

**THIRD CANADIAN GENERAL INVESTMENT TRUST LIMITED
MANAGEMENT INFORMATION CIRCULAR FOR THE
ANNUAL MEETING OF SHAREHOLDERS**

APRIL 4, 2007

PROXIES

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with the solicitation, by or on behalf of the Management of Third Canadian General Investment Trust Limited (the "Corporation"), of proxies to be used at the Corporation's annual meeting of the holders of common shares (the "Common Shares") to be held on April 4, 2007 (the "Meeting") or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by Directors, Officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Investor Services Inc. at nominal cost. The cost of solicitation will be borne by the Corporation.

Appointment of Proxyholder

The person(s) designated by Management of the Corporation in the enclosed form of proxy are Directors of the Corporation. **Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Corporation) other than the person(s) designated by Management of the Corporation in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775 or (416) 263-9394 from outside North America or to the Secretary of the Corporation at the Corporation's registered office, which is located at 110 Yonge Street, Suite 1601, Toronto, Ontario, M5C 1T4, fax number (416) 366-2729. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. or the Secretary of the Corporation no later than April 2, 2007 at 12:00 noon (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

Revocation of Proxy

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, the Corporation has outstanding 4,805,910 common shares. Each holder of common shares is entitled to one vote for each common share registered in his or her name as at the close of business on February 23, 2007. However, in the event that any holder of common shares transfers any of such common shares after February 23, 2007, the transferee of such common shares is entitled to vote those shares if he or she produces properly endorsed share certificates or otherwise establishes that he or she owns the common shares and makes a request, not later than 10 days before the Meeting, that the Corporation's transfer agent, Computershare Investor Services Inc., include his or her name in the list of shareholders entitled to vote at the Meeting.

As of the date hereof, CDS & Co. (The Canadian Depository for Securities Limited) is the registered holder of 1,055,708 common shares which represent 21.97% of the outstanding common shares of the Corporation. The Directors of the Corporation are not aware of the beneficial ownership of such common shares, other than as set out herein.

To the knowledge of the Directors and Officers of the Corporation, the only persons or companies other than CDS & Co. that beneficially own directly or indirectly or exercise control or direction over more than 10% of the outstanding common shares of the Corporation are the following:

<u>Name</u>	<u>Number of Common Shares Beneficially Owned, Controlled or Directed</u>	<u>Percentage of Outstanding Common Shares</u>
Third Canadian Holdings #1 Limited (a wholly-owned subsidiary of New Annan Investments Ltd. which is owned as to 50% by each of Jonathan A. Morgan and Vanessa L. Morgan)	2,901,000	60.36%

ELECTION OF DIRECTORS

Directors of the Corporation are elected annually and six Directors are to be elected at this Meeting. Unless authority to vote in the election of Directors is withheld, the persons whose names are pre-printed in the enclosed form of proxy intend to vote the common shares represented thereby for the election of the nominees whose names are set forth below, all of whom are currently members of the Board of Directors of the Corporation. Management does not anticipate that any of the said nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons whose names are pre-printed in the enclosed form of proxy will vote for the election of another person or persons in their discretion unless authority to vote in the election of Directors is withheld. Each Director elected will hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed unless his or her office is earlier vacated in accordance with the Corporation's By-laws.

The following table and notes thereto set out the names of all persons proposed to be nominated for election as Directors, all other positions and offices held by them with the Corporation, their principal occupation or employment, the year in which they first became a Director of the Corporation and the approximate number of common shares of the Corporation beneficially owned or over which control or direction is exercised by each of them as of the date hereof. The information as to common shares beneficially owned, controlled or directed has been furnished by the respective nominees.

<u>Name and Present Principal Occupation</u>	<u>Year First Became a Director</u>	<u>Approximate Number of Common Shares Beneficially Owned, Controlled or Directed</u>	
		<u>Number</u>	<u>Percent</u>
Shawn S. Cooper Managing Director and Country Manager for Canada, Russell Reynolds Associates (Global executive recruitment and assessment firm)	2004	200	0.004
Robert S. Hart Barrister and Solicitor	2003	850	0.02
Jonathan A. Morgan President and CEO, Canadian General Investments, Limited (Closed-end investment company)	2001	126,386 (See Notes 9, 11 & 12)	2.63
Vanessa L. Morgan Chairman, Canadian General Investments, Limited (Closed-end investment company)	1994	9,622 (See Notes 10, 11 & 12)	0.20
Paul M. Pugh Senior Vice President, Public Investments, OMERS Administration Corporation (Pension plan)	2006	---	---
Michael A. Smedley Executive Vice-President and CEO Morgan Meighen & Associates Limited (Investment management firm)	1988	5,360	0.11

