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These securities have not been and will not be registered under the U. S. Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws. Accordingly, these securities may not be offered or sold within the United States, or to or for the account or benefit of U.S. Persons (as such term is defined in Regulation S to the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

PROSPECTUS

Initial Public Offering

September 26, 2013



ING HIGH INCOME FLOATING RATE FUND

Maximum \$200,000,000 (20,000,000 Class A Units and/or Class U Units)

ING High Income Floating Rate Fund is a non-redeemable investment fund established under the laws of the Province of Ontario. The Fund proposes to offer Class A Units at a price of \$10.00 per Class A Unit, and Class U Units at a price of U.S. \$10.00 per Class U Unit. The Class U Units are designed for investors wishing to make their investment in U.S. dollars.

The Fund’s investment objectives are to (i) provide monthly cash distributions; (ii) preserve capital; and (iii) generate increased returns in the event that short-term market interest rates rise, in each case, through an investment in a diversified portfolio (the “Portfolio”) consisting primarily of first lien and second lien secured floating rate loans of non-investment grade North American borrowers, actively managed by ING Investment Management Co. LLC. The Sub-Advisor will strategically allocate among the Fund's permitted investments based upon its view of economic conditions, asset availability and macro-economic trends. See “Investment Objectives”, “Risk Factors” and “Distribution Policy”.

Price: \$10.00 per Class A Unit and U.S. \$10.00 per Class U Unit
Minimum purchase: 100 Class A Units or Class U Units

	Price to the public ⁽¹⁾	Agents’ fee	Net proceeds to the Fund ⁽²⁾
Per Class A Unit	\$10.00	\$0.525	\$9.475
Per Class U Unit	U.S. \$10.00	U.S. \$0.525	U.S. \$9.475
Minimum total Offering ⁽³⁾⁽⁴⁾	\$25,000,000	\$1,312,500	\$23,687,500
Maximum total Offering ⁽⁴⁾	\$200,000,000	\$10,500,000	\$189,500,000

Notes:

- (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 2,500,000 Class A Units are sold. If subscriptions for such minimum have not been received within 90 days after a final receipt for this prospectus is issued, the Offering of Class A Units may not continue without the consent of the Canadian Securities Administrators and those who have subscribed for Class A Units on or before such date.
- (4) The Fund has granted to the Agents an option (the “Over-Allotment Option”), exercisable for a period of 30 days from the Closing Date, to offer additional Class A Units in an amount up to 15% of the aggregate number of Class A 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 \$230,000,000, \$12,075,000 and \$217,925,000, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Class A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class A Units forming part of the Agents’ over-allocation position acquires such Class A Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

Class A Units and Class U Units may be redeemed on an annual and monthly basis, subject to certain conditions. Pursuant to the Recirculation Agreement, BMO Nesbitt Burns Inc. may resell Units tendered for redemption. See “Redemption of

Securities”, “Redemption of Securities – Resale of Securities Tendered for Redemption” and “Risk Factors – Risks Relating to Redemptions”.

Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) (“Aston Hill” or the “Manager”) will act as the manager of the Fund. See “Organization and Management Details of the Fund – The Manager”.

ING Investment Management Co. LLC will act as the Sub-Advisor to the Fund in connection with the selection, purchase and sale of Loans and other assets of the Portfolio. The Sub-Advisor is a leading manager of non-investment grade loans and is currently an indirect, wholly-owned subsidiary of ING U.S., Inc., an indirect majority-owned subsidiary of ING Groep N.V., one of the world’s largest financial services companies. See “Organization and Management Details of the Fund – The Sub-Advisor”.

There is no guarantee that an investment in the Fund will earn any positive return during 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. Prospective investors should read carefully the risk factors described in this prospectus.

The Toronto Stock Exchange has conditionally approved the listing of the Class A Units. Listing is subject to the Fund fulfilling all of the requirements of the Toronto Stock Exchange on or before December 20, 2013, including distribution of the Class A Units to a minimum number of public securityholders. **There is no market through which the Class U Units may be sold and purchasers of Class U Units may not be able to resell the Class U Units purchased under this prospectus. This may affect the pricing of the Class U Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Class U Units and the extent of issuer regulation. See “Risk Factors”.**

The Fund may enter into a credit facility with a Canadian chartered bank or an affiliate thereof, which may be an affiliate of one of the Agents. Accordingly, the Fund may be considered to be a “connected issuer” of such Agent or Agents. See “Organization and Management Details of the Fund – The Manager” and “Plan of Distribution”.

