PROSPECTUS

Initial Public Offering September 29, 2009

MARRET ASSET MANAGEMENT INC.

MARRET INVESTMENT GRADE BOND FUND

Maximum $600,000,000
(Maximum 50,000,000 Units)

Marret Investment Grade Bond Fund (the ''**Fund**'') is a closed-end investment fund established under the laws of the Province of Ontario. The Fund proposes to offer units (the "**Units**"), each at a price of $12.00 per Unit (the "**Offering**").

Investment Rationale and Strategy

The Fund will obtain exposure to a portfolio (the "**Portfolio**") of North American Investment Grade Bonds. The Portfolio will be held by Marret IGB Trust (described below) and will be actively managed by Marret Asset Management Inc. ("**Marret**") using specialized Investment Grade Bond strategies focused on the following four core tenets: (1) capital preservation; (2) high quality credit investments; (3) liquidity; and (4) full currency hedging.

Despite strong performance during the second quarter of 2009, investment grade corporate debt spreads remain well above historic averages. As of September 25, 2009, the average single "A" rated credit spread for Canadian corporate bonds with a five year maturity was 148 basis points versus a ten year average of 97 basis points. The Fund provides an effective method of gaining exposure to North American Investment Grade Bonds, as a distinct asset class, in what Marret believes is an attractive part of the cycle. In addition, Unitholders benefit from strategic credit cycle asset management by Canada's largest independent specialty credit manager with access to institutional pricing and execution in a high quality, currency neutral and liquid fixed income portfolio. To afford maximum transparency, Marret will post Portfolio performance data, individual bond pricing and corporate bond commentary weekly on its website.

Investment Objectives

The Fund will seek to achieve the following investment objectives:

(i) to provide Unitholders with attractive monthly tax advantaged cash distributions, initially targeted to be 5% per annum on the original issue price of $12.00 per Unit; and

(ii) to maximize total returns for Unitholders, consisting primarily of tax-advantaged distributions, while reducing risk and preserving capital;

by obtaining exposure to the Portfolio, which is focused on Investment Grade Bonds.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Based on its initial anticipated composition, the Portfolio is expected to generate interest income of approximately 5.28% per Unit per annum, which, after deduction of expenses and addition of leverage at the initial intended level, will be more than sufficient to fund the monthly cash distributions at the initially targeted level. Assuming the gross proceeds of the Offering are $100 million and fees and expenses are as described herein, the Portfolio, using the maximum amount of leverage permitted, would be required to generate an average annual total return of approximately 4.90%, inclusive of interest income, in order for the Fund to achieve its initially targeted monthly distributions for the Units. The Fund will be managed by Marret Asset Management Inc. (in such capacity, the ''**Manager**''). Commencing in January 2010, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year. See ''Distributions''.

Dedicated Fixed Income Credit Manager

The Portfolio will be actively managed by Marret. Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately $3.2 billion in Investment Grade Bond and high yield debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income investments.

Portfolio Investment Process and Risk Management

Marret will select, monitor and manage the Investment Grade Bonds in the Portfolio utilizing both:

(i) top-down macroeconomic analysis involving the assessment of economic, political and market trends; and

(ii) bottom-up company and security level analysis to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on a company's industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices.

Portfolio risk management is an important part of Marret's investment process. The foundation for Marret's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and at which the credit analysts give company and security updates, are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration.

Portfolio Composition

The Portfolio will be invested in approximately 20 liquid Canadian or U.S. dollar denominated Investment Grade Bonds issued by North American corporations. The North American Investment Grade Bond market has an outstanding dollar value of over $3.0 trillion with over 4,500 issues outstanding. This significant universe of bonds will allow Marret to add value through security selection and to attain significant industry and sector diversification in a concentrated Portfolio.

The duration, curve positioning, industry sector weightings and individual security weightings will be adjusted in each segment of the credit cycle in order to preserve capital, optimize performance and enhance return. The Portfolio is initially expected to have an average duration of approximately 6 years. All foreign currency holdings will be fully hedged to the Canadian dollar.

The return to the Unitholders and the Fund will be based upon the return on the units of Marret IGB Trust by virtue of a forward purchase and sale agreement (the ''**Forward Agreement**'') with the Counterparty (as defined below). The Fund will use the net proceeds of the Offering for the pre-payment of its purchase obligations under the Forward Agreement, pursuant to which the Counterparty has agreed to deliver to the Fund, on the Termination Date (as defined below), the Canadian Securities Portfolio (as defined below) with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret IGB Trust, net of any amount owing by the Fund to the Counterparty. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret IGB Trust under the Forward Agreement will not be less than the net proceeds of the Offering. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. See ''Overview of the Investment Structure — The Forward Agreement''.

Marret IGB Trust will be a newly created investment trust established prior to the Closing (as defined herein) for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret IGB Trust is expected to be the Counterparty or its affiliate. On the Closing Date (as defined herein), the Counterparty or one of its affiliates may subscribe for units of Marret IGB Trust with an aggregate purchase price of not less than the amount received from the Fund as the pre-payment of its purchase obligations under the Forward Agreement. Marret IGB Trust will use any subscription proceeds it receives to acquire the Portfolio. See ''Overview of the Investment Structure — Marret IGB Trust''.

Price: $12.00 per Unit

	Price to the Public	Agents' Fee	Net Proceeds to the Fund[2]
Per Unit	$12.00	$0.42	$11.58
Minimum Total Offering[3] [4]	$100,000,008	$3,500,000.28	$96,500,007.72
Maximum Total Offering [4]	$600,000,000	$21,000,000	$579,000,000

(1) The terms of the Offering were established through negotiation between the Agents and the Manager on behalf of the Fund.

(2) Before deducting the expenses of the Offering, estimated to be $700,000 (but not to exceed 1.5% of the gross proceeds of the Offering) which, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering.

(3) There will be no Closing unless a minimum of 8,333,334 Units are sold. If subscriptions for a minimum of 8,333,334 Units have not been received within 90 days after a final receipt for this prospectus is issued, the Offering may not continue without the consent of the Canadian Securities Administrators and those who have subscribed for Units on or before such date.

(4) The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to offer additional Units in an amount up to 15% of the Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be $690,000,000, $24,150,000 and $665,850,000, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over -Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over -Allotment Option or secondary market purchases. See ''Plan of Distribution''.

Beginning on the Annual Redemption Date in November 2010, Units will be redeemable at the option of Unitholders at the Redemption Net Assets per Unit in each year on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. See "Redemption of Units''. The Units will be redeemed by the Fund for a cash amount equal to 100% of the Redemption Net Assets per Unit on October 31, 2014 (the "Termination Date''). Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension. See ''Redemption of Units'' and ''Risk Factors — Significant Redemptions''.

There is no guarantee that an investment in the Fund will earn any positive return in the short or long term, nor is there any guarantee that the Net Asset Value per Unit will appreciate or be preserved. An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in Units including the use of short selling and derivatives and the use of leverage. There is no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. The Fund has applied to list the Units on the TSX. The listing of the Units will be subject to the investment fund fulfilling all the listing requirements of the TSX. See "Risk Factors".

On Closing, the Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank affiliate of one of the Agents. Accordingly, the Fund may be considered to be a "connected issuer" of such Agent. The Manager is entitled to receive certain fees. See "Organization and Management of the Fund — The Manager of the Fund" and "Plan of Distribution".

RBC Dominion Securities Inc., CIBC World Markets Inc., TD Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Dundee Securities Corporation, National Bank Financial Inc., Scotia Capital Inc., Blackmont Capital Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Wellington West Capital Markets Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated, as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement referred to under ''Plan of Distribution'' and subject to the approval of certain legal matters on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. All prospective purchasers will be entitled to withdraw their purchase on or before midnight on the second Business Day after receipt or deemed receipt of the final prospectus and any amendment in accordance with applicable securities laws. See ''Purchasers' Statutory Rights of Withdrawal and Rescission''. The Agents may over-allot or effect transactions as described under ''Plan of Distribution''. Registrations of interests in and transfers of Units will be made only through the book-entry only system administered by CDS Clearing and Depository Services Inc. Book-entry only certificates representing the Units will be issued in registered form only to CDS or its nominee and will be deposited with CDS on the date of Closing, which is expected to occur on or about October 23, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Units.

Although units of Marret IGB Trust are not being offered to the public, the Fund has agreed to obtain a receipt for a prospectus of Marret IGB Trust from each of the Autorité des marchés financiers and the Ontario Securities Commission. The Fund has also agreed to deliver a copy of such prospectus to purchasers of Units in the Province of Québec prior to the purchase of Units by any person in the Province of Québec.

TABLE OF CONTENTS

PROSPECTUS SUMMARY ... 1
THE FUND ... 1
PRODUCT OVERVIEW AND INVESTMENT RATIONALE ... 1
THE OFFERING ... 1
SUMMARY OF FEES AND EXPENSES ... 8
GLOSSARY OF TERMS ... 9
OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND ... 13
INVESTMENT OBJECTIVES AND RATIONALE ... 13
- Attractive Investment Opportunity in Investment Grade Bond Market ... 15

THE PORTFOLIO ... 15
- Investment Strategy ... 15
- Investment Process ... 16
- Risk Management ... 16
- Portfolio Composition ... 16
- Corporate Debt ... 18
- Investment Grade Bond Market ... 19
- Use of Derivatives ... 19
- Currency Hedging ... 19
- Leverage ... 20
- Securities Lending ... 20

OVERVIEW OF THE INVESTMENT STRUCTURE 20
- Marret IGB Trust ... 20
- The Forward Agreement ... 21

FEES AND EXPENSES ... 23
- Fees and Expenses of the Fund ... 23
- Fees and Expenses of Marret IGB Trust ... 23

RISK FACTORS ... 24
- No Assurance in Achieving Investment Objectives or Making Distributions ... 24
- Trading Price of Units ... 24
- Loss of Investment ... 24
- General Risks of Investing in Bonds ... 24
- Fluctuation in Value of Portfolio Securities ... 24
- Recent Global Financial Developments ... 25
- Use of Short Selling ... 25
- Forward Agreement Counterparty Risk ... 25
- Composition of Portfolio ... 25
- Interest Rate Fluctuations ... 26
- Illiquid Securities ... 26
- Use of Derivatives ... 26
- Use of a Prime Broker to Hold Assets ... 26
- Securities Lending ... 26
- Use of Leverage ... 26
- Reliance on Marret and the Manager ... 27
- Taxation of the Fund ... 27
- No Ownership Interest ... 27
- Changes in Legislation ... 27
- Conflicts of Interest — the Fund ... 27
- Conflicts of Interest — Marret IGB Trust ... 27
- Status of the Fund ... 28
- Significant Redemptions ... 28
- Operating History ... 28
- Not a Trust Company ... 28
- Nature of Units ... 28

DISTRIBUTIONS ... 28
REDEMPTION OF UNITS ... 29
- Annual Redemptions ... 29
- Monthly Redemptions ... 29
- Pre-Settling the Forward Agreement ... 29
- Exercise of Redemption Right ... 29
- Suspension of Redemptions ... 30

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS ... 30
- Status of the Fund ... 31
- Taxation of the Fund ... 31
- Taxation of Unitholders ... 32
- Taxation of Registered Plans ... 32
- Taxation Implications of the Fund's Distribution Policy ... 33

ELIGIBILITY FOR INVESTMENT ... 33
ORGANIZATION AND MANAGEMENT OF THE FUND ... 33
- The Manager of the Fund ... 33
- Director and Officers of the Manager ... 33
- Duties and Services to be Provided by the Manager ... 33
- Portfolio Advisor ... 35
- Conflicts of Interest ... 36
- Independent Review Committee ... 36
- Remuneration of Directors, Officers and Independent Review Committee Members ... 36
- The Trustee ... 37
- The Custodian ... 37
- Auditor ... 37
- Transfer Agent and Registrar ... 37
- The Promoter ... 37

MANAGEMENT OF MARRET IGB TRUST ... 38
- Marret IGB Trust ... 38
- Duties and Services Provided to be Provided by the Manager ... 38
- The Trustee ... 39
- Conflicts of Interest ... 40
- Prime Broker ... 40

CALCULATION OF NET ASSET VALUE ... 40
- Calculation of Net Asset Value ... 40
- Valuation Policies and Procedures ... 40
- Reporting of Net Asset Value ... 42

DESCRIPTION OF THE UNITS ... 42
- The Units ... 42
- Investment Restrictions of the Fund ... 42
- Purchase for Cancellation ... 42

Take-over Bids 43
Book Entry Only System 43
UNITHOLDER MATTERS....... 43
Meetings of Unitholders....... 43
Amendment of Declaration of Trust....... 43
Reporting to Unitholders 45
TERMINATION OF THE FUND 45
USE OF PROCEEDS....... 45
PLAN OF DISTRIBUTION 46
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS....... 47
PROXY VOTING DISCLOSURE....... 47
MATERIAL CONTRACTS....... 47
EXPERTS 48
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION....... 48
AUDITORS' CONSENT 1
AUDITORS' REPORT....... 2
STATEMENT OF NET ASSETS....... 3
NOTES TO STATEMENT OF NET ASSETS....... 4
CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER 1
CERTIFICATE OF THE AGENTS....... 2

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain capitalized terms used, but not defined, in this summary are defined in the "Glossary of Terms ".

THE FUND

Marret Investment Grade Bond Fund is a closed-end investment fund established under the laws of the Province of Ontario. See "Overview of the Investment Structure".

PRODUCT OVERVIEW AND INVESTMENT RATIONALE

The Fund will obtain exposure to a portfolio (the "**Portfolio**") of North American Investment Grade Bonds. The Portfolio will be held by Marret IGB Trust (described below), and will be actively managed by Marret Asset Management Inc. ("**Marret**") using specialized Investment Grade Debt strategies focused on the following four core tenets: (1) capital preservation; (2) high quality credit investments; (3) liquidity; and (4) full currency hedging. Over the course of the credit cycle, the investment strategy seeks to generate total returns in excess of the DEX Mid-Corporate Bond Index with less volatility.

Despite strong performance during the second quarter of 2009, investment grade corporate debt credit spreads remain well above historic averages. As of September 25, 2009, the average single "A" rated credit spread for Canadian corporate bonds with a five year maturity was 148 basis points versus a ten year average of 97 basis points. The Fund provides an effective method of gaining exposure to North American Investment Grade Bonds, as a distinct asset class, in what the Manager believes is an attractive part of the cycle. In addition, Unitholders benefit from strategic credit cycle asset management by Canada's largest independent specialty credit manager with access to institutional pricing and execution in a high quality, currency neutral and liquid fixed income portfolio. To afford maximum transparency, Marret will post Portfolio performance data, individual bond pricing and corporate bond commentary weekly on its website.

THE OFFERING

The Offering: The Fund is offering one class of Units. See "Plan of Distribution".

Price: $12.00 per Unit

Minimum and Maximum Issue: A minimum of $100,000,008 (8,333,334) Units and a maximum of $600,000,000 (50,000,000) Units.

Investment Objectives: The Fund will seek to achieve the following investment objectives:

(i) to provide Unitholders with attractive monthly tax advantaged cash distributions, initially targeted to be 5% per annum on the original issue price of $12.00 per Unit; and

(ii) to maximize total returns for Unitholders, consisting primarily of tax-advantaged distributions, while reducing risk and preserving capital;

by obtaining exposure to the Portfolio, which is focused on Investment Grade Bonds.