Notes:

1. During the five years prior to the date hereof, each of the nominees has been engaged in his or her principal occupation except: Mr. Cooper who, during the past five years, has held positions of increasing authority at Russell Reynolds Associates; Mr. Morgan who, prior to February 2005 was Senior Vice-President of the Manager (a position he continues to hold); Mr. Pugh, who prior to June 2002 was Chief Investment Officer Investment Management Division, Alberta Revenue, Province of Alberta, in retirement prior to October 2003 and a consultant to OMERS prior to April 2004; and Mr. Smedley, whose principal occupation prior to February 2005 was President of Canadian General Investments, Limited. Mr. Smedley has held the position of Executive Vice-President and CEO of the Manager since his appointment to that position in September 1995.
2. Each of the nominees has served continuously as a Director from the time in the year when he or she first became a Director.
3. All of the nominees were previously elected as Directors at a meeting of shareholders of the Corporation.
4. The Corporation does not have an Executive Committee.
5. The current members of the Corporation's Audit Committee are Shawn S. Cooper, Robert S. Hart and Paul M. Pugh.
6. The current members of the Corporation's Corporate Governance Committee are Shawn S. Cooper, Robert S. Hart and Jonathan A. Morgan.
7. The current members of the Corporation's Independent Directors Committee are Shawn S. Cooper, Robert S. Hart and Paul M. Pugh.
8. Vanessa L. Morgan is Chairman and Jonathan A. Morgan is President and CEO of the Corporation.
9. The common shares shown above opposite the name of Jonathan A. Morgan are those which he and his associates beneficially own, directly or indirectly, or over which he exercises control or direction, as follows:
 - (a) 225490 Investment Limited holds 116,736 common shares (representing 2.43% of the class); and
 - (b) Jonathan A. Morgan holds directly 9,650 common shares (representing 0.20% of the class).

10. The common shares shown above opposite the name of Vanessa L. Morgan are those which she owns beneficially and directly and over which she exercises control and direction.
11. New Annan Investments Ltd., owned as to 50% by each of Jonathan A. Morgan and Vanessa L. Morgan, holds 3,110,100 common shares (representing 64.71% of the class) through the following entities:
 - (a) Third Canadian Holdings #1 Limited holds 2,901,000 common shares (representing 60.36% of the class); and
 - (b) Morgan Meighen & Associates Limited (owned as to 84.5% by New Annan Investments Ltd.) holds 209,100 common shares (representing 4.35% of the class).
12. Jonathan A. Morgan and Vanessa L. Morgan are voting members and directors of The Catherine and Maxwell Meighen Foundation, a charitable foundation, which owns beneficially and directly 480,590 common shares (representing 9.99% of the class). Vanessa L. Morgan is also the President of such foundation.

REMUNERATION OF DIRECTORS AND OFFICERS

Each Director of the Corporation, other than a Director who is an officer of the Manager, Morgan Meighen & Associates Limited, is entitled to receive a fee of \$10,000 per annum, and a fee of \$1,000 for each meeting of the Board or any Committee thereof attended. The Chairman of the Audit Committee is entitled to an annual fee of \$2,000 while the Chairmen of other Committees of the Board are entitled to fees of \$1,000 per annum.

During the fiscal year ended December 31, 2006, four Directors of the Corporation received directors' fees aggregating \$85,000 (one independent Director did not stand for re-election and was replaced by another independent Director at the Corporation's 2006 annual meeting). No other compensation was paid to the Directors of the Corporation in respect of that year. The Board may from time to time engage individual members to conduct special assignments that are particularly suited to the member's expertise. Compensation requires Board approval and will be determined according to prevailing related professional rates.

During the year ended December 31, 2006 the Corporation had two "Executive Officers" within the meaning of applicable securities legislation. The Executive Officers were remunerated by the Manager in their capacity as directors and/or officers of that company and received no remuneration from the Corporation. No compensation was paid or is payable to any Officer of the Corporation during or in respect of the Corporation's fiscal year ended December 31, 2006. Morgan Meighen & Associates Limited provides management services to the Corporation as outlined under the heading "Management Contract".

