prescribed collateral security.

Extension of Term

Unitholders are being asked to permit the Trust to extend the termination date of the Trust to December 31, 2010 from December 31, 2009.

The Trust proposes to extend the termination date to December 31, 2010 in order to continue to provide Unitholders with the opportunity to remain Unitholders of the Trust on a sustainable basis, to participate in the performance of the Financial Portfolio and to attempt to fully utilize the Trust's accumulated capital losses.

Consolidation of Units

Unitholders are being asked to permit the Trust to consolidate the existing Units of the Trust on a 5 to 1 basis. The NAV per Unit is currently approximately \$3.12. After the consolidation, the NAV per Unit should be approximately \$15.60.

Amendment to Redemption Rights

Unitholders are being asked to amend the redemption rights to permit Unitholders to redeem their Units at 100% of NAV for the August 31, 2005 redemption. The annual redemption right at 100% of NAV per Unit available in December of each year will remain in place and will not be affected.

The additional August 31, 2005 redemption right will allow Unitholders who do not wish to participate in the Trust after the effective date of the Special Resolution to exit in August 31, 2005 at 100% of NAV per Unit instead of waiting until December 31, 2005. This change will in no way effect the existing annual redemption right that Unitholders have to redeem their Units at 100% of NAV in December of each year or the existing monthly redemption rights.

Issuance of Additional Units

Unitholders will be asked to consider an amendment to permit the Trust to issue additional Units on the basis that any such issuance is not dilutive to current Unitholders. This means that the net proceeds per Unit issued must be at

least equal to the most recently calculated NAV per Unit at the time the subscription price for the Units is being determined. This amendment will permit the Trust to issue additional Units if considered appropriate and will bring the Trust in line with similar rights contained in more recently offered funds.

Service Fee

Unitholders are also being asked to approve a service fee (calculated and paid as soon as practicable after the end of each calendar quarter) equal to 0.30% per annum of the NAV per Unit plus applicable taxes to investment dealers on a *pro rata* basis based on the respective number of Units held by clients of the sales representatives of such dealers. The service fee would only be payable if the Trust completes a public offering of additional Units after the Special Resolution has been approved.

The service fee will provide representatives of dealers with compensation for the ongoing services they provide to their clients who hold Units of the Trust including administrative matters relating to clients' accounts and for monitoring the performance of their clients' investments in Units of the Trust.

RECOMMENDATION OF THE ADVISORY BOARD AND THE BOARD OF DIRECTORS OF THE MANAGER

The Trust's Advisory Board and the Board of Directors of Mulvihill, as the manager of the Trust, have determined that the Special Resolution is in the best interests of the Trust and its Unitholders and unanimously recommend that holders of Units vote in favour of such Special Resolution.

In arriving at such determination, consideration was given to the following factors:

- Restructuring of the Trust and extending the term will permit the Trust to be in a better position to increase NAV and to utilize all the existing tax losses for the benefit of Unitholders on a going forward basis.
- The current distribution payable on the Units is not sustainable.
- Current Unitholders are being provided with an opportunity to redeem their Units at 100% of NAV for the August 31, 2005 redemption date should they choose not to participate by continuing to hold Units if the Special Resolution is approved.
- The manager and investment manager will reduce their fees from and after the effective date of the Special Resolution from a total of 1.20% to 1.10% of the Trust's NAV.
- Approval of the Special Resolution will not result in a disposition of the Units by Unitholders.

EXPENSES OF THE PROPOSAL

Whether or not the Special Resolution is approved, all costs associated with the proposal will be borne by the Trust and therefore, in effect, by the holders of Units. Such costs are estimated to be \$100,000.

TERMINATION OF THE PROPOSAL

The Special Resolution may, at any time before or after the holding of the special meeting of holders of Units (the "Meeting") (but prior to the entering into of an amendment to the Trust Agreement giving effect to the Special Resolution) be terminated by the Advisory Board without further notice to, or action on the part of, holders of Units if the Advisory Board determines in its sole judgment that it would be inadvisable for the Trust to proceed.

INTEREST OF MANAGEMENT AND OTHERS IN THE PROPOSAL

Mulvihill is the manager of the Trust and MCM is the investment manager of the Trust.