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., GMP Securities L.P., National Bank Financial Inc., Canaccord Genuity Corp., Macquarie Private Wealth Inc., Raymond James Ltd., Desjardins Securities Inc., Mackie Research Capital Corporation 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 McCarthy Tétrault LLP and on behalf of the Agents by Stikeman Elliott LLP. See “Plan of Distribution”.

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. Closing is expected to occur on or about October 22, 2013, or such later date as the Fund and the Agents may agree, but in any event not later than the date that is 90 days after the issuance of a receipt for the final prospectus of the Fund.

Certain capitalized terms used, but not defined, in the foregoing are defined in the “Glossary of Terms”.

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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”.

FUND OVERVIEW

The Fund was established to invest in a diversified portfolio consisting primarily of Loans of non-investment grade North American borrowers, actively managed by the Sub-Advisor. The Portfolio will primarily consist of secured floating rate corporate loans that are expected to generate increased returns in the event that short term interest rates rise above any applicable LIBOR floors. See “Investment Objectives”, “Investment Strategy” and “Overview of the Sector that the Fund Invests In”.

DESCRIPTION OF THE OFFERING

The Issuer: The Fund is a non-redeemable investment fund established under the laws of the Province of Ontario and governed by the Trust Agreement. See “Overview of the Structure of the Fund”.

The Offering: The Fund is offering Class A Units at a price of \$10.00 per Class A Unit, and Class U Units at a price of U.S. \$10.00 per Class U Unit. Class U Units are designed for investors wishing to make their investment in U.S. dollars. Class U Units may be converted into Class A Units on a weekly basis. See “Purchases of Securities”, “Plan of Distribution” and “Fees and Expenses”.

Investment Objectives: The Fund’s investment objectives are to (i) provide monthly cash distributions; (ii) preserve capital; and (iii) generate increased returns in the event that short-term market interest rates rise, in each case, through an investment in a diversified portfolio consisting primarily of first lien and second lien secured floating rate loans of non-investment grade North American borrowers, actively managed by the Sub-Advisor. The Portfolio will primarily consist of secured floating rate corporate loans that are expected to generate increased returns in the event that short term interest rates rise above any applicable LIBOR floors. See “Investment Strategy”. See “Investment Objectives”.

Investment Strategy: The Fund will seek to invest in a broadly diversified portfolio composed primarily of first lien, senior secured floating rate loans (“Senior Loans”) and second lien secured floating rate loans (“Second Lien Loans”). The Sub-Advisor will strategically allocate among the Fund's permitted investments based upon its view of economic conditions, asset availability and macro-economic trends. See “Investment Restrictions”.

The Fund will generally seek to make investments in Loans of non-investment grade North American borrowers that have (i) significant levels of asset and/or cash flow coverage; (ii) a protective capital structure; (iii) strong senior management; and (iv) attractive market positioning.

The Portfolio will primarily consist of Loans that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors (which set a minimum LIBOR rate for such Loans). The Fund may also invest up to 20% of its Total Assets in corporate bonds, unsecured loans and

notes with fixed and floating interest rates and structured credit notes.

The Portfolio will be invested primarily in assets denominated in U.S. dollars. The Sub-Advisor intends to hedge substantially all of the value of the Portfolio that is denominated in U.S. dollars or any other currencies other than the Canadian dollar to the Canadian dollar. In respect of the Class U Units, the Sub-Advisor intends to then hedge the value of the Portfolio that is equal to the proportion of the NAV of the Fund attributable to the Class U Units back to the U.S. dollar. The Fund intends to use derivative instruments for currency hedging purposes and may use derivative instruments to hedge any fixed rate exposure of the Portfolio. The Fund may use derivatives for hedging purposes only in accordance with NI 81-102. See “Investment Strategy”.

Leverage:

The Fund may employ leverage (through borrowing) of up to 35% of Total Assets for the purposes of acquiring assets for the Portfolio and such other short term funding purposes as may be determined by the Sub-Advisor, in consultation with the Manager, from time to time and in accordance with the Investment Strategy. Accordingly, the maximum amount of leverage that the Fund could employ is 1.54:1. Initially, the Fund is expected to employ leverage of approximately 25% of Total Assets. See “Investment Strategy” and “Risk Factors”.