SUMMARY OF BOARD MEETINGS AND ATTENDANCE

There were nine meetings of the Board and ten meetings of Committees of the Board during 2006. With respect to attendance, two Directors were each not in attendance at one Committee meeting and two Directors were each not in attendance at one Board meeting.

MANAGEMENT CONTRACT

The Corporation and Morgan Meighen & Associates Limited (the "Manager") were parties to a Management Agreement dated September 20, 1955, as amended (the "Original Management Agreement"). Effective as of January 1, 2006, the Original Management Agreement was terminated, being superseded by a new Management Agreement (the "Management Contract") between the same parties. The new agreement was developed by the Independent Directors Committee of the Board of the Corporation (the "Committee") following extensive review thereof and deliberation thereupon.

The Committee concluded that, while there was no reason to seek material changes to the Original Management Agreement, there was a need to amend and update certain processes and procedures. The complete Management Contract is available for viewing on SEDAR at www.sedar.com. The following provides a description of the material parts of the Management Contract, which was approved in its entirety by the Board of Directors of the Corporation (the "Board") with those Directors who are also officers of the Manager refraining from voting:

- Under the Management Contract the Manager is responsible for making all decisions relating to the investment, disposition and re-investment of monies and securities forming part of the investment portfolio from time to time in accordance with the Corporation's investment objectives, guidelines, strategy and restrictions (the "Investment Policy") as established and amended from time to time by the Board.
- Non-compliance, if any, with Investment Policy by the Manager, even if temporary in nature, must be reported according to procedures established by the Board.
- The Manager will participate in the marketing of information about the Corporation, its shares and other securities, will assist the Corporation in complying with applicable laws and regulations and in addition, will supply, at its expense, office accommodation, office staff, statistical and research services, accounting services to administer the Corporation's accounts, maintenance of books and records and certain other services.
- The Manager will provide, according to a timetable specified by the Board, reports concerning portfolio holdings and cash setting out the current portfolio of investments of the Corporation and of all transactions since its previous report as well as any ad hoc reporting.
- The Manager is responsible for assisting the Board with the preparation of such Financial Statements or other reports required by applicable laws and regulations, and to assist the Corporation in furnishing the same to shareholders and other concerned parties including the responsibility for calculating and publishing the net asset value of the Corporation.
- The "Portfolio Manager", is the designated individual employed by the Manager having the responsibility for and the authority over the Manager's investment related advice and services provided to the Corporation. The individual currently filling this role can only be replaced subject to the Board's right to approve or reject, acting reasonably, any such proposed replacement Portfolio Manager (this provision codifies a procedure that was previously employed by understanding only).
- The Management Contract continues until terminated by either party with not less than 180 days prior written notice (an increase from the previous 90 day notice period to allow more time for the Board to conduct a proper search for a replacement investment manager should there be a termination of the Management Contract) and provides, in the case of such a termination by the Corporation, that termination must be approved by a two-thirds shareholder vote cast at a meeting of shareholders of the Corporation. In the event that the Management Contract is terminated by the Corporation for reasons other than an unrectified breach or default, the Manager is entitled to a termination payment in an amount equal to three-quarters of the fees paid or payable to the Manager during the most recently completed twelve-month period. The Corporation may also terminate the Management Contract if the Manager is in material breach or default of its responsibilities and such default is not rectified within 30 days of notice and, in this event, the Manager will not be entitled to the termination payment as set out above.
- For its services the Manager is entitled to receive a fee of 1.0% per annum of the consolidated net asset value (adjusted to include future income taxes, any tax liabilities and any borrowings as part of consolidated net asset value) of the Corporation calculated without regard to any securities owned by the Corporation or its subsidiaries in any company or other entity whose investment portfolio is managed by the Manager. The Manager is also entitled to receive an administration fee of 0.2% per annum of the market value of the securities owned by the Corporation, or its subsidiaries, in any company or other entity whose investment portfolio is managed by the Manager. Fees are calculated at the close of business at the last business day of the month and payable on the 15th of the following month. This represents a change from the previous quarterly management fee computation in order to better reflect actual portfolio conditions while enhancing the cash management procedures of the Corporation.

The amounts paid or payable by the Corporation to the Manager for its services under the Management Contract aggregated \$1,406,000 (including GST) during the fiscal year of the Corporation ended December 31, 2006.