Mulvihill receives a management fee and MCM receives investment management fees as described in "Appendix II — Additional Information". However, if the Special Resolution is approved, Mulvihill and MCM have agreed to reduce their fees from a total of 1.20% to 1.10% of NAV of the Trust for the period from the date of the adoption of the Special Resolution to its new termination date of December 31, 2010.

Certain of the officers and advisors of the Trust are also employees or officers of Mulvihill or MCM. See "Appendix II — Additional Information".

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Trust, the following is a summary of the principal Canadian federal income tax considerations relating to the Special Resolution that are generally applicable to Unitholders who at all relevant times for purposes of the Tax Act hold Units as capital property and deal at arm's length with and are not affiliated with the Trust. Certain Unitholders whose Units might not otherwise qualify as capital property may be entitled to make the irrevocable election in the circumstances permitted by subsection 39(4) of the Tax Act to deem Units (and all other Canadian securities owned by the holder) to be capital property. Units held by certain "financial institutions" (as defined in the Tax Act) will generally not be capital property to such Unitholders and will be subject to special rules in the Tax Act applicable to securities held by financial institutions. These rules are not discussed in this summary and Unitholders to whom these rules may be relevant should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "Regulations"), all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Draft Amendments"), and counsel's understanding of the current administrative practices of the Canada Revenue Agency ("CRA"). This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in law, nor does it take into account, provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder, and no representations with respect to the income tax consequences to any particular Unitholder are made. Accordingly, Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of the Special Resolution, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

The Trust currently meets and expects to continue to meet (including if the Special Resolution is approved) certain minimum requirements in respect of the public distribution of its units. The Special Resolution will not affect the status of the Trust as a "mutual fund trust" under the Tax Act.

The Trust has made an election under subsection 39(4) of the Tax Act which deems all securities that are "Canadian securities" (as defined in the Tax Act) to be capital property to the Trust.

In determining the income of the Trust, premiums received by the Trust on covered call options and cash covered put options written by the Trust (and which are not exercised prior to the end of the year) will constitute capital gains of the Trust in the year received, and gains or losses realized upon dispositions of securities of the Trust (whether upon the exercise of call options written by the Trust or otherwise) will constitute capital gains or capital losses of the Trust in the year realized unless the Trust is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Trust will purchase the Financial Portfolio with the objective of earning dividends thereon over the life of the Trust including dividends on securities acquired upon the exercise of cash covered put options written by the Trust, will write covered call options with the objective of increasing the yield on the Financial Portfolio beyond the dividends received on the Financial Portfolio and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options. In accordance with CRA's published administrative practice, transactions undertaken by the Trust in respect of covered options and shares will be treated and reported for purposes of the Act on capital account and designations by the Trust with respect to its income and capital gains, as described below, will be made and reported to Unitholders on this basis. CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from CRA. Premiums received by the Trust on covered call (or cash covered put) options which are exercised in the taxation year in which the option is written by the Trust are added in computing the proceeds of disposition (deducted in computing the adjusted cost base) to the Trust of the securities disposed of (acquired by) the Trust on exercise of such call (put) options.

If, contrary to CRA's published administrative practice and the advice of counsel or as a result of a change of law, some or all of the transactions undertaken by the Trust in respect of covered options and securities in the Financial Portfolio were treated on income rather than capital account, after-tax returns to Unitholders could be reduced and the Trust may be subject to non-refundable income tax from such transactions.

The Trust will designate to the extent permitted by the Act the portion of the net income distributed to Unitholders as may reasonably be considered to consist of net realized taxable capital gains of the Trust net of realized capital losses and net capital loss carry-forwards, and the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations. Any such designated amount will be deemed for purposes of the Act to be received or realized by Unitholders in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a Unitholder.

Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable the Trust to utilize, in a particular year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Trust will not be required to be included in the income of the Unitholder. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been allocated to the Unitholder, the adjusted cost base of the Unitholder's Units would be reduced by such amount.

The changes set forth in the Special Resolution will not constitute a disposition of Units if the Special Resolution is approved by Unitholders.

UNITS AND PRINCIPAL HOLDERS

As of June 28, 2005 there were 4,858,870 Units outstanding.