The Loan Market:

There are generally two types of secured loans: (i) Senior Loans; and (ii) Second Lien Loans. Senior Loans are secured and have first priority in receiving payments when a borrower is servicing its debts, ahead of bond holders and other lenders. Second Lien Loans are generally similar to Senior Loans, except that such loans are subordinated in payment and/or lower in lien priority to senior lien holders. As a result, Second Lien Loans have historically exhibited lower recovery rates relative to Senior Loans but higher recovery rates relative to high yield bonds. Further, Second Lien Loans offer higher spreads than Senior Loans to compensate for their subordinate security interest to Senior Loans. See “Overview of the Sector that the Fund Invests In”.

Distributions:

The Fund will not have a fixed distribution policy, but intends to make monthly distributions based on the actual and expected returns on the Portfolio to Unitholders of record on the last Business Day of each month. Distributions will be paid on a Business Day designated by the Manager that will be no later than the 15th day of the following month; provided that if the 15th day of the following month is not a Business Day, the distributions shall be paid on the next day that is a Business Day. Given that the majority of the Portfolio will be invested in Loans which are floating rate, returns may vary with changes in interest rates. Based on current estimates and the assumptions set out below, the Fund’s initial distribution target is expected to be \$0.05417 per Unit per month (U.S. \$0.05417 in the case of the Class U Units), representing an initial yield on the Unit issue price of 6.5% per annum. The initial monthly distribution will be payable to Unitholders of record on November 29, 2013 and will be paid no later than December 16, 2013. The first distribution is expected to reflect the period from the Closing Date to November 29, 2013. Based on the assumptions in (i)-(v) below, the Portfolio would be required to generate an average annual total return of approximately 7.15%, inclusive of distributions and other income, in order for the Fund to maintain a stable NAV per Unit and make the initial targeted distribution. Based on current estimates and assuming (i) an aggregate size of the Offering of \$100 million, (ii) the employment of the investment strategy as described under “Investment Strategy”, (iii) the use of leverage of 25% of Total Assets, (iv) the fees and expenses described under “Fees and Expenses”, (v) foreign exchange rates remain constant, and (vi) the market price and yield of the assets

included in the Indicative Portfolio, it is expected that distributions paid on the assets held in the Portfolio will be sufficient to allow the Fund to pay distributions at the initial target level and maintain a stable Net Asset Value. The current yield of the assets in the Indicative Portfolio is approximately 7.23% per annum. The ability of the Portfolio to generate such returns will be dependent on the extent to which these assumptions turn out to be accurate. **If the return on the Portfolio and the increase in the value of the Portfolio are less than the amount necessary to fund the monthly distributions and all expenses of the Fund and if the Manager chooses to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, NAV per Unit would be reduced.** The distributions are not guaranteed. The Manager will review such distribution policy from time to time and the distribution amount may change from time to time.

The Fund intends for monthly distributions to be paid in cash. However, at the Manager's discretion, Additional Distributions may be paid in cash and/or Units from time to time. See "Investment Objectives", "Risk Factors" and "Distribution Policy".

Redemption: Class A Units and Class U Units may be redeemed on an annual and monthly basis, subject to certain conditions. See "Calculation of Net Asset Value", "Redemption of Securities" and "Risk Factors".

Termination of the Fund: The Fund does not have a fixed termination date. However, the Fund may be terminated at any time if the prior approval of Unitholders has been obtained by a majority vote at a meeting of Unitholders called for that purpose or in connection with a Permitted Merger; provided, however, that the Manager may, in its discretion, on at least 60 days' notice to Unitholders by way of press release, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, it would be in the best interests of Unitholders to terminate the Fund. Upon termination, the net assets of the Fund will be distributed to Unitholders on a pro rata basis. See "Termination of the Fund" and "Risk Factors – Risks Relating to Redemptions".

Repurchase of Units: The Fund may purchase (in the open market) 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".

Use of Proceeds: The net proceeds from the issue of the maximum number of Class A Units offered hereby (after payment of the Agents' fee and before deducting the expenses of the Offering) are estimated to be approximately \$700,000, assuming that the Over-Allotment Option is not exercised. The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in the Portfolio. See "Use of Proceeds".