The names and municipality of residence of the "insiders" of the Manager are as follows:

<u>Name and Office</u>	<u>Municipality</u>
Vanessa L. Morgan, President of the Manager	Mississauga, Ontario
Michael A. Smedley, Executive Vice-President and Chief Executive Officer of the Manager	Toronto, Ontario
Jonathan A. Morgan, Senior Vice-President of the Manager	Toronto, Ontario
Clive W. Robinson, Senior Vice-President of the Manager	Toronto, Ontario
Colin D. Smith, Vice-President Finance and Secretary of the Manager	Toronto, Ontario
D. Greg Eckel, Senior Vice-President of the Manager	Toronto, Ontario
Alex Sulzer, Vice-President of the Manager	Oakville, Ontario
Frank Fuernkranz, Vice-President and Treasurer of the Manager	Toronto, Ontario
Julie Brough, Vice-President of the Manager	Toronto, Ontario
New Annan Investments Ltd., major shareholder of the Manager	Toronto, Ontario

DIRECTORS' AND OFFICERS' INSURANCE

During the year ended December 31, 2006, the Corporation purchased shared (primary) as well as excess insurance for its Directors and Officers ("D&O") with respect to certain liabilities which may be incurred by them in their capacity as Directors or Officers of the Corporation. The shared insurance policy also covers directors and officers of Canadian General Investments, Limited ("CGI") and Canadian World Fund Limited ("CWF"). This shared policy further provides insurance coverage for claims made during the policy period to a maximum of \$5,000,000 in respect of each loss and a maximum of \$5,000,000 in the aggregate in respect of each policy year (including claims in respect of directors and officers of CGI and CWF). The policy provides for a deductible amount of \$50,000 per loss in the case of claims for which the Corporation grants indemnity to individual Directors and Officers. In addition, the Corporation purchased excess D&O Insurance for a policy amount of \$2,500,000 available solely for the Directors and Officers of the Corporation. There is no deductible amount applicable to this excess policy. The premium paid by the Corporation for the period of the policies from August 26, 2006 to August 26, 2007 was \$27,000 in the aggregate, none of which was paid by individual Directors or Officers. Neither insurance policy makes any distinction between insurance coverage for Directors and insurance coverage for Officers and there is no basis for estimating the amount of the premiums paid in respect of Directors or Officers as separate groups.

APPOINTMENT OF AUDITORS

Unless authority to vote in the appointment of Auditors is withheld, the persons whose names are pre-printed in the enclosed form of proxy intend to vote the common shares represented thereby for the reappointment of PricewaterhouseCoopers LLP, Chartered Accountants, as Auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders, and to authorize the Directors to fix the remuneration of the Auditors. The resolution will be passed if approved by a majority of the votes cast at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In February, 1995, the Toronto Stock Exchange Committee on Corporate Governance in Canada issued its final report containing a series of guidelines for effective corporate governance. These guidelines, which were not mandatory, dealt with the constitution and functions of boards of directors and board committees and were designed to ensure sound corporate governance. The TSX guidelines are no longer in force following the promulgation of National Instrument 58-101 – Disclosure of Corporate Governance Practices. However, neither National Instrument 58-101, nor any other corporate governance disclosure rules currently in force, apply to the Corporation because the Corporation is an "investment fund", as defined in the National Instrument.

In response to the former TSX guidelines, the Board of Directors and the Management of the Corporation developed practices that give recognition to the desire for sound corporate governance policies, which are described more fully below, and have determined to continue such practices and disclosure of same until such time as corporate governance disclosure rules applicable to the Corporation are enacted by governing regulatory authorities.

In July 2006, the Canadian Securities Administrators released in final form National Instrument 81-107 'Independent Review Committee for Investment Funds' (the "Instrument"). The Instrument applies to mutual funds and non-redeemable investment funds. It requires the manager of a fund to establish an Independent Review Committee ("IRC") to deal with certain matters which could be perceived to be in the nature of a conflict of interest between the manager and the fund. The Instrument, which came into force on November 1, 2006 with a one-year transition period, applies to the Corporation because it is a non-redeemable investment fund.

There are no changes to the Corporation's expressed Statement of Corporate Governance Practices necessitated by the Instrument other than as pertains to the requirement for the establishment of an IRC. Pursuant to the Instrument, Morgan Meighen & Associates Limited, the Manager of Third Canadian General Investment Trust Limited, will comply with the Instrument including the appointment of the first members of the IRC prior to the required appointment date of May 1, 2007, with input from the independent members of the Board of Directors of the Corporation.