As of June 28, 2005, to the knowledge of the trustees and officers, no person owns of record more than 10% of the outstanding Units of the Trust other than CDS & Co., the nominee of The Canadian Depository for Securities Limited which holds all of the Units as registered owner for various brokers and other persons on behalf of their clients and others and the names of the beneficial owners of such Units are not known to the Trust.

GENERAL PROXY INFORMATION

Information Circular

This Information Circular is furnished in connection with the solicitation by management of the Trust of proxies to be used at the Meeting to be held at the time and place and for the purposes set out in the Notice of Special Meeting of Unitholders accompanying this Management Information Circular. The Meeting will be held on August 2, 2005 at 8:30 a.m. (Toronto time) at 1 First Canadian Place, Suite 6300, 100 King Street West, Toronto, Ontario. Sending notice of the meeting and soliciting proxies for the meeting will be paid by the Trust. Solicitation of proxies will be by mail and may be supplemented by telephone or other personal contact by agents of the Trust.

Voting Rights, Record Date, Quorum and Proxy Information

To be used at the Meeting, a proxy must be deposited with Computershare Trust Company of Canada at 100 University Avenue, Toronto, Ontario M5J 2Y1 (or if by facsimile sent to: 416-263-9524 or 1-866-249-7775) at any time up to 5:00 p.m. (Toronto time) on July 29, 2005 or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or the day of any adjournment of the Meeting.

Only holders of record at the close of business on June 28, 2005 of Units will be entitled to vote in respect of the matters to be voted at the Meeting, or any adjournment thereof, including the Special Resolution.

With respect to each matter properly before the Meeting, a Unitholder shall be entitled to one vote for each Unit registered in the name of such Unitholder.

Pursuant to the Trust Agreement, a quorum at the Meeting will consist of two or more Unitholders present in person or represented by proxy holding not less than 10% of the outstanding Units of the Trust. If the quorum requirement is not satisfied within one-half hour of the scheduled time for the Meeting, then the Meeting will be adjourned by the Chairman of the Meeting. If adjourned, the Meeting will be rescheduled to 8:30 a.m. (Toronto time) on August 12, 2005. At the adjourned meeting, the business of the Meeting will be transacted by those holders of Units present in person or represented by proxy.

Appointment of Proxy Holders

Unitholders who are unable to be present at the Meeting may still vote through the use of proxies. If you are a Unitholder, you should complete, execute and return the enclosed proxy form. By completing and returning the enclosed proxy form, you can participate in the Meeting through the person or persons named on the form. Please indicate the way you wish to vote on each item of business and your vote will be cast accordingly. **If you do not indicate a preference, the Units represented by the enclosed proxy form, if the same is executed in favour of the management appointees named in the proxy form and deposited as provided in the Notice of Special Meeting of Unitholders, will be voted in favour of all matters identified in such Notice of Special Meeting of Unitholders.**

Discretionary Authority of Proxies

The proxy form confers discretionary authority upon the management appointees named therein with respect to such amendments or variations to the Special Resolution, as, though not specifically set forth in the Notice of Special Meeting of Unitholders, may properly come before the Meeting. The Board of Directors and management does not know of any such amendments or variations which may be presented for consideration at the Meeting. However, if any such matter is presented, the proxy will be voted thereon in accordance with the best judgment of the management appointees named in the proxy form.

On any ballot that may be called for at the Meeting, all Units in respect of which the management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the Unitholder signing the proxy form. If no such specification is made, then the Units will be voted in favour of all matters identified in the Notice of Special Meeting of Unitholders.

Alternate Proxy

A Unitholder has the right to appoint a person other than the management appointees designated on the accompanying proxy form by crossing out the printed names and inserting the name of the person he or she wishes to act as proxy in the blank space provided, or by completing another proxy form. Proxy forms which appoint persons other than the management appointees whose names are printed on the form should be submitted to the Trust and the person so appointed should be notified. A person acting as proxy need not be a Unitholder.

On any ballot that may be called for at the Meeting, all Units in respect of which the person named in a proxy form has been appointed to act shall be voted or withheld from voting in accordance with the specification of the Unitholder signing such proxy form. If no such specification is made, then the Units may be voted in accordance with the best judgment of the person named in the proxy form. Furthermore, the person named in the proxy form will have discretionary authority with respect to any amendments to the matters set forth in the Notice of Special Meeting and the proxy will be voted on such amendments in accordance with the best judgment of the person named in such proxy form.