Conversion of Class U Units into Class A Units: A holder of Class U Units may convert such Class U Units into Class A Units on a weekly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and the sale of such Class A Units. Class U Units may be converted in any week on the first Business Day of such week by delivering a notice and surrendering such Class U Units by 3:00 p.m. (Toronto time) at least five Business Days prior to the applicable Conversion Date. A conversion of Class U Units into whole Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act.

For each Class U Unit so converted, a holder will receive that number of Class A Units equal to the Net Asset Value per Class U Unit as of the close of trading on the Business Day immediately preceding the Conversion Date divided by the Net Asset Value per Class A Unit as of the close of trading on the Business Day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units. Any remaining fraction of a Class U Unit will be rounded down to the nearest whole number of Class A Units. The redemption of any fraction of a Class U Units will result in a capital gain (or capital loss) to the redeeming Unitholder. See “Description of the Units – Conversion of Class U Units” and “Canadian Federal Income Tax Considerations”.

Permitted Merger:

Subject to applicable law, the Fund may, without obtaining Unitholder approval, enter into a merger or other similar transaction which has the effect of combining the Fund or its assets on a tax-deferred “rollover basis” (a “Permitted Merger”) with any other investment fund or funds managed or advised by the Manager that has or have investment objectives and investment strategies that are substantially the same as the Fund’s on an exchange ratio based on the relative Net Asset Values of such funds, subject to certain conditions. See “Unitholder Matters - Permitted Merger”.

Risk Factors:

An investment in Units is subject to certain risk factors, including:

- No assurance of achieving investment objectives and no guaranteed rate of return.
- Risks relating to the performance of the Portfolio.
- Risks relating to investments in Loans and other non-investment grade debt.
- Leverage risks.
- Risks relating to interest rates.
- Risks relating to reliance on the Manager and the Sub-Advisor.
- Concentration risk.
- Second Lien Loan Risk.
- Structured Credit Notes Risk.
- Liquidity risk.
- Risks relating to fluctuation in value of Portfolio assets.
- Use of derivatives risk.
- Risks relating to the trading price of Units.
- Risks relating to the taxation of the Fund.
- U.S. tax risk.
- Withholding tax risks.
- No ownership interest risk.
- Risks relating to changes in legislation and regulatory risk.
- Loss of investment risk.
- Risks relating to conflicts of interest.
- Risks relating to the status of the Fund.
- Risks relating to redemptions.
- Risks relating to the Fund having no operating history.
- Risks relating to the Fund not being a trust company.

- Risks relating to the nature of the Units.

See “Risk Factors”.

Eligibility for Investment: In the opinion of McCarthy Tétrault LLP, counsel for the Fund, and Stikeman Elliott 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. In addition, Class A Units which are listed on a designated stock exchange (which currently includes the TSX) will be qualified investments for trusts governed by Registered Plans. See “Canadian Federal Income Tax Considerations”.

Notwithstanding the foregoing, if the Units are “prohibited investments” for a tax-free savings account (“TFSA”), a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”), the holder of the TFSA or the annuitant of the RRSP or RRIF, will be subject to a penalty tax as set out in the Tax Act. The Units will not be “prohibited investments” provided that the holder or annuitant, as the case may be: (i) deals at arm’s length with the Fund; (ii) does not have a “significant interest” in the Fund (within the meaning of the Tax Act); and (iii) does not have a “significant interest” (within the meaning of the Tax Act) in a corporation, partnership or trust that does not deal at arm’s length with the Fund. Tax Proposals released on December 21, 2012 (the “December 2012 Proposals”) propose to delete the condition in (iii) above. In addition, pursuant to the December 2012 Proposals, the Units will generally not be a “prohibited investment” if the Units are “excluded property” as defined in the December 2012 Proposals for TFSAs, RRSPs, or RRIFs. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their own tax advisors in this regard.

***Canadian Federal
Income Tax
Considerations:***

The Fund intends to distribute the amount of its income for each taxation year so that it will generally not be liable for income 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 realized 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 net income and the full amount of the Fund’s net realized capital gains will reduce the adjusted cost base of the Unitholder’s Units. If the reductions to a Unitholder’s adjusted cost base would cause the adjusted cost base to be negative, the Unitholder will be deemed to have realized a capital gain equal to such negative amount. 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”.