Mandate of the Board, Duties and Objectives

The Board of Directors is elected by the shareholders and assumes responsibility for the stewardship of the Corporation. The Board of Directors oversees the conduct of the business and affairs of the Corporation and supervises its Management so that all major issues affecting the Corporation are given appropriate consideration. In fulfilling its responsibilities, the Board delegates day-to-day authorities to Management, while reserving the ability to review Management decisions. The Board discharges its responsibilities directly and through its Committees.

The Directors are kept informed of the Corporation's operations at meetings of the Board and its Committees and between meetings, through regular reports and discussions with Management. In addition to its primary roles of overseeing corporate performance and providing quality, depth and continuity of Management to meet the Corporation's strategic objectives, the Board of Directors, amongst other things:

- approves Annual and Interim Financial Statements, Management Report of Fund Performance, Report to Shareholders, Management Information Circular, Annual Information Form and corresponding press releases;
- appoints members to serve on Committees of the Board and selects (other than with the Independent Directors Committee) the member (who shall be other than an "inside" Director) who will serve as Committee Chairman;
- determines the mandates of Committees of the Board;
- approves business, strategic, financial and succession plans and monitors the implementation of business and strategic plans;
- reviews investment activities and reviews and approves policies, guidelines and constraints governing such activities;
- reviews and approves the Corporation's corporate disclosure policy;
- monitors Management's approach to communication between the Corporation and shareholders, potential investors, investment professionals, regulatory bodies and the general public;
- develops and reviews position description for the CEO and Members of the Board;

- appoints Officers and monitors their performance on a continuous basis (the Corporation has no employees);
- monitors the effectiveness of the Manager's approach to succession planning, which falls under the purview of the president of that company;
- approves corporate distributions such as dividend payments;
- approves changes in the By-laws of the Corporation and submits them to shareholders for approval;
- under the guidance of the Corporate Governance Committee, each member of the Board participates in the annual assessment of the Board as a whole and in the confidential process of peer assessment;
- monitors business risks as identified by Management;
- through its Audit Committee, the Corporation's external Auditors and working closely with the Manager, has in place effective procedures for monitoring the integrity and performance of the systems supporting the Corporation.

In order to carry out its responsibilities, the Board of Directors meets on a regularly scheduled basis at least five times annually and otherwise as required by circumstances. When appropriate, outside advisors can be engaged by individual Directors with the approval of the full Board.

The Chairman of the Board is responsible for the functioning of the Board including, among other things, setting the agenda for each Board meeting, ensuring that Directors are kept informed of appropriate corporate matters including shareholder feedback and proposing measures for dealing with shareholder concerns, chairing the meetings and acting as a key liaison between the Board and Management.

The Board has determined that Board membership should be set at six, the number considered appropriate given current requirements and circumstances. Due to the special ownership of the Corporation, 3 of the 6 Directors are 'unrelated' and 'outside' Directors as described in the former TSX Guidelines, and are not active in the management of the Corporation or of the Manager. To allow for independent deliberation, the Board established a standing Committee of Independent Directors in 2003.

The Directors undertake to exercise all powers and adhere to all responsibilities under applicable laws.

Strategic Planning Process

Due to the nature of the business of the Corporation, strategic planning centres on portfolio management. The President, together with the investment management team of the Manager are responsible for portfolio investment selection strategy within the parameters of the strategic plan. Strategic issues and corporate governance matters are discussed at every meeting of the Board either directly or by way of reporting from a Committee of the Board.

Committees of the Board of Directors

The Board of Directors has established three standing Committees, the Independent Directors Committee, the Audit Committee and the Corporate Governance Committee. None of the members of the Audit Committee or the Independent Directors Committee is a current or former employee of the Corporation or any of its subsidiaries; however one of the three members of the Corporate Governance Committee is a Senior Officer of the Corporation and of the Manager.

The Board has delegated certain functions to each of the Audit Committee and Corporate Governance Committee and has designated subjects, including matters of policy, on which such Committees are to perform an advisory role and report to the Board of Directors. In practice, the Committees have been empowered by the Board to formally approve certain matters before them and in other cases to return matters to the full Board with recommendations.