Revocation of Proxies

If the accompanying form of proxy is executed and returned, such proxy may nevertheless be revoked by an instrument in writing executed by the Unitholder or his or her attorney authorized in writing, as well as in any other manner permitted by law. Any such instrument revoking a proxy must either be deposited at the registered office of the Trust no later than 5:00 p.m. (Toronto time) on the day before the day of the Meeting or be deposited with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Solicitation of Proxies

The cost of this solicitation of proxies will be borne by the Trust. The Trust will reimburse brokers, custodians, nominees and fiduciaries for the proper charges and expenses incurred in forwarding this Management Information Circular and related materials to beneficial owners of Units. In addition to solicitation by mail, officers and directors of the Trust may, without additional compensation, solicit proxies personally or by telephone.

Advice to Beneficial Holders

The information set forth in this section is of significant importance to beneficial holders of Units, as the Units are held in the name of CDS & Co., the nominee of The Canadian Depository for Securities Limited, and not in the name

of the beneficial holders of the Units. The Trust utilizes the book-entry only system of registration and thus Unitholders do not hold their Units in their own name (“Beneficial Unitholders”). Beneficial Unitholders should note that only proxies deposited by Unitholders whose names appear on the records of the Trust as the registered holders of Units can be recognized and acted upon at the Meeting. Shares held by brokers or their nominees through CDS & Co. can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, CDS & Co. and brokers/nominees are prohibited from voting Units for their client(s). The Trust does not know for whose benefit the Units registered in the names of CDS & Co. are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of proxy unless they comply with the procedure designated below.

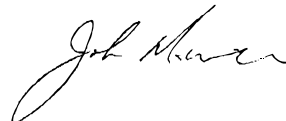
Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of unitholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to that provided to registered unitholders. However, its purpose is limited to instructing the registered unitholders how to vote on behalf of the Beneficial Unitholders. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“ADP”). ADP typically prepares a voting instruction form which it mails to the Beneficial Unitholders and asks Beneficial Unitholders to complete and return directly to ADP. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of units to be represented at the Meeting. **A Beneficial Unitholder receiving a voting instruction form cannot use that form to vote Units directly at the Meeting; the voting instruction form must be returned to ADP well in advance of the Meeting in order to have the Units voted.**

If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.

If you are a holder of Units and wish to approve the Special Resolution, you should submit a voting instruction form prior to 5:00 p.m. (Toronto time) on July 29, 2005 voting in favour of the Special Resolution.

Approval of Information Circular

The contents and mailing to Unitholders of this Management Information Circular have been approved by the Advisory Board and the Board of Directors of the manager of the Trust.



JOHN P. MULVIHILL
President

APPENDIX I
SPECIAL RESOLUTION OF THE UNITHOLDERS

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Trust Agreement is hereby amended by:

(a) deleting the first paragraph of Section 2.4 and substituting the following:

“The Trust’s investment objectives are to (i) provide Unitholders of the Trust with a stable stream of quarterly cash distributions in an amount targeted to be 7.5% of Net Asset Value Per Unit and (ii) to return the Net Asset Value Per Unit as of August 2, 2005 to Unitholders upon termination of the Trust on the Termination Date. The Trust shall endeavour to achieve these objectives by investing its assets exclusively in the six (6) largest Canadian banks and the four (4) largest Canadian life insurance companies by market capitalization (the “Financial Portfolio”).”;

(b) deleting Section 2.6 and substituting the following:

“In investing the Trust Property, the Manager and the Investment Manager, if applicable, may:

- (i) purchase securities of an issuer only if such securities are common equity securities of issuers selected from the Financial Portfolio. The Trust will generally invest not less than 5% and not more than 15% of the Trust’s assets in the securities of each issuer in the Financial Portfolio;
- (ii) not purchase equity securities of issuers other than those permitted under paragraph (i) and may only purchase debt securities if such securities are cash equivalents;
- (iii) write a call option in respect of any security only if such security is actually held by the Trust at the time the option is written;
- (iv) not dispose of any security included in the Financial Portfolio that is subject to a call option written by the Trust unless such option has either terminated or expired;
- (v) write put options in respect of any security only if (a) the Trust is permitted to invest in such security, and (b) so long as the options are exercisable, the Trust continues to hold cash equivalents sufficient to acquire the securities underlying the options at the aggregate strike price of such options;
- (vi) reduce the total amount of cash equivalents held by the Trust, only if the total amount of cash equivalents held by the Trust remains an amount not less than the aggregate strike price of all outstanding put options written by the Trust;
- (vii) not enter into any arrangement (including the acquisition of securities for the Financial Portfolio and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the Tax Act;
- (viii) purchase put options on individual securities in the Financial Portfolio or exchange-listed index put options, and purchase call options and put options with the effect of closing out existing call options and put options written on the Trust;
- (ix) purchase derivatives or enter into derivatives or other transactions to facilitate achieving the investment objectives of the Trust;
- (x) not make or hold any investment that would result in more than 10% (by fair market value) of the Trust’s property being “taxable Canadian property” or other “specified property” as described in proposed amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004; and
- (xi) not make or hold any investments that would result in the Trust failing to qualify as a “mutual fund trust” or a “unit trust” within the meaning of the Tax Act.

The Trust may purchase put options on individual securities in the Financial Portfolio or exchange-traded indexed put options in order to protect the Trust from declines in the market prices of the individual securities in the Financial Portfolio or in the value of the Financial Portfolio as a whole. The Trust may enter into trades to close out positions in such permitted derivatives. In addition to writing covered call options and cash covered put options, and to the extent permitted by Canadian

securities regulators from time to time, the Trust may purchase call options and put options with the effect of closing out existing call options and put options written by the Trust.

In order to generate additional returns, the Trust may lend Financial Portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower. Under a securities lending agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the 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 Trust will receive prescribed collateral security.”;

- (c) deleting Subsection 8.3(a) and substituting the following:

“fees payable to any Investment Manager of up to a maximum annual aggregate rate of 1.00% of the Net Asset Value of the Trust calculated and payable monthly based on the Net Asset Value as at the last day of each month plus, if the Trust completes a public offering of Units after August 2, 2005 an amount equal to the service fee described in Subsection 8.3(m) below, plus applicable taxes and related expenses unless otherwise approved by Unitholders in accordance with Section 16.3;”;
 - (d) deleting Section 17.1 and substituting the following:

“The Trust will terminate on December 31, 2010 unless Unitholders determine to continue the Trust by a two-thirds majority vote at a meeting called for such purpose in which case the Trust will terminate on the date fixed at such meeting (December 31, 2010 or such other date, as the case may be, is herein referred to as the “Termination Date”).”;
 - (e) all Units of the Trust issued and outstanding on August 2, 2005 shall be consolidated on a five (5) to one (1) basis;
 - (f) deleting the first sentence of Section 5.2 and substituting the following:

“Unitholders whose Units are redeemed on the December Valuation Date in a year (commencing with the December 2000 Valuation Date) or on the August 31, 2005 Valuation Date will be entitled to receive a redemption price per Unit equal to the Net Asset Value Per Unit determined as of such Valuation Date.”;
 - (g) deleting clause 3.3(iii) and substituting the following:

“pursuant to an offering of rights, warrants or options to existing Unitholders or by way of private placement or public offering where the net proceeds per Unit to be received by the Trust are not less than the most recently calculated Net Asset Value Per Unit prior to the date of the setting of the subscription price to be paid to the Trust; or”;
 - (h) adding the following paragraph as a new paragraph (m) to Section 8.3:

“if the Trust completes a public offering of Units after August 2, 2005 a service fee (to be calculated and paid as soon as practicable after the end of each calendar quarter) equal to 0.30% per annum of the Net Asset Value Per Unit plus applicable taxes, to investment dealers on a pro rata basis based upon the respective numbers of Units held by clients of the sales representatives of such dealers.”; and
 - (i) deleting the definition of “Digital World Universe” in Section 1.1 and adding the following new definition to Section 1.1:

“ “Financial Portfolio” has the meaning ascribed thereto in Section 2.4;”.
2. Mulvihill Fund Services Inc. and The Royal Trust Company are hereby authorized and directed to take such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this special resolution.
 3. Notwithstanding the provisions hereof, the Advisory Board to Mulvihill Fund Services Inc., as manager of the Trust, may revoke this special resolution at any time prior to the execution of an amendment to the Trust Agreement giving effect hereto without further approval of the Unitholders of the Trust.