***Organization and
Management of the
Fund:***

Manager and Promoter: Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) will act as manager of the Fund. The Manager will perform or will arrange for the performance of management services for the Fund, including portfolio management services, and will be responsible for the overall undertaking of the Fund. The registered office of the Manager is located at 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8. The Manager is a leading provider of investment products having raised over \$2.5 billion in assets. The Manager is part of Aston Hill Financial Inc., a diversified asset management

company with a suite of retail mutual funds, closed end funds, private equity funds, hedge funds and segregated institutional funds. The company is also engaged in the administration of Argent Energy Trust. Aston Hill Financial has offices in Calgary, Toronto and Halifax. Aston Hill Financial Inc. has over \$7.8 billion in assets under management. See “Organization and Management Details of the Fund – The Manager”.

Portfolio Manager: The Manager will provide portfolio management services for the Fund, or may appoint a sub-advisor pursuant to the applicable trust agreement. See “Organization and Management Details of the Fund – The Manager”.

Sub-Advisor: ING Investment Management Co. LLC will act as the Sub-Advisor to the Fund in connection with the selection, purchase and sale of Loans and other assets of the Portfolio. The Sub-Advisor is currently an indirect, wholly-owned subsidiary of ING U.S., Inc., an indirect majority-owned subsidiary of ING Groep N.V., one of the world’s largest financial services companies.

The ING Senior Loan Group, a unit of the Sub-Advisor, which will manage the Portfolio, is located in Scottsdale, Arizona (with an additional office in London, UK), and consists of a team of 24 investment professionals and 24 support staff. The ING Senior Loan Group currently manages over U.S. \$17 billion in assets that are substantially similar to the Loan investments that it will manage for the Fund across 28 portfolios (not including the Fund). The Sub-Advisor will principally provide its services to the Fund in Scottsdale, Arizona U.S.A. See “Organization and Management Details of the Fund – The Sub-Advisor”.

Trustee of the Fund: Computershare Trust Company of Canada will act as trustee of the Fund. The Trustee is located in Toronto, Ontario.

Auditor: PricewaterhouseCoopers LLP, Chartered Accountants, at its offices in Toronto, Ontario, is the auditor of the Fund.

Custodian of the Fund: State Street Trust Company Canada will act as custodian of the assets of the Fund. The Custodian is located in Toronto, Ontario.

Registrar and Transfer Agent: Computershare Investor Services Inc., at its office in Toronto, Ontario, will maintain the securities registers of the Units and will register transfers of the Units.

Agents:

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., GMP Securities L.P., National Bank Financial Inc., Canaccord Genuity Corp., Macquarie Private Wealth Inc., Raymond James Ltd., Desjardins Securities Inc., Mackie Research Capital Corporation 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”.

The Fund has granted to the Agents the Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to offer additional Class A Units in an amount up to 15% of the Class A 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 \$230,000,000,

\$12,075,000 and \$217,925,000, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Class A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class A Units forming part of the Agents' over-allocation position acquires such Class A Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

<u>Agents' position</u>	<u>Maximum size</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-Allotment Option	3,000,000 Class A Units	Within 30 days following the Closing Date	\$10.00 per Class A Unit

SUMMARY OF FEES AND EXPENSES

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

Type of fee	Amount and description
Agents' Fee:	\$0.525 per Class A Unit (5.25%) and U.S. \$0.525 per Class U Unit (5.25%). The Agents' Fee will be paid out of the proceeds of the Offering.
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 1.25% per annum of the Net Asset Value, calculated and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Servicing Fee, plus applicable taxes. Accordingly, the total Management Fee including the Servicing Fee paid by the Fund will equal 1.65% of the NAV per Class A Unit or NAV per Class U Unit, as applicable, plus applicable taxes. The Manager will be responsible for paying the fees of the Sub-Advisor out of the amount received by the Manager. See "Fees and Expenses – Management Fee".
Servicing Fee:	From the amounts received by the Manager from the Fund, a servicing fee (the "Servicing Fee") will be payable by the Manager to each registered dealer (including discount brokerage and self-directed accounts) whose clients hold Class A Units or Class U Units at the end of a calendar quarter. The Servicing Fee will be equal to 0.40% annually of the NAV for each Class A Unit or Class U Unit held by clients of the registered dealers, calculated and paid at the end of each calendar quarter commencing on December 31, 2013, plus applicable taxes. The Servicing Fee will be pro-rated for the partial first quarter of the Fund. The Manager may, from time to time, pay the Servicing Fee more frequently than quarterly, in which event the Servicing Fee will be pro-rated for the period to which it relates.
Ongoing and Operating expenses of the Fund:	<p>The Fund will pay for all of its expenses incurred in connection with its operation and administration, estimated to be \$275,000 (assuming an aggregate size of the Offering of approximately \$100 million). The Fund will also be responsible for its costs of portfolio transactions, interest expense and any extraordinary expenses which may be incurred from time to time.</p> <p>Ordinary expenses will include, but will not be limited to, mailing and printing expenses; marketing and advertising expenses; fees payable to the Custodian, Valuation Agent, Trustee, auditor, legal advisors and other parties engaged by the Fund to perform certain financial, record keeping, reporting and general administrative services; out-of-pocket expenses of the Manager, the Portfolio Manager and the Sub-Advisor; regulatory filing, stock exchange and licensing fees; and fees payable to members of the Fund's Independent Review Committee. See "Fees and Expenses – Ongoing and Operating Expenses".</p>