1. Independent Directors Committee

Given the Corporation's majority shareholder ownership structure, in 2003 the Board established the Independent Directors Committee, consisting of non-management Directors, to allow opportunity for independent deliberation. The Committee meets periodically, at its own instigation and volition, to review activities of the Corporation. Its deliberations are private and it is unfettered in the scope of its questioning, having unimpeded access to the Corporation, its Officers and professional relationships. Members are paid fees consistent with prevailing Committee member fees. Where feasible, in order to minimize costs, meetings are held in conjunction with regular Board meetings or via conference call.

2. Audit Committee

The Audit Committee is comprised entirely of outside and unrelated Directors.

The Board has determined that certain 'Fundamental Activities' must be effectively conducted in order to meet financial reporting objectives. Such activities include properly recorded financial transactions, stringent internal controls and accurate Financial Statements; these are the responsibility of Management and are reported on by external Auditors.

The Board has established an Audit Committee (the "Audit Committee") with whose assistance it accomplishes the monitoring of the Corporation's financial reporting and disclosure. The Audit Committee has been empowered by the Board to conduct activities that will allow it to offer reasonable assurance to the Board that the Fundamental Activities are being properly conducted and that objectives as approved by the Board are being met.

The Audit Committee has a formal written mandate that has been approved by the Board and that sets out the scope of the Audit Committee's responsibilities and authority. The mandate is as follows:

A. The Board of Directors' Mandate for the Audit Committee

The Board of Directors bears responsibility for the stewardship of the Corporation. Given that Management of the Corporation's business and affairs is closely related to financial reporting and disclosure, the 'Financial Reporting Objective' of the Board's monitoring is to gain reasonable assurance over the following:

- a) that the Corporation complies with all applicable laws, regulations and other requirements of governments and regulatory bodies relating to financial reporting and disclosure;
- b) that the accounting principles supporting the Corporation's Financial Statements are the most appropriate;
- c) that the Corporation's Interim and Annual Financial Statements are accurate and present fairly the Corporation's financial position and performance in accordance with Canadian generally accepted accounting principles;
- d) that relevant information is disseminated to shareholders, regulatory bodies and the public in a timely manner; and,

- e) that consulting work for the Corporation will be carried out by bodies who have no relationship to the Corporation's Auditors, other than for corporate income tax and matters of low consequence that the Audit Committee judges will not bear on the independence of the Auditors.

B. Composition of Audit Committee

- a) The Audit Committee is appointed annually by the Board and consists of at least three members from among the Directors of the Corporation. All of the members shall be independent Directors and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Audit Committee.
- b) The Board shall designate the Chairman of the Audit Committee, where feasible according to pre-determined rotation.
- c) All Audit Committee members shall be suitably financially literate.

C. Reliance on Experts

In contributing to the Audit Committee's discharging of its duties under this mandate, each member of the Audit Committee shall be entitled to rely in good faith upon:

- (a) Financial Statements of the Corporation represented to him or her by an Officer of the Corporation, or in a written report of the external Auditors, to present fairly the financial position of the Corporation in accordance with Canadian generally accepted accounting principles; and,
- (b) any report from a professional person whose accreditation lends credibility to a statement made by any such person.

D. Duties of the Audit Committee

The Audit Committee's duties are to monitor and review so as to gain reasonable assurance that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met so as to enable the Audit Committee to report thereon to the Board.

E. Operations of the Audit Committee

- It is the expectation of the Audit Committee that Management will operate within laws and regulations governing the Corporation and will maintain strong financial reporting and control procedures and it is the Audit Committee's responsibility to oversee the reliability of financial reporting including effectiveness of internal control over financial reporting.
- To fulfil its responsibilities, the Audit Committee may, with the approval of the Board, engage outside advisors at the expense of the Corporation.
- External Auditors will be accountable to the Board through the Audit Committee and will report to the Audit Committee on all material or potentially material issues that come to their attention.
- Audit Committee meetings will be held as frequently as circumstances dictate, no less than as required in conjunction with the release of required financial results to shareholders and additionally at the call of the Audit Committee Chairman, a majority of the members or the external Auditors.