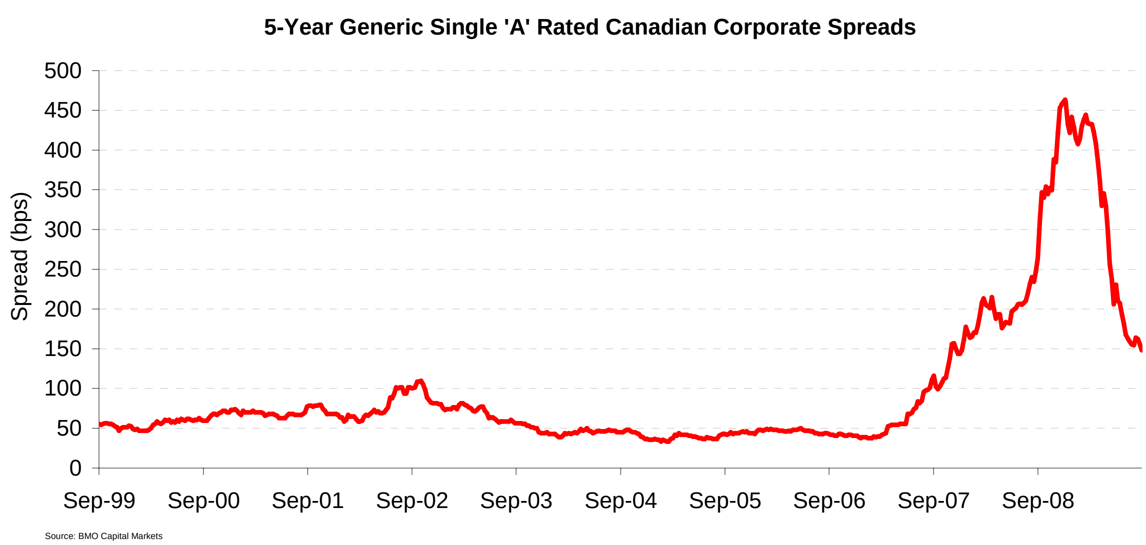
It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Commencing in January 2010, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year. See “Distributions”.

Investment Rationale: Marret’s investment strategy for the Portfolio is designed to produce attractive risk-adjusted returns across the credit cycle through exposure to a portfolio of Investment Grade Bonds. Over the course of the credit cycle, the investment strategy seeks to generate total returns in excess of the DEX Mid-Corporate Bond Index with less volatility. See “Investment Objectives and Rationale”.

Investment Strategy: The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio of Investment Grade Bonds.

The principal investment strategy of Marret is to build a Portfolio composed primarily of select high quality, favourably valued, Investment Grade Bonds that reflect the following fundamental tenets of the Marret IGB Trust’s investment strategy: (1) capital preservation; (2) focus on high quality credit investments; (3) liquidity; and (4) full currency hedging.

Attractive Opportunity in the North American Investment Grade Market Marret believes that credit spreads, after correcting from the post “credit crisis” highs of late 2008, still remain well above historic averages. The following chart shows the historic average single “A” rated credit spreads for Canadian corporate bonds with a five year maturity for the past 10 years versus the five year Canadian Government Bond yield.



Credit markets have entered, in Marret’s opinion, the early stages of a “bull cycle”. As was the case following previous recessions, as the economy exits a period of negative or sub-par GDP growth, credit spreads have significant opportunity to narrow thereby outperforming other fixed income assets. As the “bull cycle” in credit spreads typically last 2-3 years, the current environment represents the best opportunity of accruing the highest returns.

The Manager: Marret Asset Management Inc. (in such capacity, the “**Manager**”) will administer the Fund.

See “Organization and Management of the Fund — The Manager of the Fund”.

Marret: The Portfolio will be actively managed by Marret. Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately $3.2 billion in Investment Grade Bonds and high yield debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income investments. Mr. Allan has more than 25 years of investment experience that spans all areas of fixed income investing. Paul Sandhu assists Barry Allan in the trading and management of all Marret's Investment Grade Bond portfolio mandates including Marret IGB Trust. Mr. Sandhu has over 28 years of experience in both domestic and international fixed income markets.

In addition, Marret's investment team includes the following credit analysts:

Name:	*Industry Specialization:*
David Gluskin	Special Situations
Dorothea Mell, CFA	Energy, utilities and gaming sectors
Adrian Prenc, CFA, FRM	Industrial products, basic materials, automotive sectors
Gordon McKay, CBV	Telecommunications and technology, homebuilders and hotels, food and beverage and transportation sectors
Randy Steuart	Retail, consumer products, healthcare, metals and mining sectors

Investment Process: Marret will select, monitor and manage the Portfolio investments in the following manner and subject to the investment restrictions.

Top Down Macroeconomic Analysis

In selecting Investment Grade Bonds, Marret will perform a fundamental analysis of economic, political and market trends. This analysis identifies sectoral trends that provide a template which shapes the Portfolio through the credit cycle. Next, Marret will determine the point in, and duration of, the current credit cycle in order to evaluate the relative attractiveness of industries and sectors. Thirdly, Marret will identify sectors that will experience positive and negative cash flow trends as the cycle evolves. Finally, Marret will examine the broader economic climate and position the Portfolio to take advantage of market trends in both the yield curve and credit curve.

Bottom Up Company and Security Level Analysis

Company fundamentals will be reviewed to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on industry position, operating leverage, management strength, conservatism, experience, historical earnings and future projections, liquidity profile and accounting ratios and practices. The ultimate goal of this process is to identify Investment Grade Bonds trading at levels inconsistent with Marret's analysis of potential return and underlying risk. In selecting Investment Grade Bonds for the Portfolio, Marret will take into consideration industry, maturity, level of liquidity and security diversification. Marret will seek to acquire Investment Grade Bonds for the Portfolio that offer attractive risk/return characteristics and have protection by their issuers for an initial period (generally two to three years).

Risk Management: Portfolio risk management is an important part of Marret's investment process. The foundation for Marret's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and the credit analysts give company and security updates, are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration. Marret also employs a relative value benchmarking system: each company is assigned a peer group and analyzed relative to its peers, rather than absolutely or in isolation.

Leverage: Marret IGB Trust may utilize various forms of borrowing, including a loan facility and margin purchases, up to 25% of the net asset value of Marret IGB Trust at the time of the borrowing.

Accordingly, the maximum amount of leverage that Marret IGB Trust could employ is 1.25:1.

In addition, the net exposure of Marret IGB Trust will not exceed 125%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by Net Asset Value of Marret IGB Trust.

Currency Hedging: Marret IGB Trust will enter into currency hedging to reduce the effects on the Portfolio of changes in the values of foreign currencies relative to the Canadian dollar. Marret intends for the Portfolio investments denominated in foreign currencies to be fully hedged to the Canadian dollar.

Distributions: The Fund initially intends to pay monthly distributions on all Units in an amount equal to $0.05 per Unit, representing a yield of 5.00% per annum on the issue price. The initial distribution is payable to Unitholders of record on or about November 30, 2009 and will be paid no later than December 15, 2009.

Based on its initial anticipated composition, the Portfolio is expected to generate interest income of approximately 5.28% per Trust Unit per annum, which, after deduction of expenses and addition of leverage at the initial intended level, will be more than sufficient to fund the monthly cash distributions at the initially targeted level. Assuming the gross proceeds of the Offering are $100 million and fees and expenses are as described herein, the Portfolio, using the maximum amount of leverage permitted, would be required to generate an average annual total return of approximately 4.90%, inclusive of interest income, in order for the Fund to achieve its initially targeted monthly distributions for the Units.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital (which are not immediately taxable, but which reduce the adjusted cost base of a Unitholder's Unit). See "Canadian Federal Income Tax Considerations".

Commencing in January 2010, the Fund will determine and announce each quarter the amount to be distributed during the following quarter based upon the Manager's estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year.

The Forward Agreement: The return to the Unitholders and the Fund will be based upon the return on the units of Marret IGB Trust by virtue of the Forward Agreement. The Fund will use the net proceeds of the Offering for pre-payment of its purchase obligations under the Forward Agreement, pursuant to which the Counterparty has agreed to deliver to the Fund on October 31, 2014, being the Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret IGB Trust, net of any amount owing by the Fund to the Counterparty. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret IGB Trust under the Forward Agreement will not be less than the net proceeds of the Offering. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. See "Overview of the Investment Structure — The Forward Agreement".

Marret IGB Trust: Marret IGB Trust will be a newly created investment trust established prior to the Closing (as defined herein) for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret IGB Trust is expected to be the Counterparty or its affiliate. On the Closing Date (as defined herein), the Counterparty or one of its affiliates may subscribe for units of Marret IGB Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the Forward Agreement. Marret IGB Trust will use any subscription proceeds to acquire the Portfolio. See "Overview of the Investment Structure –

Marret IGB Trust".

Redemption Privileges: **Annual Redemption Right**: Units may be redeemed at the option of Unitholders on the Annual Redemption Date of each year, commencing in November 2010. Units so redeemed will be redeemed at a redemption price equal to the Redemption Net Assets per Unit on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. Units must be surrendered for redemption at least ten Business Days prior to the Annual Redemption Date. Payment of the proceeds of redemption will be made on or before the 15th Business Day of the following month.

Monthly Redemption Right: Units may be redeemed at the option of Unitholders on a Monthly Redemption Date, subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date, subject to the Manager's right to suspend redemptions in certain circumstances. Unitholders surrendering a Unit for redemption will receive a redemption price equal to the lesser of (i) 94% of the Market Price of a Unit, and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date, less in each case any costs associated with the redemption (the "**Monthly Redemption Amount**"). See "Redemption of Units" and "Risk Factors — Significant Redemptions".

The Net Asset Value per Unit will vary depending on a number of factors. See "Calculation of Net Asset Value", "Redemption of Units" and "Risk Factors".

Termination of the Fund: The Units will be redeemed by the Fund for a cash amount equal to 100% of the Net Asset Value per Unit on the Termination Date. Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension.

Use of Proceeds: The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be $578,300,000 ($95,800,007.72 if the minimum number of Units are issued). The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of Marret IGB Trust. See "Use of Proceeds".

Repurchase of Units: The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders. See "Description of the Units — Purchase for Cancellation".

Risk Factors: An investment in Units is subject to certain risk factors, including: (i) that there is no assurance that the Fund or Marret IGB Trust will be able to achieve their investment objectives; (ii) the fact that Units may trade in the market at a discount to the Net Asset Value per Unit; (iii) the possible loss of some or all of the investment; (iv) risk of exposure to investments in Investment Grade Bonds; (v) fluctuations in the value of Portfolio securities; (vi) recent global financial developments; (vii) the use of short selling; (viii) unsecured Counterparty credit risk related to the Forward Agreement; (ix) risks relating to the composition of the Portfolio; (x) interest rate fluctuations; (xi) illiquid securities; (xii) the use of derivatives; (xiii) a prime broker holding certain assets of Marret IGB Trust; (xiv) risks relating to securities lending; (xv) risks relating to the use of leverage; (xvi) risks relating to foreign currency; (xvii) reliance on the Manager and Marret; (xviii) risks relating to taxes; (xix) no ownership of the Portfolio securities by the Fund; (xx) changes in legislation; (xxi) the status of the Fund under Canadian securities laws; (xxii) risks relating to significant redemptions; (xxiii) the Fund's lack of operating history; (xxiv) the fact that the Fund is not a trust company; and (xxv) the nature of the Units. See "Risk Factors".

Canadian Federal Income Tax Considerations: The Fund intends to distribute a sufficient amount of its income for each taxation year so that it will generally not be liable for Part I tax under the Tax Act. A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The Fund intends to make designations so that the portion of net realizable taxable capital gains of the Fund that are distributed to Unitholders will be treated as taxable capital gains to Unitholders. Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net realized capital gains and other net income will reduce the adjusted cost base of the Unitholder's Units. Upon the disposition of Units held as capital property, Unitholders will realize capital gains or capital losses. Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon their own particular circumstances. See "Canadian Federal Income Tax Considerations".

Eligibility for Investment: In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. See "Canadian Federal Income Tax Considerations".

Organization and Management of the Fund and Marret IGB Trust: *The Manager, the Promoter and Marret*: Marret Asset Management Inc. will be the manager of the Fund (in such capacity, the "**Manager**") and Marret IGB Trust (in such capacity, "**Marret**") and will provide all administrative services required by the Fund and Marret IGB Trust, respectively. The Manager may be considered to be a promoter of the Fund within the meaning of the securities legislation of certain provinces of Canada. Marret will be responsible for acquiring the securities comprising the Portfolio and maintaining the Portfolio in accordance with the investment objectives of Marret IGB Trust. Marret IGB Trust's head office is located at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Trustee of the Fund: Equity Transfer & Trust Company is the Trustee of the Fund. The Trustee's office is located in Toronto, Ontario.

Trustee of Marret IGB Trust: Marret will act as trustee of Marret IGB Trust.

Marret IGB Trust: Marret IGB Trust will be a newly created investment trust established prior to the Closing Date pursuant to the Marret IGB Declaration of Trust for the purpose of acquiring the Portfolio. The registered office of the Trustee of Marret IGB Trust is located in Toronto, Ontario.

Prime Broker: TD Securities Inc. will act as the prime broker of Marret IGB Trust, to facilitate short selling. The Prime Broker is located in Toronto, Ontario.

Auditor: The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

Custodian: CIBC Mellon Trust Company will act as custodian of the assets of both the Fund and Marret IGB Trust. The Custodian is located in Toronto, Ontario.

Registrar and Transfer Agent: Equity Transfer & Trust Company, at its office in Toronto, Ontario, will maintain the securities registers of the Units and register transfers of Units.

Agents: RBC Dominion Securities Inc., CIBC World Markets Inc., TD Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Dundee Securities Corporation, National Bank Financial Inc., Scotia Capital Inc., Blackmont Capital Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Wellington West Capital Markets Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated, as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement.

The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to offer additional Units in an amount up to 15% of the Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be $690,000,000, $24,150,000 and $665,850,000, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Agents' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	7,500,000 Units	Within 30 days following the Closing Date	$12.00 per Unit

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund, Marret IGB Trust and the Manager, which will therefore reduce the value of a Unitholder's investment in the Fund. For further particulars, see "Fees and Expenses".

<u>Fees and Expenses of the Fund</u>

Type of Fee	Amount and Declaration
Agents' Fees:	$0.42 per Unit (3.50%)
Expenses of the Offering:	The expenses of the Offering are estimated to be $700,000 (but not to exceed 1.5% of the gross proceeds of the Offering) which, together with the Agents' fee, will be paid by the Fund.
Management Fee:	The Manager will receive a Management Fee from the Fund equal to 0.125% per annum of the Net Asset Value of the Fund (or 0.50% in total when combined with the Management Fee paid to Marret by Marret IGB Trust), calculated and payable monthly in arrears, plus applicable taxes. See "Fees and Expenses — Management Fee".
Counterparty Fees:	The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated weekly and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of Marret IGB Trust). See "Fees and Expenses — Counterparty Fees".
Ongoing Expenses of the Fund:	The Fund will pay for all of its expenses incurred in connection with its operation and administration, estimated to be $175,000 per annum (assuming an aggregate size of the Offering of approximately $100 million). The Fund will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time. See "Fees and Expenses — Ongoing Expenses of the Fund".

<u>Fees and Expenses of Marret IGB Trust</u>

Marret IGB Trust Management Fee:	Marret will receive a Marret IGB Trust Management Fee from Marret IGB Trust equal to 0.375% of the Net Asset Value of Marret IGB Trust, calculated and payable monthly in arrears, plus applicable taxes. See "Fees and Expenses — Marret IGB Trust Management Fee".
Ongoing Expenses of Marret IGB Trust:	Marret IGB Trust will pay for all of its expenses incurred in connection with its operation and administration, estimated to be $75,000 per annum (assuming an aggregate size of the Offering of approximately $100 million). Marret IGB Trust will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time. See "Fees and Expenses — Ongoing Expenses of Marret IGB Trust".

GLOSSARY OF TERMS

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

"**Additional Distribution**" means a distribution that, if necessary, will be made in each year to Unitholders of record on December 31 in order that the Fund will generally not be liable to pay income tax, as described under "Distributions".

"**Annual Redemption Date**" means the last Business Day in November of each year beginning in 2010.

"**Agency Agreement**" means the agency agreement dated as of September 29, 2009 among the Fund, the Manager and the Agents.

"**Agents**" means, collectively, RBC Dominion Securities Inc., CIBC World Markets Inc., TD Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Dundee Securities Corporation, National Bank Financial Inc., Scotia Capital Inc., Blackmont Capital Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Wellington West Capital Markets Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated.