FORWARD LOOKING INFORMATION

Information in this prospectus that is not current or historical factual information may constitute forward looking information within the meaning of securities laws, and actual results may vary from the forward looking information. Implicit in this information are assumptions regarding future operations, plans, expectations, anticipations, estimates and intentions, such as the Fund's plans to invest in Loans. These assumptions, although considered reasonable by the Fund at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operating results and economic performance of the Fund are subject to a number of risks and uncertainties. See "Risk Factors" for a list of material risk factors. Forward looking information contained in this prospectus is based on current estimates, expectations and projections, which the Fund believes are reasonable as of the date of this prospectus. The Fund uses forward looking statements because it believes such statements provide useful information with respect to the future operation and financial performance of the Fund, and cautions readers that the information may not be appropriate for other purposes. Readers should not place undue importance on forward looking information and should not rely upon this information as of any other date. While the Fund may elect to, it does not undertake to update this information at any particular time.

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”.

“**Agency Agreement**” means the agency agreement dated as of the date hereof among the Fund, the Manager, the Sub-Advisor and the Agents.

“**Agents**” means, collectively, BMO NBI, CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., GMP Securities L.P., National Bank Financial Inc., Canaccord Genuity Corp., Macquarie Private Wealth Inc., Raymond James Ltd., Desjardins Securities Inc., Mackie Research Capital Corporation and Manulife Securities Incorporated.

“**Annual Redemption Date**” means the second to last Business Day of May of each year, commencing in 2015.

“**Annual Redemption Price**” means a redemption price per Unit equal to 100% of the Redemption Net Assets per Unit of the relevant class on an Annual Redemption Date less any costs associated with the redemption, including brokerage costs and any net realized capital gains to the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

“**BMO NBI**” means BMO Nesbitt Burns Inc.

“**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.

“**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.

“**Class A Meeting**” means a meeting of holders of Class A Units called in accordance with the Trust Agreement.

“**Class A Units**” means the transferable, redeemable units of the Fund designated as “Class A Units”.

“**Class U Meeting**” means a meeting of holders of Class U Units called in accordance with the Trust Agreement.

“**Class U Units**” means the transferable, redeemable units of the Fund designated as “Class U Units”.

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

“**Closing Date**” means the date of a Closing, the first of which is expected to be on or about October 22, 2013 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after the issuance of a receipt for the final prospectus of the Fund.

“**Closing Market Price**” in respect of a security on a Monthly Redemption Date means 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) or, if there was no trade on the relevant Monthly Redemption Date, 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).

“**CRA**” means the Canada Revenue Agency.

“**Custodian**” means State Street Trust Company Canada, in its capacity as custodian of the Fund under the Trust Agreement.

“**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.

“**Fitch**” means Fitch, Inc.

“**Fund**” means ING High Income Floating Rate Fund, a non-redeemable investment fund established under the laws of the Province of Ontario and governed by the Trust Agreement.

“**Independent Review Committee**” has the meaning given in “Organization and Management Details of the Fund – Independent Review Committee”.

“**Indicative Portfolio**” means that certain model portfolio prepared by the Sub-Advisor and dated as of August 20, 2013 consisting of the assets that would have been included in the Portfolio if it had been formed and fully invested on August 20, 2013, as described under “Overview of the Sector that the Fund Invests In – Indicative Portfolio”.

“**ING Senior Loan Group**” means the senior loan group within the Sub-Advisor.

“**LIBOR**” means the London Interbank Offered Rate which is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market (or interbank market).