- A quorum will be a majority of members. Members may appoint an acting chairman in the absence of the Audit Committee Chairman and the Secretary of the Corporation will act as Secretary to Audit Committee meetings unless the Audit Committee specifies otherwise.
- The agenda for each meeting of the Audit Committee is the responsibility of the Audit Committee Chairman.
- Minutes of each meeting of the Audit Committee will be provided to all members of the Board in a timely fashion and the Chairman of the Audit Committee will report on the activities of the Committee to the full Board at the next meeting of the Board.
- The Audit Committee will meet separately in camera at least once annually with Management and with the external Auditors.
- The Audit Committee will review and approve for presentation to the Board, after obtaining required input from the external Auditors, the Corporation's Annual and Interim Financial Statements, Management Report of Fund Performance, Report to Shareholders and corresponding press releases.
- The Audit Committee will review and ascertain the degree of risk associated with significant actual or potential liabilities, the adequacy of steps in place to minimize the full impact of the matters of risk, and will report thereon to the Board in a timely manner.
- The Audit Committee will confirm the Corporation's compliance with laws and regulations with respect to financial reporting.
- The Audit Committee will review the external audit plan and receive the annual report of the external Auditors and report to the full Board at least annually as to the on-going independence from Management of the Auditors, the performance of the external Auditors, and will recommend to the Board the nomination of external Auditors, their remuneration and terms of engagement.
- The Audit Committee will investigate matters that properly fall within its duties and perform other functions that may be assigned by the Board to the Committee.

3. Corporate Governance Committee

The Corporate Governance Committee is composed of a majority of outside and unrelated Directors and is responsible for the Corporation's approach to corporate governance issues including compliance with regulations and guidelines from regulatory bodies.

In fulfilling its responsibilities, the Corporate Governance Committee is:

- Responsible for the implementation of a board assessment and peer evaluation process to assess annually the effectiveness of the Board as a whole and the contribution of individual Directors. The Chairman of the Corporate Governance Committee reports to the full Board, on a summary basis, the assessment of Board effectiveness as tabulated from survey forms. The Chairman of the Board receives from an independent third party, summarized results of the peer review conducted via anonymous survey forms and then meets privately with individual Board members to discuss his/her assessment as shown in the summary.
- Charged with acting as a nominating committee by proposing new nominees to the Board and assisting with the orientation of new Directors. Officers and Directors, through informal discussions, provide new Board members with necessary orientation and facts on all aspects of the Corporation. A compilation of Corporate/Board documents is provided to new members by the Chairman.

- Responsible for conducting a periodic review of Directors' remuneration and recommending changes, if any, to the Board. Directors, with the exception of officers of the Manager, receive compensation.

AVAILABLE DOCUMENTATION

The Corporation shall provide to any person or company, upon request to the Secretary of the Corporation, one copy of (i) the Corporation's current Annual Information Form, together with any document, or the pertinent pages of any document, incorporated therein by reference, (ii) the most recently filed comparative Annual Financial Statements of the Corporation together with the report of the Auditors thereon and any Interim Financial Statements of the Corporation that have been filed for any period after the end of its most recently completed financial year, as well as the related Management Report of Fund Performance (which provides financial information) and (iii) the Management Information Circular of the Corporation in respect of the most recent annual meeting of its shareholders. The Corporation may require the payment of a reasonable charge when the request is made by someone who is not a shareholder of the Corporation, unless securities of the Corporation are in the course of a distribution under a short form prospectus, in which case such documents will be provided free of charge. Additional information regarding the Corporation is also available on SEDAR at www.sedar.com.

VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXY

On any ballot that may be called for at the Meeting, the common shares represented by each properly executed proxy in favour of the persons whose names are pre-printed in the enclosed form of proxy will, subject to the provisions of Section 152 of the Canada Business Corporations Act, be voted or withheld from voting in accordance with the specifications given by the shareholder. **In the absence of such specifications in the enclosed form of proxy, where the shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the shareholder's nominee at the Meeting, the common shares will be voted FOR the election of Directors, and FOR the appointment of Auditors including the authorization for the Directors to fix the Auditors' remuneration.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. At the date hereof, the Management of the Corporation knows of no such amendments or variations or matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, where a shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the shareholder's nominees at the Meeting, if any amendments or variations to matters identified in the Notice of the Meeting or any other matters which are not now known to Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgement of the person voting the proxy.

SHAREHOLDER PROPOSALS

Persons entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by November 9, 2007.

The contents and sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

By Order of the Board,

(signed) Colin D. Smith

Dated as of February 7, 2007
Toronto, Ontario

COLIN D. SMITH
Secretary