"**Approved Rating**" means the long-term debt rating of the Counterparty or each successor counterparty of at least A by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or an equivalent rating from DBRS Limited, Moody's Investors Service, Inc., Fitch Ratings or any of their respective successors.

"**Book-Entry Only System**" means the book-entry only system administered by CDS.

"**Business Day**" means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

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

"**CDS**" means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

"**CDS Participant**" means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for the Units deposited with CDS.

"**CDX North American Investment Grade Credit Indices**" means the Markit CDX North American Investment Grade Index and the Markit CDX North American Investment Grade High Volatility Index, published by, Markit Group Limited.

"**Closing**" means the issuance of Units pursuant to this prospectus on the Closing Date.

"**Closing Date**" means the date of the Closing, which is expected to be on or about October 23, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued.

"**Closing Market Price**" in respect of a security on a Monthly Redemption Date means (i) the closing price of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was a trade on the Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) if there was trading on the Monthly Redemption Date and the market provides only the highest and lowest prices of the security traded on a particular day; or (iii) the average of the last bid and the last asking prices of the security on the TSX on such Monthly Redemption Date (or such other stock exchange on which the security is listed) if there was not trading on the applicable Monthly Redemption Date.

"**Corporate Bonds**" means debt securities that are not Government Bonds which, for the avoidance of doubt, includes (i) debt securities issued by North America issuers and (ii) Canadian or United States dollar denominated debt securities issued by non-North American issuers.

"**Counterparty**" means The Bank of Nova Scotia and/or such other Canadian financial institutions or their affiliates as the Fund may approve.

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

"**Custodian**" means CIBC Mellon Trust Company, in its capacity as custodian under the Custodian Agreement.

"**Custodian Agreement**" means the custodian agreement to be entered into on or about to the Closing Date between the Fund and the Custodian, as it may be amended from time to time.

"**Declaration of Trust**" means the declaration of trust governing the Fund by Equity Transfer & Trust Company dated as of September 29, 2009, as it may be amended from time to time.

"**DEX Mid-Corporate Bond Index**" means the bond index provided by PC-Bond that consists of semi-annual pay fixed rate bonds denominated in Canadian dollars, with remaining terms greater than 5 years and less than 10 years, rated BBB or higher, issued by Canadian Federal, Provincial or Territorial corporations.

"**Extraordinary Resolution**" means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

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

"**Fund**" means Marret Investment Grade Bond Fund, an investment trust established under the laws of the Province of Ontario by the Declaration of Trust.

"**Government Bonds**" means debt securities issued by the U.S. Treasury or the Bank of Canada.

"**Investment Grade Bonds**" means debt securities and term loans that are generally rated at or above BBB- from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or Baa3 or higher from Moody's Investor Services, Inc., or a similar rating from a qualified rating agency.

"**Management Agreement**" means the management agreement dated as of September 29, 2009 between the Manager and the Fund, as it may be amended from time to time.

"Management Fee" means the management fee payable to the Manager by the Fund and as more fully described under "Fees and Expenses — Management Fee".

"**Manager**" means the manager and administrator of the Fund, namely Marret Asset Management Inc., and, if applicable, its successor.

"**Market Price**" in respect of a security on a Monthly Redemption Date means the weighted average trading price on the TSX (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date.

"**Marret**" means the manager and administrator of Marret IGB Trust, namely Marret Asset Management Inc., and, if applicable, its successor.

"**Marret IGB Declaration of Trust**" means the declaration of trust by Marret establishing Marret IGB Trust, as it may be amended from time to time.

"**Marret IGB Management Agreement**" means those portions of the Marret IGB Declaration of Trust pursuant to which Marret will perform the management function for Marret IGB Trust.

"**Marret IGB Trust**" means a newly created investment trust that will be established under the laws of the Province of Ontario prior to the Closing.

"**Marret IGB Trust Management Fee**" means the management fee payable to Marret by Marret IGB Trust and as more fully described under "Fees and Expenses — Management Fee".

"**Meeting**" means a meeting of Unitholders called in accordance with the Declaration of Trust.

"**Monthly Redemption Amount**" means the redemption price per Unit equal to the lesser of: (i) 94% of the Market Price of a Unit and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date, less in each case any costs associated with the redemption, including brokerage costs.

"**Monthly Redemption Date**" means the second last Business Day of each month, other than November.

"**Net Asset Value of the Fund**" means the net asset value of the Fund as determined by subtracting the aggregate liabilities of the Fund from the aggregate value of the assets of the Fund on the date on which the calculation is being made, as more fully described under "Calculation of Net Asset Value".

"**Net Asset Value of Marret IGB Trust**" means the net asset value of Marret IGB Trust as determined by subtracting the aggregate liabilities of Marret IGB Trust, as applicable, from the aggregate value of the assets of Marret IGB Trust on the date on which the calculation is being made, as more fully described under "Calculation of Net Asset Value".

"**Net Asset Value per Unit**" means the Net Asset Value of the Fund divided by the total number of Units outstanding on the date on which the calculation is being made.

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

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

"**Non-Resident Unitholder**" means a Unitholder who, for the purposes of the Tax Act, and at all relevant times, is not resident in Canada and is not deemed to be resident in Canada, does not use or hold, and is not deemed to use or hold, Units in, or in the course of carrying on business in, Canada, and is not an insurer who carries on an insurance business in Canada and elsewhere.

"**Offering**" means the offering of Units at a price of $12.00 per Unit and the offering of additional Units under the Over-Allotment Option, all pursuant to this prospectus.

"**Ordinary Resolution**" means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**Over-Allotment Option**" means the option granted by the Fund to the Agents, exercisable for a period of 30 days from the Closing Date, to offer additional Units at $12.00 per Unit in an amount up to 15% of the Units sold on Closing, solely to cover over-allotments, if any.

"**Portfolio**" means the portfolio comprising North American Investment Grade Bonds acquired and held by Marret IGB Trust from time to time.

"**Prime Broker**" means TD Securities Inc., in its capacity as prime broker to Marret IGB Trust.

"**Redemption Net Assets per Unit**" means the net assets of the Fund on a per Unit basis, calculated in a similar manner to the calculation of the Net Asset Value per Unit except that, for the purposes of calculating the net assets of the Fund, the value of the Forward Agreement will be determined on the basis that any bonds, debentures and other debt obligations that are owned by Marret IGB Trust will be valued by taking the bid price on the Valuation Date and any short position of Marret IGB Trust will be valued by taking the ask price on the Valuation Date, calculated on a fully diluted basis, if applicable.

"**Redemption Payment Date**" means the 10th Business Day of the month immediately following a Monthly Redemption Date.

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

"**SIFT Rules**" means the provisions of the Tax Act, including those contained in sections 104, 122 and 122.1 of the Tax Act, which apply to the taxation of a "specified investment flow through trust" and its unitholders.

"**SIFT Trust**" means a specified investment flow-through trust for the purposes of the Tax Act.

"**Tax Act**" means the Income Tax Act (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

"**Tax Proposals**" means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

"**Termination Date**" means October 31, 2014.

"**Trustee**" means Equity Transfer & Trust Company, in its capacity as trustee of the Fund under the Declaration of Trust.

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

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state thereof, and the District of Columbia.

"**Unitholders**" means the owners of the Units.

"**Units**" means the Units issued by the Fund pursuant to the Offering.

"**Valuation Date**" means, at a minimum, Thursday of each week or, if any Thursday is not a Business Day, the immediately preceding Business Day, and the last Business Day of each month, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit.

"**Yield to Maturity**" means the yield to the holder on the assumption that a fixed coupon security is held to maturity, that all coupon and principal payments will be made and coupon payments are reinvested. It is a measure of the return.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

Marret Investment Grade Bond Fund is a closed-end investment fund established under the laws of the Province of Ontario. Equity Transfer & Trust Company is the Trustee of the Fund and Marret Asset Management Inc. is the Manager of the Fund. The Fund's principal office is 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9. The fiscal year-end of the Fund is December 31.

The beneficial interests in the net assets and net income of the Fund are divided into Units. The Fund is authorized to issue an unlimited number of Units.

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

INVESTMENT OBJECTIVES AND RATIONALE

The Fund will seek to achieve the following investment objectives:

(i) to provide Unitholders with attractive monthly tax advantaged cash distributions, initially targeted to be 5% per annum on the original issue price of $12.00 per Unit; and

(ii) to maximize total returns for Unitholders, consisting primarily of tax-advantaged distributions, while reducing risk and preserving capital;

by obtaining exposure to the Portfolio, which is focused on Investment Grade Bonds.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital for tax purposes. Commencing in January 2010, the Fund will determine and announce each quarter the distribution amount for the following quarter, based upon the Manager's estimate of distributable cash flow for the quarter. The Fund may make additional distributions in any given year. See "Distributions".

Recent market developments highlight the importance of diversification into high quality investment grade fixed income investments. The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio, which is focused on North American Investment Grade Bonds. The Portfolio will be held by Marret IGB Trust and Marret will manage the Portfolio using specialized Investment Grade Bonds strategies designed to maximize risk-adjusted returns and preserve capital throughout the credit cycle. Over the course of the credit cycle, the investment strategy seeks to generate total returns in excess of the DEX Mid-Corporate Bond Index with less volatility.

The principal investment objectives of Marret IGB Trust are to build a portfolio composed primarily of select high quality, favourably valued, investment grade corporate bonds that reflect the following fundamental tenets of Marret IGB Trust's investment strategy:

1. **Capital Preservation**: Recent marketplace developments have demonstrated the importance of prudent capital allocation, particularly in the credit arena. Consistent with this, Marret will construct the Portfolio with the disciplined emphasis of protecting capital over the entire credit cycle. Over the long term, the market has not rewarded investors who continue to reach for yield when valuations are lofty and capital and liquidity are readily available. Marret believes preserving capital is most intimately linked with attractive valuation. Marret also believes that attractive valuation and the potential for risk-adjusted returns are one and the same. Taking this into consideration, and given Marret's view that attractive valuations are typically most pervasive in environments where capital is scarce and credit spreads are wide, Marret believes that the current investment grade market

presents a very favourable opportunity to gain exposure to this asset class due to its attractive risk-adjusted returns, and subsequently ample capital preservation qualities.

2. **Focus on high quality credit investments**: The past credit cycle phase serves as a strong example of the need for quality credit investment experience. As a result of excess global liquidity, leverage, strong economic output and the subsequently excessive investor risk appetites, the reward in the credit market, in a broad sense, was not consistent with the underlying investment risk. As emerging risks revealed themselves in many forms, particularly in the form of leveraged buyouts, share buybacks, increasingly rich valuations and an increased likelihood of an economic slowdown, the importance of quality security selection became paramount. Credit managers not deviating from a focus on strong or improving balance sheets, companies with resilient business fundamentals and conservative management teams were well rewarded. And with the prospective threat of a sustained period of heightened global volatility, these themes of financial stability, strong business models and prudent management teams will have an important influence on not only the composition of the Portfolio but also the Fund's value and return over time.

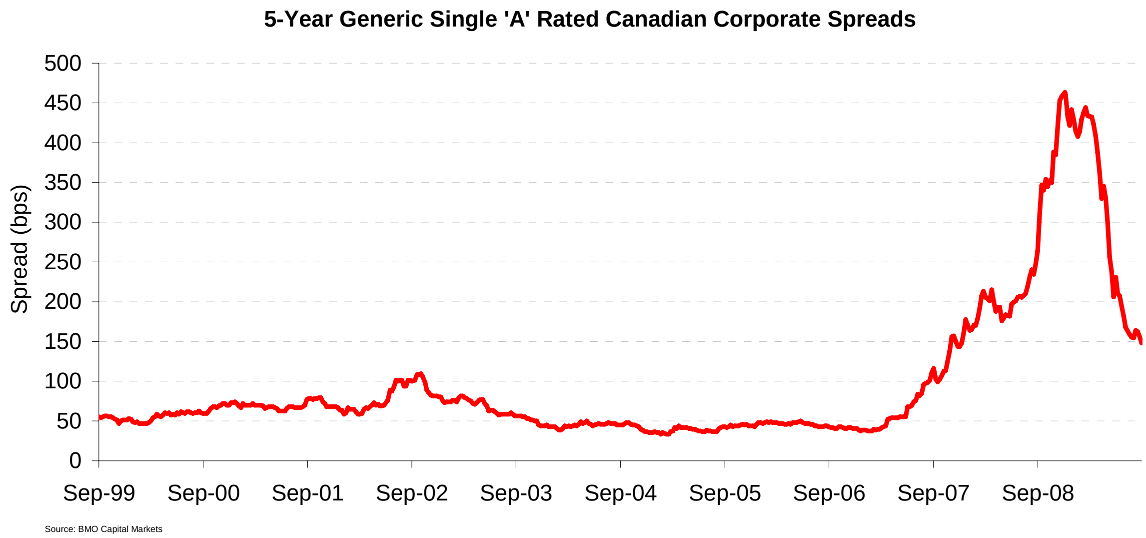
3. **Liquidity**: As active investment management relies heavily on portfolio rebalancing and the ability to execute a given strategy in the face of dynamic markets, the importance of liquidity to Marret is significant. It is typical in the fixed income market to see many bond issues become illiquid over time. This particular market characteristic raises material challenges for an investment manager, particularly when the necessity to reposition arises. And although liquidity is more a function of a debt issue's size and holder base, liquidity is also cyclical in nature. Therefore Marret will manage the Portfolio not only being cognizant of a specific issue's liquidity characteristics, but may also take advantage of the broader cyclical liquidity trends appearing in the market. With all this in mind, the Portfolio will be managed with a goal of holding investments with strong liquidity throughout the credit cycle.

4. **Full currency hedging program**: Marret will extend its focus beyond the domestic Canadian investment grade bond market, to include issuers domiciled in the US and bonds denominated in US dollars that are traded in the North American market. This investment decision yields three very important benefits. First, by increasing the universe of bonds in which to invest, Marret is able to survey a wider subset of debt securities in which to invest, which increases potential for value being added through security selection. Secondly, this greater subset gives Marret the ability for greater diversification, on both a geographic, sector and market basis, thus reducing portfolio risk. Lastly, as there exists strong liquidity and demand for US dollar denominated debt, many companies choose to issue debt denominated in US dollars, instead of their home currencies. The fixed income asset class typically offers very stable returns, and the inclusion of foreign currency denominated bonds introduces foreign exchange risk. As the significant volatility in past years in foreign exchange markets indicate, the impacts of currency fluctuations on an unhedged fixed income portfolio are significant. As a result of foreign exchange volatility, the returns from changes in currency values on a foreign investment in a fixed income portfolio may overshadow value added through genuine fixed income expertise. For this reason, Marret will employ a currency hedging program to insulate the Portfolio from foreign exchange fluctuations. Marret intends to hedge 100% of the Portfolio's foreign currency exposure. In having a currency hedging program, Marret will have the ability to efficiently gain exposure to large US dollar issues, which provides a great advantage in an environment as volatile as the one seen currently, where portfolios that remain liquid can greatly benefit from active management.

In the event that the risk of significant financial turbulence becomes unreasonably high, Marret also has two supplementary risk management tools available to be used in the management of the Portfolio: interest and credit risk hedging. These tools may only be used to a moderate extent when market conditions pose significant risk of capital depreciation to the Portfolio. In the case that interest rates are unreasonably low relative to long term inflation risks, Marret has the ability to protect the Portfolio from capital depreciation due to rising interest rates. This is an important tool, as over the recent credit cycle, the average investment grade bond's yield is approximately 60% determined by interest rates. In the case that credit spreads are unreasonably tight relative to economic fundamentals and credit risk free investments, Marret has the ability to hedge credit risk through the use of investment grade credit derivatives to protect the Portfolio from capital depreciation due to widening credit spreads. The possible value preserving qualities of this tool are apparent when considering the unprecedented volatility seen in investment grade credit spreads in the past 18 months. Together, these important hedging options provide Marret the opportunity to construct a portfolio over the course of the credit cycle. The tools will aid in Marret's strategy to reduce the various cyclical risks inherent in the investment grade space, and to preserve the relative credit performance of the given issues found in the Portfolio through periods of rapidly changing economic conditions.