“**Loan Index**” means the S&P/LSTA Leveraged Loan Index, which as of July 31, 2013, was comprised of 90.5% U.S. borrowers and 9.5% non-U.S. borrowers.

“**Loans**” means, collectively, Senior Loans and Second Lien Loans.

“**LSTA**” means the Loan Syndications and Trading Association.

“**Management Fee**” means the management fee payable to the Manager by the Fund as more fully described under “Fees and Expenses – Management Fee”.

“**Manager**” means the manager of the Fund, namely Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets 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.

“**Monthly Redemption Amount**” means the redemption price per Class A Unit equal to the lesser of (i) 95% of the Market Price of a Class A Unit; and (ii) 100% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

“**Monthly Redemption Date**” means the second to last Business Day of each month other than, commencing in 2015, the month of May.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Net Asset Value**” or “**NAV**” means the net asset value of the Fund determined by subtracting the aggregate liabilities of the Fund from the Total Assets of the Fund, in each case 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 attributable to the Class A Units or Class U Units, as applicable, divided by the total number of Class A Units or Class U Units, as applicable, 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 81-106**” means National Instrument 81-106 – *Investment Fund Continuous Disclosure* of the Canadian Securities Administrator, 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 the relevant time, is not resident in Canada and is not deemed to be resident in Canada.

“**Notes**” has the meaning given under “Overview of the Sector that the Fund Invests In – Structured Credit Notes”.

“**Notice Period**” has the meaning given under “Redemption of Securities – Annual Redemption”.

“**Offering**” means, collectively, the offering of Class A Units at a price of \$10.00 per Class A Unit, the offering of Class U Units at a price of U.S. \$10.00 per Class U Unit and the offering of additional Class A 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 Class A Units in an amount up to 15% of the aggregate number of Class A Units sold on the Closing Date at a price of \$10.00 per Class A Unit, solely to cover over-allotments, if any.

“**Permitted Merger**” has the meaning set out in “Unitholder Matters – Permitted Merger”.

“**Portfolio**” means the Fund’s portfolio of assets consisting primarily of Loans as well as the corporate bonds, unsecured loans and notes with fixed and floating interest rates and structured credit notes acquired and held by the Fund from time to time.

“**Recirculation Agreement**” means the recirculation agreement to be entered into on or about the Closing Date among the Fund, the Trustee and BMO NBI, as it may be amended from time to time.

“**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 net asset value will be determined on the basis that any Loans, bonds, debentures and other debt obligations that are owned by the Fund will be valued by taking the bid price on the Valuation Date.

“**Redemption Payment Date**” means the 10th Business Day of the month immediately following an Annual Redemption Date or the 15th Business Day of the month immediately following a Monthly Redemption Date, as applicable.

“**Reference Exchange Rate**” means the U.S. dollar/Canadian dollar WM/Reuters closing spot rate determined at 4:00 p.m. (London, U.K. time), or another U.S. dollar/Canadian dollar exchange rate deemed appropriate by the Manager.

“**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.

“**Registrar, Transfer Agency and Distribution Agency Agreement**” means the registrar, transfer agency and distribution agency agreement to be dated on or about the Closing Date between the Fund and Computershare Investor Services Inc., as it may be amended from time to time.

“**S&P**” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw Hill Companies, Inc.

“**Second Lien Loans**” means secured floating rate corporate loans which rank in priority behind the Senior Loans of the issuer.

“**Senior Loans**” means first lien secured floating rate corporate loans.

“**Servicing Fee**” has the meaning given under “Fees and Expenses – Servicing Fee”.

“**SIFT Rules**” means the rules in the Tax Act which apply to a SIFT Trust and its unitholders.

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

“**Sub-Advisor**” means the sub-advisor of the Fund, namely ING Investment Management Co. LLC and, if applicable, its successor.

“**Sub-Advisor Agreement**” means the agreement to be dated on or about the Closing Date between the Sub-Advisor and the Manager with respect to the Fund, as it may be amended from time to time.

“**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.

“**Total Assets**” means the aggregate value of the assets of the Fund.

“**Trust Agreement**” means the trust agreement governing the Fund dated as of September 26, 2013, as it may be amended from time to time.

“**Trustee**” means Computershare Trust Company of Canada, in its capacity as trustee of the Fund under the Trust Agreement.

“**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 beneficial interest in the Units.

“**Units**” means the Class A Units and/or the Class U Units issued by the Fund, as applicable.