**APPENDIX II
ADDITIONAL INFORMATION**

The Manager

Pursuant to a trust agreement dated February 10, 2000 (the “Trust Agreement”), Mulvihill is the manager of the Trust and, as such, is responsible for providing or arranging for required administrative services to the Trust. Mulvihill is a wholly-owned subsidiary of MCM.

The name and municipality of residence of each of the directors and officers of Mulvihill are as follows:

JOHN P. MULVIHILL President, Secretary and Director
Toronto, Ontario

SHEILA S. SZELA Treasurer and Director
Toronto, Ontario

JOHN H. SIMPSON Director
Toronto, Ontario

Mulvihill currently receives fees for its services under the Trust Agreement equal to an annual rate of 0.10% of the Trust’s net asset value calculated and payable monthly, plus applicable taxes and is reimbursed for all reasonable costs and expenses incurred by Mulvihill on behalf of the Trust. In addition, Mulvihill and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Mulvihill or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from Mulvihill’s wilful misconduct, bad faith, negligence or breach of its obligations under the Trust Agreement.

Mulvihill may resign upon 60 days’ notice to Unitholders, the Trust and the Trustee or such lesser notice as the Trust may accept. If Mulvihill resigns it may appoint its successor, but its successor must be approved by unitholders unless it is an affiliate of Mulvihill. If Mulvihill is in material default of its obligations under the Trust Agreement and such default has not been cured within 30 days after notice of same has been given to Mulvihill, the Trust shall give notice thereof to Unitholders and the Unitholders may remove Mulvihill and appoint a successor manager.

The Investment Manager

MCM is the Trust’s investment manager. MCM is controlled by John P. Mulvihill. MCM manages the Trust’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Trust pursuant to an investment management agreement (the “Investment Management Agreement”) made between the Trust and MCM dated February 15, 2000.

The services provided by MCM pursuant to the Investment Management Agreement include the making of all investment decisions for the Trust and managing the Trust’s call and put option writing, all in accordance with the investment objectives, strategy and criteria of the Trust. Decisions as to the purchase and sale of securities comprising the Trust’s investment portfolio and as to the execution of all portfolio and other transactions are made by MCM.

MCM currently receives fees for its services under the Investment Management Agreement equal to an annual rate of 1.10% of the Trust’s net asset value calculated and payable monthly, plus applicable taxes and is reimbursed for all reasonable costs and expenses incurred by MCM on behalf of the Trust. If the Special Resolution is approved, MCM has agreed to reduce this fee to 1.00% of the Trust’s net asset value calculated and payable monthly plus applicable taxes. In addition, MCM and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against MCM or any of its officers, directors, employees or agents in the exercise of its duties as investment manager, except those resulting from MCM’s wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Advisory Board

The Trust has established an advisory board (the “Advisory Board”) currently consisting of five members appointed by Mulvihill to assist Mulvihill in performing its services under the Trust Agreement. All fees and expenses of the Advisory Board are paid by the Trust.

The names, municipalities of residence and principal occupations of the members of the Advisory Board are as follows:

<u>Name and Municipality of Residence</u>	<u>Principal Occupation</u>
John P. Mulvihill Toronto, Ontario	Chairman and President, MCM
Michael M. Koerner Toronto, Ontario	Corporate Director
Robert K. Korthals Toronto, Ontario	Corporate Director
C. Edward Medland Toronto, Ontario	President, Beauwood Investments Inc. (private investment company)
Sheila S. Szela Toronto, Ontario	Vice President, Finance, MCM

The Trustee

The Royal Trust Company is the trustee (the “Trustee”) of the Trust under the Trust Agreement. It acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Trust Agreement, including executing instruments on behalf of the Trust, processing redemptions, calculating net asset value, net income and net realized capital gains of the Trust and maintaining the books and records of the Trust.

The address of the Trustee is 77 King Street West, 11th Floor, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario M5W 1P9.

The Trustee receives fees from the Trust for acting as trustee and custodian of the assets of the Trust and performing certain administrative services under the Trust Agreement and is reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.