Attractive Investment Opportunity in Investment Grade Bond Market

Marret believes that credit spreads, after correcting from the post "credit crisis" highs of late 2008, still remain well above historic averages. The following chart shows the historic average Generic Single "A" rated credit spreads for Canadian corporate bonds with a five year maturity for the past 10 years versus the five year Canadian Government Bond yield.



Credit markets have entered, in Marret's opinion, the early stages of a "bull cycle". As was the case following previous recessions, as the economy exits a period of negative or sub-par GDP growth, credit spreads have significant opportunity to narrow thereby outperforming other fixed income assets. As the "bull cycle" in credit spreads typically lasts 2-3 years, Marret believes that the current environment represents the best opportunity of accruing the highest returns.

THE PORTFOLIO

Investment Strategy

Marret expects the Marret IGB Trust to be fully invested in an industry diverse yet concentrated portfolio of approximately 20 investment grade bonds issued by highly recognized North American corporations. As macro-economic conditions change and the credit cycle matures, sector and industry weightings, portfolio duration and curve positioning will be modified in order to preserve capital and optimize returns. In periods of significant interest rate or credit spread volatility, Marret will engage in hedging interest rate risk by selling (shorting) Government Bonds and/or Government Bond futures. Additionally, credit exposure will be hedged by selling (shorting) the CDX North American Investment Grade Indices, which are liquid derivative instruments widely used to hedge investment grade debt portfolios. The use of interest futures and credit indices to hedge interest rate and credit risk is allowable up to a maximum notional amount of 15% each of the Net Asset Value of the Portfolio.

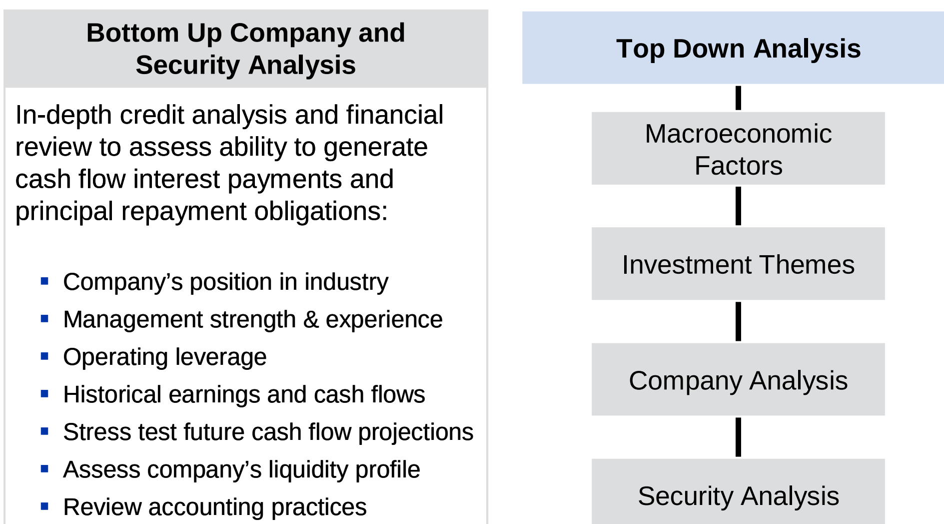
While the Portfolio will consist primarily of Investment Grade Bonds, Marret may also purchase additional securities which may include Canadian Government and Canadian Government guaranteed securities, Provincial Government and Provincial Government guaranteed securities and U.S. Treasury securities. The Portfolio may from time to time also include a significant amount of cash and/or cash equivalents.

Investment Process

Marret will select, monitor and manage the Portfolio investments in the following manner and subject to the investment restrictions.

Top Down Macroeconomic Analysis: In selecting Investment Grade Bonds, Marret will perform a fundamental analysis of economic, political and market trends. This analysis identifies sectoral trends that provide a template which shapes the Portfolio through the credit cycle. Next, Marret will determine the point in, and duration of, the current credit cycle in order to evaluate the relative attractiveness of industries and sectors. Thirdly, Marret will identify sectors that will experience positive and negative cash flow trends as the cycle evolves. Finally, Marret will examine the broader economic climate and position the Portfolio to take advantage of market trends in both the yield curve and credit curve.

Bottom-up Company and Security Analysis: Company fundamentals will be reviewed to assess a company's ability to generate cash and meet interest and principal obligations on its debt securities. Marret will focus on industry position, operating leverage, management strength, conservatism, and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices. The ultimate goal of this process is to identify Investment Grade Bonds trading at levels inconsistent with Marret's analysis of potential return and underlying risk. In selecting Investment Grade Bonds for the Portfolio, Marret will take into consideration industry, maturity, level of liquidity and security diversification. Marret will seek to acquire Investment Grade Bonds for the Portfolio that offers attractive risk/return characteristics and has protection by its issuers for an initial period (generally two to three years).



Risk Management

Portfolio risk management is an important part of Marret's investment process. The foundation for Marret's approach is a credit process document written by Barry Allan when the firm was founded, which details the investment process and discipline of Marret. Weekly credit meetings, at which Mr. Allan updates his macroeconomic view and discusses sectoral trends and the credit analysts give company and security updates, are an integral part of this fundamental process. Marret has devised a liquidity scoring system under which every bond in a portfolio is assigned a liquidity ranking. This is intended to act as an early warning system against credit deterioration. Marret also employs a relative value benchmarking system: each company is assigned a peer group and analyzed relative to its peers, rather than absolutely, or in isolation.

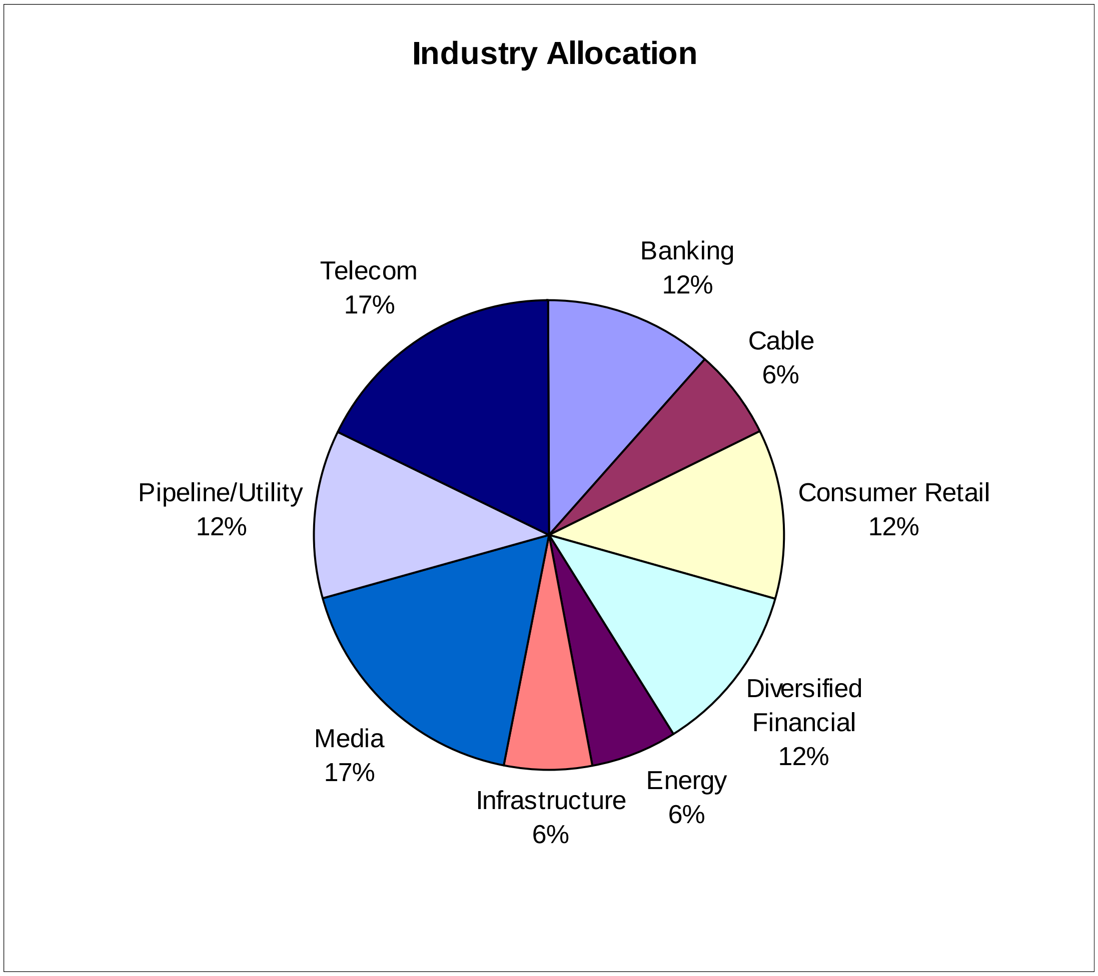
Portfolio Composition

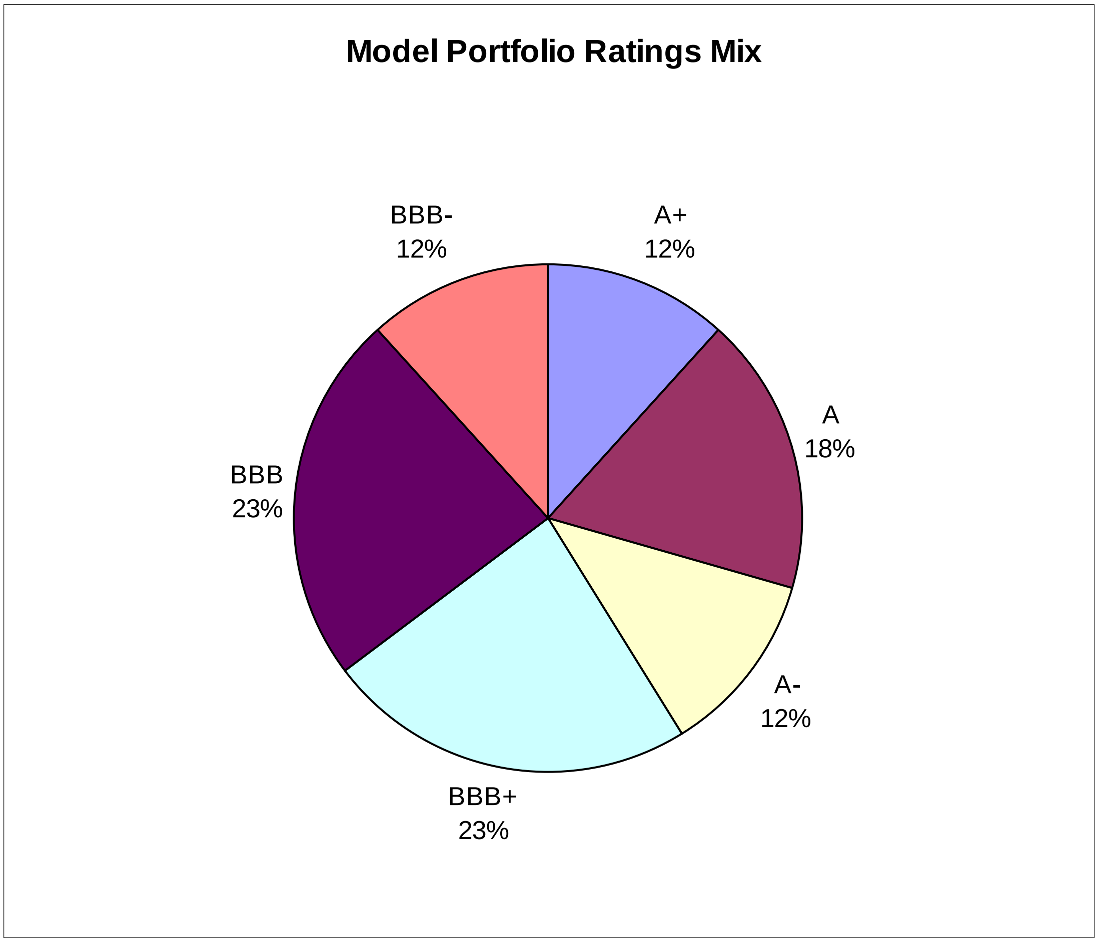
Marret will select securities for the Portfolio based on its assessment of the credit quality and total return expectations of such securities. The Portfolio composition will vary depending on the maturity of the credit cycle.

In general, the Portfolio will be invested in approximately 20 investment grade bonds. The initial Portfolio is expected to have an average duration of approximately six (6) years and will subsequently be adjusted according to macroeconomic conditions and the maturity of the credit cycle. The duration, sector weightings and individual security weightings will be adjusted in each segment of the credit cycle in order to optimize performance and return. Marret believes that the market has entered the most attractive part of the credit cycle from which to build an investment grade debt portfolio.

The following table sets forth the various asset classes which, in Marret's view, comprise the model Portfolio and the exposure in each asset class if the Portfolio were in existence today:

Asset Class	**Portfolio Net Exposure**
Investment Grade Bonds	100%
Canadian Government and Guaranteed Bonds	0%
Provincial Government and Guaranteed Bonds	0%
U.S. Treasury Bonds	0%
Canadian Government Bond Futures	0%
Portfolio Net Exposure to Market	100%





Corporate Debt

Corporate debt is issued by companies to finance growth and operations or refinance existing debt maturities. This debt generally pays interest quarterly or semi-annually and repays principal on the maturity date. Corporate debt is typically issued for terms of 2 to 30 years. Independent credit ratings help investors analyze credit risk and also contribute to market efficiencies by providing credible and independent assessments of credit risk. Corporate debt securities which are rated above BBB- (a Standard & Poor's rating category, Baa3 (a Moody's Investor Services rating category) or BBBL (a DBRS rating category) are classified as Investment Grade Bonds. A lower credit rating suggests a greater risk of default (the table below sets out the credit rating for Investment Grade Bonds for each of Moody's, S&P and DBRS). According to S&P's rating definitions, a company rated BBB has adequate capacity to meets its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments. The risks associated with Investment Grade Bonds are considered higher than is the case of sovereign government bonds. The difference between risks for sovereign government bonds and Investment Grade Bonds is call investment grade spread. The spread is an indicator of the market's belief in the stability of the company within the context of the economic environment. The investment grade spread or risk premium can change considerably in weaker economic periods.

	Moody's	Standard & Poor's	DBRS
Investment Grade	Aaa	AAA	AAA
	Aa	AA	AA
	A1	A+	A high
	A2	A	A
	A3	A-	A low
	Baa1	BBB+	BBB high
	Baa2	BBB	BBB
	Baa3	BBB-	BBB low

Investment Grade Bond Market

Investment grade debt securities in North America are distributed in both public and private offerings. Debt issues are typically traded over-the-counter (OTC) by a wide variety of investment dealers and financial institutions on a negotiated basis. Pricing and liquidity can vary depending on the issuer, size of issue, availability of the securities, rating, term to maturity, interest and currency rate fluctuations, investor demand, the risks associated with the issuer and general economic conditions. As of July 31, 2009, the total dollar value of investment grade securities outstanding in the U.S. was approximately US$2.7 trillion representing approximately 3,900 issues. In Canada, investment grade debt securities outstanding as of July 31, 2009 was approximately Cdn.$245 billion across approximately 620 issues. The yield on Investment Grade Bonds at a specific time is typically calculated on a "yield to maturity" basis (the return to be earned on the security if held to maturity, taking into account the discounted value of the future interest and principal payments). The price of Investment Grade Bonds varies inversely with yields available in the market, which, in turn, reflect the changes in spreads over underlying government bonds and yields.

Although the risk of default in the payment of periodic interest and/or principle upon maturity for investment grade bonds is deemed to be very low, a credit rating agency downgrade of a company's bonds from BBB- to BB reclassifies its debt from investment grade to "junk" status. The repercussions of such an event can be highly problematic for the issuer and can also adversely affect bond spreads and prices.

Use of Derivatives

Marret IGB Trust may invest in or use derivative instruments, other than commodity derivatives, for hedging or investment purposes consistent with its investment objectives and subject to the investment restrictions of Marret IGB Trust, including the restriction on net exposure.

For example, Marret IGB Trust may use derivatives with the intention of offsetting or reducing risks associated with losses from currency fluctuations, interest rate changes and credit risks. No assurance can be given that the Portfolio will be hedged from any particular risk from time to time, except foreign currency risk. In addition, Marret may employ derivative strategies in the Portfolio to invest indirectly in, or gain exposure to, securities or financial markets.

Derivative instruments employed will be restricted to foreign exchange forward contracts, interest rate futures contracts and the CDX North American Investment Grade Credit Indices.

Forward contracts (over-the-counter) and futures contracts (exchange-traded) are contracts to exchange (buy or sell) an underlying instrument for a fixed price at a specific, future delivery date.

Currency Hedging

Marret intends to protect returns on the Portfolio from currency fluctuations by hedging foreign currency exposure to the Canadian dollar. Marret intends that 100% of Portfolio investments denominated in foreign currencies will be hedged to the Canadian dollar.

Leverage

Marret IGB Trust may utilize various forms of borrowings, including a loan facility and margin purchases, up to 25% of the net asset value of Marret IGB Trust at the time of the borrowing. Accordingly, the maximum amount of leverage that Marret IGB Trust could employ is 1.25:1.

In addition, the net exposure of Marret IGB Trust will not exceed 125%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by the Net Asset Value of Marret IGB Trust.

Marret IGB Trust intends initially to employ the maximum permissible amount of leverage, given the Manager's current outlook for the Investment Grade Bond market.

Securities Lending

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

OVERVIEW OF THE INVESTMENT STRUCTURE

Marret IGB Trust

Marret IGB Trust will be a newly created investment trust established prior to the Closing. Marret IGB Trust will be established for the purpose of acquiring and holding the Portfolio. The initial beneficial owner of all of the units of Marret IGB Trust is expected to be the Counterparty or its affiliate. On the Closing Date, the Counterparty or one of its affiliates may subscribe for units of Marret IGB Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the payment of its purchase obligations under the Forward Agreement. Marret IGB Trust will use any subscription proceeds that it receives to acquire the Portfolio.

Units of Marret IGB Trust will be redeemable at the demand of its unitholders. On redemption, a Marret IGB Trust unitholder will receive for each unit of Marret IGB Trust redeemed an amount equal to the Net Asset Value per unit of Marret IGB Trust. The Net Asset Value per unit of Marret IGB Trust will be equal to the amount by which the total assets of Marret IGB Trust exceed its total liabilities on a per unit basis.

Marret IGB Trust will generally receive interest income from the Investment Grade Bonds included in the Portfolio. The net income of Marret IGB Trust will consist primarily of interest income, less expenses of Marret IGB Trust. Marret IGB Trust will distribute all of its net income and net realized capital gains earned in each fiscal year to ensure that it is not liable for tax under Part I of the Tax Act. To the extent that Marret IGB Trust has not distributed in cash the full amount of its net income in any year, the difference between such amount and the amount actually distributed by Marret IGB Trust will be paid through the issuance of additional units. Immediately after any such distribution of units, the number of outstanding units of Marret IGB Trust will be consolidated such that each unitholder of Marret IGB Trust (including the Counterparty or an affiliate, for so long as it is a unitholder) will hold after the consolidation the same number of units of Marret IGB Trust as it held before the distribution of additional units.

Investment Restrictions of Marret IGB Trust

Marret IGB Trust will be subject to certain investment restrictions, which are set out in the Marret IGB Trust Declaration of Trust. The investment restrictions of Marret IGB Trust provide that Marret IGB Trust will not:

(a) purchase securities other than Investment Grade Bonds, and in the case where any such securities are downgraded by any qualified credit rating agency, Marret will replace such securities as soon as reasonably practicable, but in any event within 45 days;

(b) have net exposure exceeding 125%, on a daily marked-to-market basis, with net exposure calculated as the value of long security positions, excluding cash and cash equivalents, minus the absolute value of short positions, divided by the Net Asset Value of Marret IGB Trust;

(c) borrow money, including pursuant to a loan facility or by purchasing securities on margin, if, immediately following the borrowings, the aggregate amount borrowed would exceed 25% of the Net Asset Value of Marret IGB Trust;

(d) invest more than 10% of its net assets in the securities of any single issuer (as determined at the time of purchase), other than securities issued or guaranteed by the Government of Canada, the Government of the United States or a province, state or territory thereof;

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

(f) have notional short exposure exceeding 30% of the Net Asset Value of the Fund determined on a daily marked-to-market basis;

(g) with the exception of securities of Marret IGB Trust's own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with Marret or any of their respective affiliates, any officer, director or shareholder of any of them, any person, trust, firm or corporation managed by Marret or any of their respective affiliates or any firm or corporation in which any officer, director or shareholder of Marret may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless such transaction complies with NI 81-107;

(h) make or hold any investments in entities that would be "foreign affiliates" of Marret IGB Trust for purposes of the Tax Act;

(i) make or hold any securities in any non-resident trusts, other than "exempt foreign trusts" as defined in proposed subsection 94(1) of the Tax Act as set forth in former Bill C-10, which was before the 2nd session of the 39th Parliament (or pursuant to any amendments to such proposals, subsequent provisions enacted into law, or successor provisions thereto);

(j) at any time, hold any property that is a "non-portfolio property" for the purposes of the SIFT Rules; or

(k) make or hold any investments that could require Marret IGB Trust to include any material amount in its income pursuant to proposed sections 94.1 or 94.3 of the Tax Act, or require Marret IGB Trust to mark the investment to market in accordance with proposed section 94.2 of the Tax Act, all as set forth in Bill C-10, which was before the 2nd session of the 39th Parliament (or pursuant to any amendments to such proposals, subsequent provisions as enacted into law, or successor provisions thereto).

The Forward Agreement

The Fund will use the net proceeds of the Offering for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about the Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of the relevant number of units of Marret IGB Trust net of any amount owing by the Fund to the Counterparty. Under the terms of the Forward Agreement, the Fund and the Counterparty have agreed that the Counterparty's settlement obligations under the Forward Agreement will be discharged by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund.

The terms of the Forward Agreement will provide that the Forward Agreement may, in certain circumstances, be settled prior to the Termination Date at the request of the Fund. The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason. Pursuant to the terms of the Forward Agreement, the Counterparty will, in connection with a requested partial settlement, deliver to the Fund securities of certain of the issuers in the Canadian Securities Portfolio based on the partial settlement amount. It is intended that any capital gain or income realized by the Fund on the sale of such securities to fund a redemption will generally be allocated to the redeeming Unitholder.

The Forward Agreement may be terminated prior to the Termination Date in certain circumstances, including if an event of default or a termination event occurs with respect to the Fund or the Counterparty under the Forward Agreement.

The following constitute events of default under the Forward Agreement: (i) failure by a party to make a payment or perform an obligation when due under the Forward Agreement, which is not cured within any applicable grace period; (ii) a party makes a representation which is incorrect or misleading in any material respect; (iii) a party defaults in respect of a specified transaction having a value in excess of a specified threshold, which default is not cured within any applicable grace period; (iv) certain events related to the bankruptcy or insolvency of a party; and (v) a party consolidates, amalgamates or merges with or into, or transfers substantially all its assets to, another entity and the resulting, surviving or transferee entity fails to assume the obligations of such party under the Forward Agreement.

Termination events under the Forward Agreement include the following: (i) it becomes unlawful for a party to perform its obligations under, or comply with any material provisions of, the Forward Agreement; (ii) certain tax events occur which require a party to indemnify the other party in respect of certain taxes or reduce the amount that a party would otherwise have been entitled to receive under the Forward Agreement; (iii) failure of Marret IGB Trust to comply with its governing documents; or (iv) certain regulatory, credit or legal events occur which affect a party.

The obligations of the Counterparty to the Fund under the Forward Agreement will be determined by reference to the Net Asset Value of Marret IGB Trust which, in turn, is subject to the performance of the Portfolio. The Counterparty may hedge its exposure under the Forward Agreement to the economic performance of Marret IGB Trust. There is no assurance that the Counterparty will maintain a hedge or will do so with respect to the full amount or term of the Forward Agreement. On the date on which the Fund enters into the Forward Agreement, the initial issue price and value of the applicable number of units of Marret IGB Trust under the Forward Agreement will be not less than the net proceeds of the Offering. The Fund is fully exposed to the unsecured credit risk associated with the Counterparty in respect of the Forward Agreement. Upon entering into the Forward Agreement, the long-term debt of the Counterparty must have an Approved Rating.

If the Forward Agreement is terminated prior to the Termination Date for any reason, it is anticipated that the Forward Agreement will be settled by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund after payment of any amounts owing to the Counterparty. In the event of a termination prior to the Termination Date, the Manager may, in its discretion, on behalf of the Fund enter into a replacement forward agreement on terms satisfactory to the Manager in its sole discretion, or the Manager may cause the termination of the Fund and may take such other action as it considers necessary under the circumstances.

FEES AND EXPENSES

Fees and Expenses of the Fund

Initial Fees and Expenses

The expenses of the Offering (including the costs of creating and organizing the Fund, the costs of printing and preparing this prospectus, legal expenses, marketing expenses and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses), which are estimated to be $700,000 (but not to exceed 1.5% of the gross proceeds of the Offering), will be paid by the Fund from the gross proceeds of the Offering. In addition, the Agents' fee will be paid to the Agents from the gross proceeds as described under "Plan of Distribution".

Management Fee

The Manager will receive a Management Fee from the Fund equal to 0.125% per annum of the Net Asset Value of the Fund (or 0.50% in total when combined with the Marret IGB Trust Management Fee), calculated and payable monthly in arrears, plus applicable taxes.

Trustee Fee

The Trustee is entitled to receive a fee from the Fund, currently $5,000 per annum, plus applicable taxes.

Counterparty Fees

The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated daily and payable quarterly in arrears, of 0.25% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of Marret IGB Trust).

Ongoing Expenses of the Fund

The Fund will pay for all of its expenses incurred in connection with its operation and administration, estimated to be $175,000 per annum (assuming an aggregate size of the Offering of approximately $100 million). The Fund will also be responsible for its transactional costs and any extraordinary expenses that may be incurred from time to time.

Additional Services

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

Fees and Expenses of Marret IGB Trust

Marret IGB Trust Management Fee

Marret will receive a Marret IGB Trust Management Fee from Marret IGB Trust equal to 0.375% of the Net Asset Value of Marret IGB Trust, calculated and payable monthly in arrears, plus applicable taxes. For as long as Marret is both the trustee and manager of Marret IGB Trust, it is not entitled to receive any fees in addition to the Marret IGB Trust Management Fee for its duties as trustee.

Ongoing Expenses of Marret IGB Trust

Marret IGB Trust will pay for all of its expenses incurred in connection with its operation and administration, estimated to be $75,000 per annum (assuming an aggregate size of the Offering of approximately $100 million). Marret IGB Trust will also be responsible for its costs of portfolio transactions and any extraordinary expenses that may be incurred from time to time.

Additional Services

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

RISK FACTORS

Certain risk factors relating to the Fund, Marret IGB Trust and the Units are described below. As a result of the Forward Agreement, Unitholders are exposed to risks relating to Marret IGB Trust. Additional risks and uncertainties not currently known to the Manager or Marret, or that are currently considered immaterial, may also impair the operations of the Fund or Marret IGB Trust. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund, and the ability of the Fund to make distributions on the Units, could be materially adversely affected.

No Assurance in Achieving Investment Objectives or Making Distributions

There is no assurance that the Fund or Marret IGB Trust will be able to achieve their respective investment objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value of the Fund will appreciate or be preserved. By virtue of the Forward Agreement, changes in the relative weightings between the various types of securities making up the Portfolio can affect the overall yield to Unitholders.

Trading Price of Units

The Units may trade in the market at a discount to the Net Asset Value per Unit and there can be no assurance that the Units will trade at a price equal to the Net Asset Value per Unit.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

General Risks of Investing in Bonds

Generally, bonds will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of Marret IGB Trust will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of bonds is also affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness. Corporate Bonds may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the bonds that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced a significant repricing in recent months that has contributed to a reduction in liquidity and the availability of credit enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Fluctuation in Value of Portfolio Securities

The value of the Units will vary according to the value of the securities included in the Portfolio by virtue of the Forward Agreement. The value of the securities included in the Portfolio will be influenced by factors which are not within the control of Marret IGB Trust or Marret, including the financial performance of the respective issuers, operational risks relating to the specific business activities of the respective issuers, quality of assets owned by the respective issuers, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation, credit markets and other financial market conditions. As a result of its exposure to the Portfolio, the Fund will also be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which Marret IGB Trust invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

Recent Global Financial Developments

Global financial markets have experienced a sharp increase in volatility during recent months. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not materially and adversely affect economies around the world in the near to medium term. Some of these economies may experience significantly diminished growth or a recession. These market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of Marret IGB Trust and the value of the securities included in the Portfolio.

Use of Short Selling

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

Forward Agreement Counterparty Risk

In entering into the Forward Agreement, which will be the sole material asset of the Fund, the Fund is exposed to the unsecured credit risk associated with the Counterparty. The Counterparty may have relationships with any or all of the issuers whose securities are included in the Portfolio which could conflict with the interests of the Fund. In addition, the possibility exists that the Counterparty will default on its payment obligations under the Forward Agreement or that the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third-party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of Canadian securities acquired pursuant to the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of Marret IGB Trust or the Counterparty and the Counterparty is not responsible for the returns of the Portfolio.

Composition of Portfolio

The composition of the securities included in the Portfolio taken as a whole may vary widely from time to time and may be concentrated by commodity, industry or geography, resulting in the securities included in the Portfolio being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that Marret IGB Trust will suffer a loss because of declines in the prices of securities in those sectors or industries.

Interest Rate Fluctuations

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

Illiquid Securities

There is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or net asset values.

Use of Derivatives

Marret IGB Trust may invest in and use derivative instruments for hedging purposes to the extent considered appropriate by Marret taking into account factors including transaction costs. There can be no assurance that Marret IGB Trust's hedging strategies will be effective. Marret IGB Trust is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by Marret IGB Trust of margin deposits in the event of the bankruptcy of the dealer with whom Marret IGB Trust has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of Marret IGB Trust to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If Marret IGB Trust is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the futures or forward contract terminates, as the case may be. The inability to close out futures and forward positions could also have an adverse impact on Marret IGB Trust's ability to use derivative instruments to effectively hedge the Portfolio.

Use of a Prime Broker to Hold Assets

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

Securities Lending

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

Use of Leverage

Marret IGB Trust may utilize a loan facility or other forms of leverage in order to implement its investment strategy. While leverage may increase the potential for total returns, it may also potentially increase losses. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of Marret IGB Trust's net assets will decrease. Any event which adversely affects the value of an investment held by Marret IGB Trust will be magnified to the extent leverage is employed. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading at times or prices that are disadvantageous to Marret IGB Trust and which could result in a loss for Marret IGB Trust.

Reliance on Marret and the Manager

Marret will manage the portfolio held by Marret IGB Trust in a manner consistent with the investment objectives and the investment restrictions of Marret IGB Trust. Marret is also the manager of the Fund and Marret IGB Trust. The officers of Marret who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios, however, there is no certainty that such individuals, including Barry Allan, will continue to be employees of Marret until the termination of Marret IGB Trust.

Taxation of the Fund

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

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

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own any securities held by the Fund or Marret IGB Trust.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or Unitholders.

Conflicts of Interest — the Fund

The Manager and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund and the Manager.

Conflicts of Interest — Marret IGB Trust

Marret and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of Marret IGB Trust. Although none of the directors or officers of Marret will devote his or her full time to the business and affairs of Marret IGB Trust, each director and officer of Marret will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Marret IGB Trust and Marret.

Status of the Fund

As the Fund is not a mutual fund as defined under Canadian securities laws, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds.

Significant Redemptions

The purpose of the annual redemption right is to reduce the extent to which Units trade at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity (commencing in November 2010), there can be no assurance that it will reduce trading discounts. Furthermore, if a substantial number of Units are redeemed, the number of Units outstanding could be significantly reduced with the effect of decreasing liquidity of the Units in the market. In addition, the expenses of the Fund would be spread among fewer Units resulting in a lower Net Asset Value per Unit than if there were fewer redemptions. If, as a result of significant redemptions, the Manager determines that it is in the best interests of Unitholders to terminate the Fund, the Manager could cause the termination of the Fund without Unitholder approval. See "Redemption of Units" and "Termination of the Fund."

Other closed-end funds with annual redemption rights similar to the redemption rights in respect of the Units have experienced significant redemptions on annual redemption dates in the past.

Operating History

The Fund is a newly organized investment trust with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market for the Units will develop or be sustained after completion of the Offering.

Not a Trust Company

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

Nature of Units

The Units are neither fixed income nor traditional equity securities. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

DISTRIBUTIONS

The Fund initially intends to pay monthly distributions on all Units in an amount equal to $0.05 per Unit, representing a yield of 5.00% per annum on the issue price. The initial distribution is payable to Unitholders of record on or about November 30, 2009 and will be paid no later than December 15, 2009.

Based on its initial anticipated composition, the Portfolio is expected to generate interest income of approximately 5.28% per Unit per annum, which, after deduction of expenses and addition of leverage at the initial intended level, will be more than sufficient to fund the monthly cash distributions at the initially targeted level. Assuming the gross proceeds of the Offering are $100 million and fees and expenses are as described herein, the Portfolio, using the maximum amount of leverage permitted, would be required to generate an average annual total return of approximately 4.90%, inclusive of interest income, in order for the Fund to achieve its initially targeted monthly distributions for the Units.

It is expected that monthly distributions received by Unitholders will consist primarily of returns of capital (which are not immediately taxable, but which reduce the adjusted cost base of a Unitholder's Unit). See "Canadian Federal Income Tax Considerations".

Commencing in January 2010, the Fund will determine and announce each quarter the amount to be distributed during the following quarter based upon the Manager's estimate of distributable cash flow of the Fund for the quarter. The Fund may make additional distributions in any given year.

The Fund will be subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. To ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Declaration of Trust provides that, if necessary, an Additional Distribution will be automatically payable in each year to Unitholders of record on December 31, based on the Net Asset Value. The Additional Distribution may be necessary where the Fund realizes income for tax purposes which is in excess of the monthly distributions paid or made payable to Unitholders during the year. In the event that the Fund must pay an Additional Distribution, such Additional Distribution may, at the option of the Manager, be satisfied by the issuance of Units. Following such issue of additional Units, the outstanding Units will be automatically consolidated on a basis such that each Unitholder of the Fund will hold after the consolidation the same number of Units of the Fund as it held before the distribution of additional Units, except in the case of a Non-Resident Unitholder if tax was required to be withheld in respect of the distribution. See "Canadian Federal Income Tax Considerations".

REDEMPTION OF UNITS

Annual Redemptions

Units may be redeemed at the option of Unitholders on the Annual Redemption Date of each year, commencing in November 2010. Units so redeemed will be redeemed at a redemption price equal to the Redemption Net Assets per Unit on the Annual Redemption Date, less any costs associated with the redemption, including commissions and other such costs, if any, related to the partial settlement of the Forward Agreement to fund such redemption. The Units must be surrendered for redemption at least ten Business Days prior to the Annual Redemption Date. Payment of the proceeds of redemption will be made on or before the 15th Business Day of the following month.

Monthly Redemptions

Units may be redeemed at the option of Unitholders on a Monthly Redemption Date, subject to certain conditions and, in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date, subject to the Fund's right to suspend redemptions in certain circumstances.

Unitholders surrendering a Unit for redemption will receive a redemption price equal to the lesser of (i) 94% of the Market Price of a Unit and (ii) 100% of the Closing Market Price of a Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, being the Monthly Redemption Amount.

Pre-Settling the Forward Agreement

The Fund may settle the Forward Agreement in whole or in part prior to the Termination Date in order to fund redemptions. The value of the Forward Agreement on a Monthly Redemption Date and, accordingly, the Net Asset Value per Unit on a Monthly Redemption Date and the redemption price will be dependent upon the performance of Marret IGB Trust and the Net Asset Value of Marret IGB Trust units.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges must do so by causing the CDS Participant through which he or she holds his or her Units to deliver to CDS at its office in the City of Toronto on behalf of the Unitholder, a written notice of the Unitholder's intention to redeem Units by no later than 5:00 p.m. (Toronto time) on the applicable notice date described above. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in advance of the Monthly Redemption Date deadline so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the notice date described above.

By causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Units, the Unitholder will be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that the Manager may from time to time prior to the Monthly Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Fund. Any expense associated with the preparation and delivery of the redemption notice will be for the account of the Unitholder exercising the redemption privilege.

Any redemption notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the redemption privilege to which it relates will be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with a Unitholder's instructions will not give rise to any obligations or liability on the part of the Fund, the Trustee or the Manager to the CDS Participant or the Unitholder.

Suspension of Redemptions

The Fund may suspend the redemption of Units or payment of redemption proceeds (a) for the whole or any part of a period during which normal trading is suspended on one or more exchanges on which more than 50% of the securities included in the Canadian Securities Portfolio (by value) are listed and traded, and if the securities are not traded on any other exchange that represents a reasonable, practical alternative for the Fund or (b) for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension, but for which payment has not been made, as well as to all requests received while the suspension is in effect. In such circumstances, all Unitholders will have, and will be advised that they have, the right to withdraw their requests for redemption. The suspension will terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager on behalf of the Fund will be conclusive.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Fund, and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making an election in accordance with the Tax Act. This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" for purposes of the Tax Act and that the Fund will elect in accordance with the Tax Act to have each of its Canadian securities treated as capital property.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current published administrative policies and assessing practices of the CRA, and the Tax Proposals. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

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

Status of the Fund

This summary is based on the assumptions that the Fund will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act and that the Fund will elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units. Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. Counsel has been advised that the Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its income, including its net realized capital gains as described under "Distributions", it will generally not be liable in such year for income tax under Part I of the Tax Act, subject to the possible application of the SIFT Rules as discussed below.

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

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days.

The Fund will not realize any income, gain or loss as a result of entering into the Forward Agreement and no amount will be included in computing the Fund's income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. Provided the Fund elects in accordance with the Tax Act to have each of its "Canadian securities" treated as capital property, gains or losses realized by the Fund on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses.

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

Certain rules in the Tax Act impose tax on certain income earned by a SIFT Trust. Provided the Fund complies with its investment restrictions, it will not be liable for tax pursuant to the SIFT Rules.

Taxation of Unitholders

Subject to the possible application of the SIFT Rules described above, a Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year, whether paid in cash or additional Units. The non-taxable portion of the Fund's net realized capital gains paid or payable (whether in cash or in Units) to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed gain. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholders' proceeds of disposition (net of any reasonable costs of disposition) exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property that were acquired before that time. For this purpose, the cost of Units that have been issued as an Additional Distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder in Units.

One-half of any capital gain ("**taxable capital gain**") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains distributed by the Fund to a Registered Plan are generally not taxable under Part I of the Tax Act while retained in the Registered Plan, provided that the Units are qualified investments under such a Registered Plan. Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments" for the purposes of a tax-free savings account, a Unitholder will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a unit of a trust which does not deal at arm's length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of the Fund's outstanding units by the holder, either alone or together with persons with whom the holder does not deal at arm's length. Unitholders are advised to consult their own tax advisors in this regard.

Taxation Implications of the Fund's Distribution Policy

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. Since the Fund makes monthly distributions, as described under "Distributions", the consequences of acquiring Units late in a calendar year will generally depend on the amount of the monthly distributions throughout the year and whether an Additional Distribution is necessary late in the calendar year to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans. See "Canadian Federal Income Tax Considerations".

ORGANIZATION AND MANAGEMENT OF THE FUND

The Manager of the Fund

Marret Asset Management Inc. is the manager of the Fund and will provide all administrative services required by the Fund. The Manager was incorporated under the *Business Corporations Act* (Ontario) on November 14, 2000. The Manager's head office is located at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Founded in 2000, Marret is 100% employee owned and manages or subadvises approximately $3.2 billion in Investment Grade Bonds and high yield debt assets. Marret and its experienced team of investment professionals led by Barry Allan specialize exclusively in fixed income investments.

Director and Officers of the Manager

The Board of Directors of the Manager currently consists of three members. The name, municipality of residence and office with the Manager of each director and senior officer is set out below. The directors do not have a fixed term of office.

Name	Municipality of Residence	Office with the Manager
Barry Allan	Toronto	President and Director
David Gluskin	Toronto	Vice President and Director
Paul Sandhu	Mississauga	Vice President and Director
Lara Misner	Toronto	Vice President and Chief Financial Officer
Dorothea Mell	Toronto	Vice President and Corporate Secretary
Adrian Prenc	Toronto	Vice President

For a description of the principal occupations of the directors and officers of the Manager during the last five years, see "Organization and Management of the Fund – Portfolio Advisor".

Duties and Services to be Provided by the Manager

Pursuant to the Declaration of Trust and the Management Agreement, the Manager has exclusive authority to manage the business and affairs of the Fund, to make all decisions regarding the business of the Fund and has authority to bind the Fund. The Manager may delegate certain of its powers to third parties at no additional cost to the Fund where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust and Management Agreement provide that the

Manager will not be liable in any way for any default, failure or defect of the assets of the Fund if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence or breach of its duties or standard of care, diligence and skill. Among other restrictions imposed on the Manager, it may not dissolve the Fund or wind up the affairs of the Fund except if, in its opinion, it would be in the best interests of the Unitholders to terminate the Fund or otherwise in accordance with the provisions of the Declaration of Trust.

Under the terms of the Declaration of Trust and the Management Agreement, the Manager is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to the Fund, including, without limitation (a) entering into, on behalf of the Fund, the Forward Agreement and administering the Forward Agreement; (b) authorizing and paying expenses incurred on behalf of the Fund; (c) appointing the Custodian, registrar and transfer agent, auditors, legal counsel and other organizations or professionals serving the Fund; (d) providing office space and facilities; (e) preparing accounting, management and other reports, including such interim and annual reports to Unitholders, financial statements, tax reporting to Unitholders and income tax returns as may be required by applicable law; (f) monitoring the ability of the Fund to pay distributions; (g) communicating with Unitholders; (h) ensuring that the Net Asset Value per Unit is calculated and published; (i) ensuring that the Fund complies with all regulatory requirements and applicable stock exchange listing requirements; (j) calling meetings of Unitholders as required; and (k) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund.

In consideration for these services, the Fund will pay to the Manager the Management Fee and reimburse the Manager for all reasonable costs and expenses incurred by the Manager on behalf of the Fund. See “Fees and Expenses — Management Fee”. The Manager and each of its directors, officers, employees, consultants and agents are indemnified and will be reimbursed by the Fund to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Fund, and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the services provided to the Fund described herein or as a director, officer, employee, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the manager, the portfolio manager, trustee or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from the person’s wilful misconduct, bad faith, negligence, breach of their duties or standard of care, diligence and skill or material breach or default of their obligations under the Declaration of Trust or Management Agreement.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager until the termination of the Fund. The Manager may resign if the Fund is in breach or default of the provisions of the Declaration of Trust and the Management Agreement and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to the Fund. The Manager is deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for purposes of the Tax Act. The Manager may not be removed other than by an Extraordinary Resolution of the Unitholders. In the event the Manager is in material breach or default of the provisions of the Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to the Manager, the Trustee shall give notice thereof to Unitholders and Unitholders may direct the Trustee by Ordinary Resolution to remove the Manager and appoint a successor Manager. The Management Agreement may be terminated at any time by the Trustee, on behalf of the Fund, on 90 days written notice to the Manager with the approval of the Unitholders by an Extraordinary Resolution.

The services of the Manager and the officers and directors of the Manager are not exclusive to the Fund. The Manager and its affiliates and associates may, at any time, engage in any other activity including the administration of any other fund or trust.

Portfolio Advisor

The Manager is also the portfolio advisor to the Fund and Marret IGB Trust. Pursuant to the Declaration of Trust and the Management Agreement, the Manager is responsible for executing the Fund's investment strategy, which includes entering into the Forward Agreement.

Barry Allan is the founder of the Manager and leads the investment team. Mr. Allan has over 25 years of investment experience and spent the six years prior to founding the Manager as a high yield portfolio manager at Altamira Financial Services Limited ("**Altamira**"), a prominent employee-owned firm that was later sold to a Canadian chartered bank. Prior to Altamira, Mr. Allan was on the trading desks at Nesbitt Thompson and Company and a Canadian chartered bank.

Paul Sandhu assists Barry Allan in the trading and management of all Marret's investment grade debt portfolio mandates including the Marret Investment Grade Bond Fund. Mr. Sandhu has over 28 years of experience in both domestic and international fixed income markets. Most recently as Managing Director at BMO Capital Markets, Mr. Sandhu was responsible for the global distribution of the firm's fixed income and money market products through offices in Toronto, Montreal, Vancouver, New York, London and Hong Kong. In this role, he advised many of the world's largest central banks, sovereign wealth funds, insurance companies and institutional money managers about fixed income portfolio construction, portfolio strategy, security selection and alpha generation. Prior to joining BMO Capital Markets, Mr. Sandhu had similar roles with Goldman Sachs and Citibank.

The investment team includes six other industry-specialized professionals. David Gluskin has over 35 years of investment experience including ten years as a high yield trader at Goldman Sachs Canada Inc. Dorothea Mell, CFA, has spent the last decade as a credit analyst at Altamira Financial Services Limited and the Manager and also spent five years at MetLife. She joined the Manager in 2002 and covers the energy, utilities and gaming sectors. Adrian Prenc, CFA, FRM spent three years at Altamira Financial Services Limited before joining the Manager in 2003 as an analyst covering the industrial products, basic materials and automotive sectors. Gordon McKay, CBV, spent six years in the financial services industry, including three with Peritus I Asset Management, a Santa Barbara-based high yield corporate debt manager, prior to joining the Manager in 2009 as an analyst covering telecommunications and technology, homebuilders and hotels, food and beverage and transportation sectors. Randy Steuart, B. Comm., is a recent graduate of the UBC Portfolio Management Foundation program and joined the Manager in 2007 as an analyst covering the retail, consumer products, healthcare, metals and mining sectors. Lara Misner, CFA has over 10 years of investment experience with Canadian dealers and investment management firms. Her experience ranges from investment research, marketing and client service to portfolio management. Most recently, she worked with BMO Harris Private Banking as a portfolio manager for segregated client portfolios. At Marret, Lara is responsible for managing the firm's operations, finance and compliance activities.

Marret's investment team includes the following credit analysts:

Name	**Industry Specialization**
David Gluskin	Special Situations
Dorothea Mell, CFA	Energy, utilities and gaming sectors
Adrian Prenc, CFA, FRM	Industrial products, basic materials, automotive sectors
Gordon McKay, CBV	Telecommunications and technology, homebuilders and hotels, food and beverage and transportation sectors
Randy Steuart	Retail, consumer products, healthcare, metals and mining sectors

The investment decisions made by these individuals are not subject to the oversight, approval or ratification of any committee of the Fund. The names and municipalities of residence of the officers of the Manager who will be principally involved in providing the Manager's portfolio advisory services to the Fund, are set out under "Organization and Management of the Fund – Directors and Officers of the Manager".

Conflicts of Interest

The directors and officers of the Manager may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund or Marret IGB Trust may acquire securities. The Manager and its affiliates or associates may be managers or portfolio managers of one or more issuers in which the Fund or Marret IGB Trust may acquire securities and may be managers or portfolio managers of funds that invest in the same securities as the Fund or Marret IGB Trust. The services of the Manager are not exclusive to the Fund. The Manager may in the future act as the manager or investment advisor to other funds and companies and may in the future act as the manager or investment advisor to other funds which invest in debt securities and which are considered competitors of the Fund or Marret IGB Trust.

The Declaration of Trust acknowledges that the Trustee may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services.

Independent Review Committee

The Manager has appointed the following members to its independent review committee, which will also act as the independent review committee for Marret IGB Trust.

Richard Stone: Mr. Stone has experience in the creation, promotion, operation and management of a wide variety of investment funds and tax-deferred limited partnerships. He is the President, CEO and a director of Stone Investment Group Limited. Mr. Stone founded Stone & Co. Limited in 1994 and continues to serve as its President, CEO and as a director. Mr. Stone is also the President, CEO and a director of GaleForce and the President, CEO, CIO and a director of Stone Asset Management Limited.

Ross MacKinnon: Mr. MacKinnon was Director of Financial Markets with the Bank of Canada from February 2000 until February 2009. He began employment with Nesbitt Burns in February 1985 and held the position of Senior Vice President and Director from September 1987 until June 1999. Mr. MacKinnon received an Honours Business Administration degree from the University of Western Ontario in 1972.

John Anderson: John R. Anderson, has nearly 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1993. Mr. Anderson is currently the chief financial officer of each of Impax Energy Services Income Trust; Tailwind Financial Inc., which went public in the United States in April 2007 raising US$100 million; and LBBP Inc. Mr. Anderson has also held a senior advisory position at MDS Capital Corp, a division of MDS Inc., from 1998 to 2000. Mr. Anderson currently serves as a director of Roots Canada Ltd., chairman of the board of governors of Ridley College, and director and chair of the audit committee, Canadian Medical Discoveries Fund Inc.

The mandate and responsibilities of the independent review committee will be set out in its charter. The independent review committee will be responsible for carrying out those responsibilities required to be undertaken pursuant to NI 81-107, including reviewing each conflict of interest matter referred by the Manager to the independent review committee for its recommendation or approval, conducting regular assessments as required by NI 81-107 and reporting to the Unitholders and Manager on at least an annual basis, as required by NI 81-107.

The independent review committee will prepare a report, at least annually, of its activities for Unitholders which will be available on the Manager's website at www.marret.ca, or at the Unitholder's request at no cost, by contacting the Manager at 416-214-5800.

Remuneration of Directors, Officers and Independent Review Committee Members

The officers of the Manager will receive their remuneration from the Manager. The directors of the Manager do not receive any director fees. Compensation for members of the independent review committee in respect of the Fund, Marret IGB, Marret High Yield Strategies Fund and Marret HYS Trust is currently $10,000 per member per annum and $12,000 per annum for the chair of the committee. The expenses of the directors of the Manager and the premiums for directors' and officers' insurance coverage for the directors and officers of the Manager are paid by the Manager. The fees and other reasonable expenses of members of the independent review committee, as well as premiums for insurance coverage for such members, are paid by the Fund and other applicable investment funds managed by the Manager on a pro rata basis. In addition, the Fund has agreed to indemnify the members of the independent review committee against certain liabilities.

The Trustee

Equity Transfer & Trust Company is the trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee is 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

The Trustee or any successor trustee may resign upon 90 days written notice to the Manager or may be removed by an Extraordinary Resolution passed at a meeting of Unitholders called for such purpose. The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Fund or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee is entitled to receive fees from the Fund as described under "Fees and Expenses — Ongoing Expenses of the Fund" and to be reimbursed by the Fund for all expenses which are reasonably incurred by the Trustee in connection with the activities of the Fund.

The Custodian

CIBC Mellon Trust Company at its office in Toronto, Ontario will be separately appointed as the custodian of the assets of the Fund and Marret IGB Trust. The Custodian will be responsible for safekeeping of all the investments and other assets of the Fund and Marret IGB Trust delivered to it (but not those assets of the Fund or Marret IGB Trust not directly controlled or held by the Custodian, as the case may be). The Custodian may employ sub-custodians as considered appropriate in the circumstances. Subject to certain exemptions as set out in the Custodian Agreement, the Custodian is not responsible for any ongoing assessment, adequacy or monitoring of or any liability for any loan or credit facility or any liability for holding or controlling any property of the Fund or Marret IGB Trust pledged to a counterparty and not directly held by the Custodian.

Auditor

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

Transfer Agent and Registrar

Equity Transfer & Trust Company will act as transfer agent and registrar for the Units and will maintain the securities registers at its office in Toronto, Ontario.

The Promoter

The Manager may be considered a promoter of the Fund by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. The Manager will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than amounts paid to the Manager as described under "Fees and Expenses".

MANAGEMENT OF MARRET IGB TRUST

Marret IGB Trust

Marret IGB Trust will be a newly created investment trust established by Marret prior to the Closing Date pursuant to the Marret IGB Declaration of Trust for the purpose of acquiring the Portfolio. The registered office of the trustee of Marret IGB Trust is located in Toronto, Ontario.

Marret IGB Trust will be authorized to issue an unlimited number of transferable, redeemable units, each of which will represent an equal, undivided interest in the net assets of Marret IGB Trust. Each unit of Marret IGB Trust will entitle a holder thereof to the same rights and obligations as a holder of any other unit of Marret IGB Trust and no unitholder of Marret IGB Trust will be entitled to any privilege, priority or preference in relation to any other unitholder. Each unitholder of Marret IGB Trust will be entitled to one vote for each Marret IGB Trust unit held and will be entitled to participate equally with respect to any and all distributions made by Marret IGB Trust. On termination of Marret IGB Trust, all Marret IGB Trust unitholders of record holding outstanding Marret IGB Trust units will be entitled to receive any assets of Marret IGB Trust remaining after payment of all debts, liabilities and liquidation expenses of Marret IGB Trust. All holders of units of Marret IGB Trust must be residents of Canada for purposes of the Tax Act.

Duties and Services Provided to be Provided by the Manager

Pursuant to the Marret IGB Declaration of Trust and the Marret IGB Management Agreement, which is incorporated by reference into the Marret IGB Declaration of Trust while Marret is both trustee and manager, as the trustee and manager, Marret has exclusive authority to manage the business and affairs of Marret IGB Trust, to make all decisions regarding the business of Marret IGB Trust and has authority to bind Marret IGB Trust. Marret may delegate certain of its powers to third parties at no additional cost to Marret IGB Trust where, in the discretion of Marret, it would be in the best interests of Marret IGB Trust to do so. Marret will acquire the securities of the issuers that comprise the Portfolio and will manage the Portfolio, subject to the investment restrictions of Marret IGB Trust.

As manager, Marret is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Marret IGB Trust and to exercise the care, diligence and skill that a reasonably prudent manager would exercise in comparable circumstances. The Marret IGB Declaration of Trust and Marret IGB Management Agreement provide that Marret will not be liable in any way for any default, failure or defect of the assets of Marret IGB Trust or the Portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth above. Marret will incur liability, however, in cases of wilful misconduct, bad faith, negligence or breach of its duties or standard of care, diligence and skill. Among other restrictions imposed on Marret, it may not dissolve Marret IGB Trust or wind up the affairs of Marret IGB Trust except if, in its opinion, it would be in the best interests of the unitholders of Marret IGB Trust to terminate Marret IGB Trust or otherwise in accordance with the provisions of the Marret IGB Declaration of Trust.

Under the terms of the Marret IGB Declaration of Trust and the Marret IGB Management Agreement, Marret is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to Marret IGB Trust, including, without limitation (a) authorizing and paying expenses incurred on behalf of Marret IGB Trust; (b) appointing the Custodian, Prime Broker, auditors, legal counsel and other organizations or professionals serving Marret IGB Trust; (c) providing office space and facilities; (d) preparing accounting, management and other reports, including such interim and annual reports to unitholders, financial statements, tax reporting to unitholders and income tax returns as may be required by applicable law; (e) monitoring the ability of Marret IGB Trust to pay distributions; (f) communicating with unitholders; (g) ensuring that the Net Asset Value per unit is calculated; (h) ensuring that Marret IGB Trust complies with all regulatory requirements; (i) calling meetings of unitholders as required; and (j) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of Marret IGB Trust.

In consideration for these services, Marret IGB Trust will pay to Marret the Marret IGB Trust Management Fee and reimburse Marret for all reasonable costs and expenses incurred by Marret on behalf of Marret IGB Trust.

See “Fees and Expenses — Marret IGB Trust Management Fee”. Marret and each of its directors, officers, employees, consultants and agents will be indemnified and will be reimbursed by Marret IGB Trust to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of Marret IGB Trust, and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the services provided to Marret IGB Trust described herein or as a director, officer, employee, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the manager, the portfolio manager, trustee or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from the person’s wilful misconduct, bad faith, negligence, breach of their duties or standard of care, diligence and skill or material breach or default of their obligations under the Marret IGB Declaration of Trust.

Unless Marret resigns or is removed as described below, Marret will continue as manager until the termination of Marret IGB Trust. Marret may resign if Marret IGB Trust is in breach or default of the provisions of the Marret IGB Declaration of Trust and the Marret IGB Management Agreement and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to Marret IGB Trust. Marret is deemed to have resigned if Marret becomes bankrupt or insolvent or in the event Marret ceases to be resident in Canada for purposes of the Tax Act. Marret may not be removed other than by an Extraordinary Resolution of the unitholders of Marret IGB Trust. In the event Marret is in material breach or default of the provisions of the Marret IGB Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 30 days notice of such breach or default to Marret, the Trustee of Marret IGB Trust shall give notice thereof to unitholders and unitholders may direct the Trustee of Marret IGB Trust by Ordinary Resolution to remove Marret and appoint a successor manager.

The services of Marret and the officers and directors of Marret are not exclusive to Marret IGB Trust. Marret and its affiliates and associates may, at any time, engage in any other activity including the administration of any other fund or trust.

The Trustee

Marret is the trustee of Marret IGB Trust. The trustee of Marret IGB Trust is responsible for certain aspects of the administration of Marret IGB Trust as described in the Marret IGB Declaration of Trust. The address of the Trustee of Marret IGB Trust is 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

The trustee of Marret IGB Trust or any successor trustee may resign upon 90 days written notice to Marret as manager or may be removed by an Extraordinary Resolution passed at a meeting of unitholders called for such purpose. Any such resignation or removal will become effective only on the appointment of a successor trustee. If, after notice of resignation has been received from the trustee of Marret IGB Trust, no successor has been appointed within 90 days of such notice, the trustee of Marret IGB Trust, Marret or manager or any unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee.

The Marret IGB Declaration of Trust provides that the trustee of Marret IGB Trust will not be liable in carrying out its duties under the Marret IGB Declaration of Trust except in cases where the trustee of Marret IGB Trust fails to act honestly and in good faith with a view to the best interests of the Marret IGB Trust or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Marret IGB Declaration of Trust contains other customary provisions limiting the liability of the trustee of Marret IGB Trust and indemnifying the trustee of Marret IGB Trust in respect of certain liabilities incurred by it in carrying out its duties.

The trustee of Marret IGB Trust is not entitled to receive fees from Marret IGB Trust so long as the trustee is also the manager of Marret IGB Trust as described under “Fees and Expenses” and to be reimbursed by Marret IGB Trust for all expenses which are reasonably incurred by the trustee of Marret IGB Trust in connection with the activities of Marret IGB Trust.

Conflicts of Interest

The services of Marret are not exclusive to Marret IGB Trust. Marret and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in the promotion or management of any other fund, trust or investment portfolio. Since Marret will continue to manage the investments of its other clients, Marret may acquire or dispose of the same investment for Marret IGB Trust and for one or more of its other clients. However, because of the different investment policies, Marret may be selling an investment for one client and buying the same investment for another client. Under the Marret IGB Management Agreement, Marret has agreed to allocate opportunities to acquire and dispose of investments fairly among Marret IGB Trust and its other clients.

The primary consideration in all portfolio transactions will be prompt execution of orders in an efficient manner at the most favourable price. In selecting and monitoring dealers, Marret considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to Marret IGB Trust or to Marret or its affiliates. This allows Marret to supplement their own investment research activities and obtain the views and information of others prior to making investment decisions.

Prime Broker

TD Securities Inc. at its office in Toronto, Ontario will be appointed as the prime broker of Marret IGB Trust to facilitate short selling of securities pursuant to an agreement between Marret IGB Trust and the Prime Broker.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Manager will calculate the Net Asset Value per Unit as at the close of business on each Business Day. The Manager has applied for discretionary relief from the applicable securities regulators to permit it to calculate Net Asset Value per Unit only on each Valuation Date. At a minimum, the Valuation Date will be Thursday of each week, or if any Thursday is not a Business Day, the immediately preceding Business Day, and the last Business Day of each month, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit. The Fund will make available to the financial press for publication on a weekly basis, the Net Asset Value per Unit. Such amount will also be available on the Manager's website at www.marret.ca.

Valuation Policies and Procedures

For reporting purposes other than financial statements, the Net Asset Value of the Fund or Marret IGB Trust on a particular date will be equal to (i) the aggregate value of the assets of the Fund or Marret IGB Trust less (ii) the aggregate value of the liabilities of the Fund or Marret IGB Trust. The Net Asset Value of Units on a particular date will be equal to the Net Asset Value of the Fund or Marret IGB Trust, including an allocation of any net realized capital gains or other amounts payable to unitholders on or before such date expressed in Canadian dollars at the applicable exchange rate on such date. The Net Asset Value per Unit on any day will be obtained by dividing the Net Asset Value on such day by the number of Units then outstanding.

For the purpose of calculating Net Asset Value of the Fund or Marret IGB Trust on a Valuation Date, the value of the aggregate assets, and any short positions, of the Fund or Marret IGB Trust on such Valuation Date will be determined as follows:

(a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) and interest accrued and not yet received will be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the value of the assets is being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof will be deemed to be such value as the Manager determines to be the fair value thereof;

(b) the value of any bonds, debentures, other debt obligations and short positions will be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;

(c) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) will be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest offer price or bid price will be used), as at the Valuation Date on which the value of the assets is being determined, all as reported by any means in common use;

(d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

(e) the value of any security or other asset for which a market quotation is not readily available will be its fair value on the Valuation Date on which the value of the assets is being determined as determined by the Manager (generally the Manager will value such security at cost until there is a clear indication of an increase or decrease in value);

(f) any market price reported in currency other than Canadian dollars will be translated into Canadian currency at the rate of exchange available from the Custodian on the Valuation Date on which the value of the assets is being determined;

(g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Manager and investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair value is determined to be appropriate by the Manager;

(h) the value of the Forward Agreement and any other forward contract will be the value that would be realized by the Fund if, on the date on which the value of the assets is being determined, the Forward Agreement or any other forward contract were closed out in accordance with its terms; and

(i) the value of any security or property to which, in the opinion of the Manager, the application of the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) will be the fair value thereof determined in good faith in such manner as the Manager from time to time adopts.

The Net Asset Value per Unit calculated in Canadian dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Fund may obtain. The Net Asset Value per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian generally accepted accounting principles.

Reporting of Net Asset Value

The Net Asset Value per Unit will be available to Unitholders at no cost on the Manager's website at www.marret.ca, posted weekly and displaying the date upon which it was calculated.

DESCRIPTION OF THE UNITS

The Units

The beneficial interest in the net assets and net income of the Fund is divided into Units. The Fund is authorized to issue an unlimited number of Units.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units. Each Unitholder is entitled to one vote for each Unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net realized capital gains, if any. On the redemption of Units, however, the Fund may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains realized by the Fund in the taxation year in which the redemption occurred. On termination or liquidation of the Fund, the Unitholders of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. Unitholders will have no voting rights in respect of securities held by the Fund.

On December 16, 2004, the Trust Beneficiaries' Liability Act, 2004 (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the Securities Act (Ontario) and (ii) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the Securities Act (Ontario) and it is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Investment Restrictions of the Fund

The Fund will be subject to the investment restrictions set out below. The investment restrictions of the Fund, which are set forth in the Declaration of Trust, provide that the Fund will not:

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

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

(c) make or hold any investment that would result in the Fund failing to qualify as a "mutual fund trust" for purposes of the Tax Act and will not acquire any property that would be "taxable Canadian property" of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof); or

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

Purchase for Cancellation

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated Net Asset Value per Unit of a Unit immediately prior to the date of any such purchase of Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Units are then listed.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Units and not less than 90% of the aggregate of the Units (but not including any Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Book Entry Only System

Registration of interests in and transfers of the Units will be made only through the Book-Entry Only System. On the Closing Date, the Trustee will deliver to CDS certificates representing the aggregate number of Units then subscribed for under the Offering. Units must be purchased, converted, transferred and surrendered for redemption through a CDS Participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the Book-Entry Only System, in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Trustee at any time, and must be convened by the Trustee if requisitioned by Unitholders holding not less than 10% of the then outstanding Units by a written requisition specifying the purpose of the meeting.

Notice of all Meetings of Unitholders will be given in accordance with applicable law. The quorum for a meeting of all Unitholders is two or more Unitholders present in person or represented by proxy holding not less than five percent of the Units then outstanding. In the event that such quorum is not present within one-half hour after the time called for a meeting, the meeting, if convened upon the request of a Unitholder, shall be dissolved, but in any other case, the meeting shall stand adjourned to such day no later than 14 days later and to such time and place as may be appointed by the chairman of the meeting, and if at such adjourned meeting the quorum referred to above is not present, the Unitholders present in person or by proxy at such adjourned meeting shall be deemed to constitute a quorum.

The Fund does not intend to hold annual meetings of Unitholders. However, the Fund will undertake to the TSX to hold annual meetings of Unitholders if so instructed by the TSX.

Amendment of Declaration of Trust

Except as provided below, the Declaration of Trust may be amended by an Ordinary Resolution approved at a meeting of Unitholders duly convened and held in accordance with the provisions in that regard contained in the Declaration of Trust, or by the written consent in lieu of a meeting if there is only one Unitholder.

The following matters may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

(e) the removal of the Trustee or any of its affiliates as the trustee of the Fund;

(f) any change in the investment objectives or investment restrictions of the Fund, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(g) any material change in the Management Agreement or a change in the Manager, other than a change in the Manager where the new manager is an affiliate of the Manager;

(h) any increase in the Management Fee;

(i) any amendment, modification or variation in the provisions or rights attaching to the Units;

(j) any change in the frequency of calculating the Net Asset Value per Unit to less often than weekly;

(k) the issuance of additional Units, including any offering of rights, warrants or options to existing Unitholders to acquire Units, other than: (i) for net proceeds per Unit equal to or greater than 100% of the most recently calculated Net Asset Value per Unit calculated prior to the entering into of the commitment by the subscriber to purchase such Units or prior to the offering, as the case may be; or (ii) by way of Unit distribution;

(l) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund other than in the ordinary course of business;

(m) any liquidation, dissolution or termination of the Fund except if it is determined by the Manager, in its sole discretion, to be in the best interest of the Unitholders or otherwise in accordance with the terms of the Declaration of Trust; and

(n) any amendment to the above provisions except as permitted by the Declaration of Trust.

Notwithstanding the foregoing, the Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders, to:

(o) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;

(p) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(q) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not in the opinion of the Manager adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;

(r) maintain the status of the Fund as a "mutual fund trust" for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof;

(s) provide added protection or benefit to Unitholders; or

(t) make such modifications as may be necessary or desirable in connection with the termination of the Forward Agreement prior to the Forward Termination Date as a result of the termination of the Fund as described under "Termination of the Fund".

Reporting to Unitholders

The Fund will make available to Unitholders such financial statements and other continuous disclosure documents as are required by applicable law, including unaudited interim and audited annual financial statements, prepared in accordance with Canadian generally accepted accounting principles. The Fund will provide Unitholders with the option to receive annual and interim financial statements and annual and interim management reports of the Portfolio performance for Marret IGB Trust. The Fund will make available to each Unitholder annually and before March 31 of the following year information necessary to enable such Unitholder to complete an income tax return with respect to the amounts payable by the Fund.

TERMINATION OF THE FUND

The Units will be redeemed by the Fund for a cash amount equal to 100% of Net Asset Value per Unit on the Termination Date. Prior to the Termination Date, the Manager may present a proposal to extend the term of the Fund for a further five year period, subject to approval of Unitholders at a meeting called for such purpose, provided that all Unitholders will be given a right to cause their Units to be redeemed on the Termination Date, regardless of whether they voted in favour of the term extension. In addition to such termination, the Declaration of Trust also provides that:

(u) the Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders; and

(v) the Manager may terminate the Fund in the event of an early termination of the Forward Agreement, provided that the Manager has given Unitholders notice of such termination at least 60 days in advance of such early termination.

In the event the Forward Agreement terminates prior to the termination of the Fund, the Fund may enter into a new forward agreement or amend the Declaration of Trust to permit the Fund to hold the securities that comprise the Portfolio directly. Although these actions do not require Unitholder approval, the Fund will provide at least 30 days notice to Unitholders of any such action by way of press release.

The Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders to do so. The Manager will provide at least 30 days prior notice of such termination to Unitholders by way of press release. Upon such a termination the Fund will pre-settle the Forward Agreement, liquidate the Canadian Securities Portfolio and distribute to Unitholders their pro rata portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for, and which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Fund will be dissolved.

The Declaration of Trust provides that prior to the termination of the Fund, the Manager will dispose of all of its assets and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust provides that the Manager may, in its discretion and upon not less than 30 days prior written notice to the Unitholders, postpone any termination date by a period of up to 180 days if the Manager determines that it will be unable to convert all of its assets to cash prior to any termination date and the Manager determines that it would be in the best interests of the Unitholders to do so.

USE OF PROCEEDS

The net proceeds from the issue of the maximum number of Units offered hereby after payment of the Agents' fee and the expenses of the Offering are estimated to be $578,300,000 ($95,800,007.72 if the minimum number of Units are issued). The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds of the relevant number of units of Marret IGB Trust. The Fund may also directly hold a small amount of the same securities as are held in the Portfolio.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement. The Units will be issued at a price of $12.00 per Unit. The offering price per Unit was determined by negotiation between the Agents and the Manager on behalf of the Fund. In consideration for their services in connection with the Offering, the Agents will be paid a fee of $0.42 per Unit sold under the Offering and will be reimbursed for reasonable out of pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund out of the proceeds of the Offering. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold.

The Fund has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing Date and gives the Agents the right to offer additional Units in an amount equal to up to 15% of the aggregate number of Units sold on Closing on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Units will be sold at $12.00 per Unit and the Agents will be paid a fee of $0.42 per Unit sold. This prospectus qualifies the grant of the Over-Allotment Option as well as distribution of the Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires such Units under this prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscription amounts received in trust will be held in segregated accounts with a depository who is a registered dealer, bank or trust company until the minimum amount of subscriptions for Units has been obtained. If subscriptions for a minimum of 8,333,334 Units (or $100,000,008) have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities regulatory authorities and those who have subscribed for Units on or before such date. In the event such consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers in respect of the Offering will be returned to such purchasers promptly without interest or deduction. The maximum number of Units which will be sold is 50,000,000 Units or $600,000,000. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about October 23, 2009 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued.

On Closing, the Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank affiliate of one of the Agents. In addition, following the Closing. Accordingly, in that event, the Fund may be considered to be a "connected issuer" of such Agents. See "Overview of the Investment Structure — The Forward Agreement".

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Agents may not, throughout the period of distribution under this prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, an Agent may, in connection with this Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Although units of Marret IGB Trust are not being offered to the public, the Fund has agreed to obtain a receipt for a prospectus of Marret IGB Trust from each of the Autorité des marchés financiers and the Ontario Securities Commission. The Fund has also agreed to deliver a copy of such prospectus to purchasers of Units in the Province of Québec prior to the purchase of Units by any person in the Province of Québec.

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

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager is entitled to receive the Fund Management Fee and Marret is entitled to receive the Marret IGB Trust Management Fee for Marret IGB Trust. See “Organization and Management of the Fund” and “Fees and Expenses”.

PROXY VOTING DISCLOSURE

The Fund does not hold voting securities, but is exposed to securities held in the Portfolio by means of the Forward Agreement. Marret is authorized to exercise all rights and privileges incidental to ownership for the Portfolio. Marret IGB Trust will adopt Marret’s proxy voting policy, which provides general guidance, in compliance with applicable legislation, for the voting of proxies. In connection with any meeting at which Marret IGB Trust as a holder of debt securities is entitled to vote, Marret will retain a third party service provider to provide proxy analysis, vote recommendations and vote execution services on behalf of Marret, all in accordance with the Proxy Voting Policy. However, the ultimate decision as to how to cast a vote rests with Marret, based on what Marret believes to be in the best interest of Marret IGB Trust.

Marret’s Proxy Voting Policy generally provides for voting in favour of management’s recommendations, unless there are specific circumstances for voting against and/or Marret believes that Marret IGB Trust’s best interests would be better served by voting against such recommendations. Marret will also document the reasons for a decision to cast a proxy vote in a manner that deviates from any standing policy. The Proxy Voting Policy includes policies and procedures for dealing with non-routine matters, including corporate restructurings, mergers and acquisitions, proposals affecting security holder rights and executive compensation. These matters will usually be addressed on a case-by-case basis with a focus on the best interests of Marret IGB Trust and the potential impact of the vote on the value of Marret IGB Trust. The Proxy Voting Policy also includes policies and procedures for dealing with potential conflicts of interest, and if required, such matters will be referred to the independent review committee for final determination.

The policies and procedures that Marret IGB Trust follows when voting proxies relating to the Portfolio will be available on request, at no cost, by writing to the Manager at 150 King Street West, Suite 2304, Toronto, Ontario M5H 1J9.

Marret IGB Trust’s voting record, if any, for the previous year ended June 30 will be available free of charge to any Unitholder of the Fund upon request at any time after August 31 of such year and will be made available on the Manager’s website at www.marret.ca.

MATERIAL CONTRACTS

The only material contracts entered into by the Fund or the Manager or to which either of them will become a party prior to the Closing, other than during the ordinary course of business, are as follows:

(w) the Declaration of Trust referred to under “Organization and Management of the Fund — Duties and Services to be Provided by the Manager”;

(x) the Management Agreement referred to under "Organization and Management of the Fund — Duties and Services to be Provided by the Manager";

(y) the Custodian Agreement to be entered into on or prior to the Closing Date referred to under "Organization and Management of the Fund — The Custodian";

(z) the Agency Agreement referred to under "Plan of Distribution"; and

(aa) the Forward Agreement referred to under "Overview of the Investment Structure — The Forward Agreement".

Copies of the foregoing documents may be examined during normal business hours at the principal office of the Fund during the period of distribution to the public of the Units offered under the Offering and for a period of 30 days thereafter. Copies of the Declaration of Trust may be obtained at any time from the Manager on written request.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this prospectus will be passed upon on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP.

The Fund's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated September 29, 2009 in respect of the Fund's statement of net assets as at September 29, 2009. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two Business Days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of his or her province of residence for the particulars of these rights or consult with a legal advisor.

In addition, the Trustee has agreed on behalf of the Fund that purchasers in the Province of Québec have the right to withdraw from an agreement to purchase Units which may be exercised within two Business Days after receipt or deemed receipt of a prospectus of Marret IGB Trust.

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AUDITORS' CONSENT

We have read the prospectus of Marret Investment Grade Bond Fund (the "**Fund**") dated September 29, 2009 relating to the initial public offering of Units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Unitholder and the Trustee of the Fund on the statement of net assets of the Fund as at September 29, 2009. Our report is dated September 29, 2009.

Toronto, Ontario
September 29, 2009

PricewaterhouseCoopers LLP (*signed*)
Chartered Accountants, Licensed Public Accountants

AUDITORS' REPORT

To the Unitholder and the Trustee of Marret Investment Grade Bond Fund

We have audited the statement of net assets of Marret Investment Grade Bond Fund (the "**Fund**") as at September 29, 2009. This statement of net assets is the responsibility of the Fund's management. Our responsibility is to express an opinion on this statement of net assets based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the statement of net assets is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of net assets. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of net assets.

In our opinion, this statement of net assets presents fairly, in all material respects, the financial position of the Fund as at September 29, 2009 in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
September 29, 2009

PricewaterhouseCoopers LLP (*signed*)
Chartered Accountants, Licensed Public Accountants

MARRET INVESTMENT GRADE BOND FUND

STATEMENT OF NET ASSETS

As at September 29, 2009

Assets

Cash	$12.00

Unitholder's Equity

Unitholder's Equity (Note 1)	$12.00

The accompanying notes are an integral part of this statement of net assets.

Approved on behalf of Marret Investment Grade Bond Fund
By: Marret Asset Management Inc.

(Signed) Barry Allan
Director

(Signed) Paul Sandhu
Director

MARRET INVESTMENT GRADE BOND FUND

NOTES TO STATEMENT OF NET ASSETS
As at September 29, 2009

1. ORGANIZATION AND UNITHOLDER'S EQUITY

Marret Investment Grade Bond Fund (the "**Fund**") is a closed-end investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of September 29, 2009.

The beneficial interest in the net assets and net income of the Fund is divided into one class of Units (the "**Units**"). The Fund is authorized to issue an unlimited number of Units.

On September 29, 2009, the Fund was settled and issued an initial Unit for cash consideration of $12.00 to Marret Asset Management Inc. (the "**Manager**").

2. MANAGEMENT AND SERVICE FEES

The Manager will receive a management fee (the "**Management Fee**") from the Fund equal to 0.125% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus applicable taxes.

3. AGENCY AGREEMENT

The Fund and the Manager have entered into an agency agreement with RBC Dominion Securities Inc., CIBC World Markets Inc., TD Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Dundee Securities Corporation, National Bank Financial Inc., Scotia Capital Inc., Blackmont Capital Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Wellington West Capital Markets Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated (collectively, the "**Agents**") dated as of September 29, 2009 pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer for sale to the public a minimum of 8,333,334 Units and a maximum of 50,000,000 Units at $12.00 per Unit, respectively. In consideration for their services in connection with the offering, the Agents will be paid a fee of $0.42 per Unit.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: September 29, 2009

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces of Canada.

MARRET INVESTMENT GRADE BOND FUND
by its Manager, Marret Asset Management Inc.

By: *(Signed)* BARRY ALLAN
President
(signing in the capacity as chief executive officer)

By: *(Signed)* LARA MISNER
Chief Financial Officer

On behalf of the Board of Directors
of
MARRET ASSET MANAGEMENT INC.

By: *(Signed)* BARRY ALLAN
Director

By: *(Signed)* PAUL SANDHU
Director

By: *(Signed)* DAVID GLUSKIN
Director

MARRET ASSET MANAGEMENT INC.
as Manager and Promoter

By: *(Signed)* BARRY ALLAN
President

CERTIFICATE OF THE AGENTS

Dated: September 29, 2009

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces of Canada.

RBC DOMINION SECURITIES INC.	CIBC WORLD MARKETS INC.
BY: (*SIGNED*) CHRISTOPHER BEAN	BY: (*SIGNED*) MICHAEL D. SHUH

TD SECURITIES INC.

BY: (*SIGNED*) CAMERON GOODNOUGH

GMP SECURITIES L.P.	BMO NESBITT BURNS INC.	DUNDEE SECURITIES CORPORATION	NATIONAL BANK FINANCIAL INC.	SCOTIA CAPITAL INC.
BY: (*SIGNED*) NEIL SELFE	BY: (*SIGNED*) ROBIN G. TESSIER	BY: (*SIGNED*) VILMA JONES	BY: (*SIGNED*) TIMOTHY EVANS	BY: (*SIGNED*) BRIAN D. MCCHESNEY

BLACKMONT CAPITAL INC.	CANACCORD CAPITAL CORPORATION	HSBC SECURITIES (CANADA) INC.	RAYMOND JAMES LTD.	WELLINGTON WEST CAPITAL MARKETS INC.
BY: (*SIGNED*) CHARLES A.V. PENNOCK	BY: (*SIGNED*) RON SEDRAN	BY: (*SIGNED*) BRENT LARKAN	BY: (*SIGNED*) J. GRAHAM FELL	BY: (*SIGNED*) SCOTT LARIN

LAURENTIAN BANK SECURITIES INC.	MANULIFE SECURITIES INCORPORATED
BY: (*SIGNED*) CHRISTOPHER B. WARD	BY: (*SIGNED*) WILLIAM PORTER