“**Valuation Agent**” means, until its replacement is appointed by the Manager, the Custodian.

“**Valuation Date**” means each Business Day.

OVERVIEW OF THE STRUCTURE OF THE FUND

Legal Structure

ING High Income Floating Rate Fund is a non-redeemable investment fund established under the laws of the Province of Ontario and governed by the Trust Agreement. Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) will act as Manager of the Fund and will perform or will arrange for the performance of management services, including portfolio management services, for the Fund and will be responsible for the overall undertaking of the Fund. The Fund's registered and head office is at 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8. The fiscal year-end of the Fund will be July 31. The beneficial interest in the net assets and net income of the Fund is divided into units of such classes as may be determined by the Manager from time to time. Initially, Class A Units and Class U Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. See "Fees and Expenses".

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

The Fund's investment objectives are to (i) provide monthly cash distributions; (ii) preserve capital; and (iii) generate increased returns in the event that short-term market interest rates rise, in each case, through an investment in a diversified portfolio consisting primarily of first lien and second lien secured floating rate loans of non-investment grade North American borrowers, actively managed by the Sub-Advisor. The Portfolio will primarily consist of secured floating rate corporate loans that are expected to generate increased returns in the event that short term interest rates rise above any applicable LIBOR floors.

INVESTMENT STRATEGY

The Fund will seek to invest in a broadly diversified portfolio composed primarily of first lien, senior secured floating rate loans ("Senior Loans") and second lien secured floating rate loans ("Second Lien Loans"). The Sub-Advisor will strategically allocate among the Fund's permitted investments based upon its view of economic conditions, asset availability and macro-economic trends. See "Investment Restrictions".

The Fund will generally seek to make investments in Loans of non-investment grade North American borrowers that have (i) significant levels of asset and/or cash flow coverage; (ii) a protective capital structure; (iii) strong senior management; and (iv) attractive market positioning.

The Portfolio will primarily consist of Loans that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors (which set a minimum LIBOR rate for such Loans). The Fund may also invest up to 20% of its Total Assets in corporate bonds, unsecured loans and notes with fixed and floating interest rates and structured credit notes.

The Portfolio will primarily consist of Loans of non-investment grade North American borrowers. Loans that are rated "BB+" and below by S&P or "Ba1" and below by Moody's are considered to be non-investment grade loans. Non-investment grade loans are considered by rating agencies to be speculative and subject to high credit risk. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

Leverage

The Fund may employ leverage (through borrowing) of up to 35% of Total Assets for the purposes of acquiring assets for the Portfolio and such other short term funding purposes as may be determined by the Sub-Advisor, in

consultation with the Manager, from time to time and in accordance with the Investment Strategy. Accordingly, the maximum amount of leverage that the Fund could employ is 1.54:1. Initially, the Fund is expected to employ leverage of approximately 25% of Total Assets.

Foreign Currency Exposure and Use of Derivatives

The Portfolio will be invested primarily in assets denominated in U.S. dollars. The Sub-Advisor intends to hedge substantially all of the value of the Portfolio that is denominated in U.S. dollars or any other currencies other than the Canadian dollar to the Canadian dollar. In respect of the Class U Units, the Sub-Advisor intends to then hedge the value of the Portfolio that is equal to the proportion of the NAV of the Fund attributable to the Class U Units back to the U.S. dollar. The Fund intends to use derivative instruments for currency hedging purposes and may use derivative instruments to hedge any fixed rate exposure of the Portfolio. The Fund may use derivatives for hedging purposes only in accordance with NI 81-102.

Investment Management Approach

The ING Senior Loan Group, a unit of the Sub-Advisor will manage the Portfolio pursuant to the Sub-Advisor Agreement.

The Sub-Advisor employs a disciplined process to identify, analyze, purchase and monitor investments. This process begins with macro-economic research. The Sub-Advisor continually monitors world events, interest rate trends, domestic and global economic cycles and other economic variables. This research helps the Sub-Advisor identify industries for further review and analysis, while avoiding sectors prone to the clustering of defaults.

Once industries have been identified for further review and analysis, the Sub-Advisor analyzes those industries in terms of whether they are cyclical or non-cyclical, production or distribution, durable or non-durable, integrated or non-integrated, industrial or consumer, domestic or international, and analyzes their capital flows, developing trends, pricing power and supply/demand dynamics.

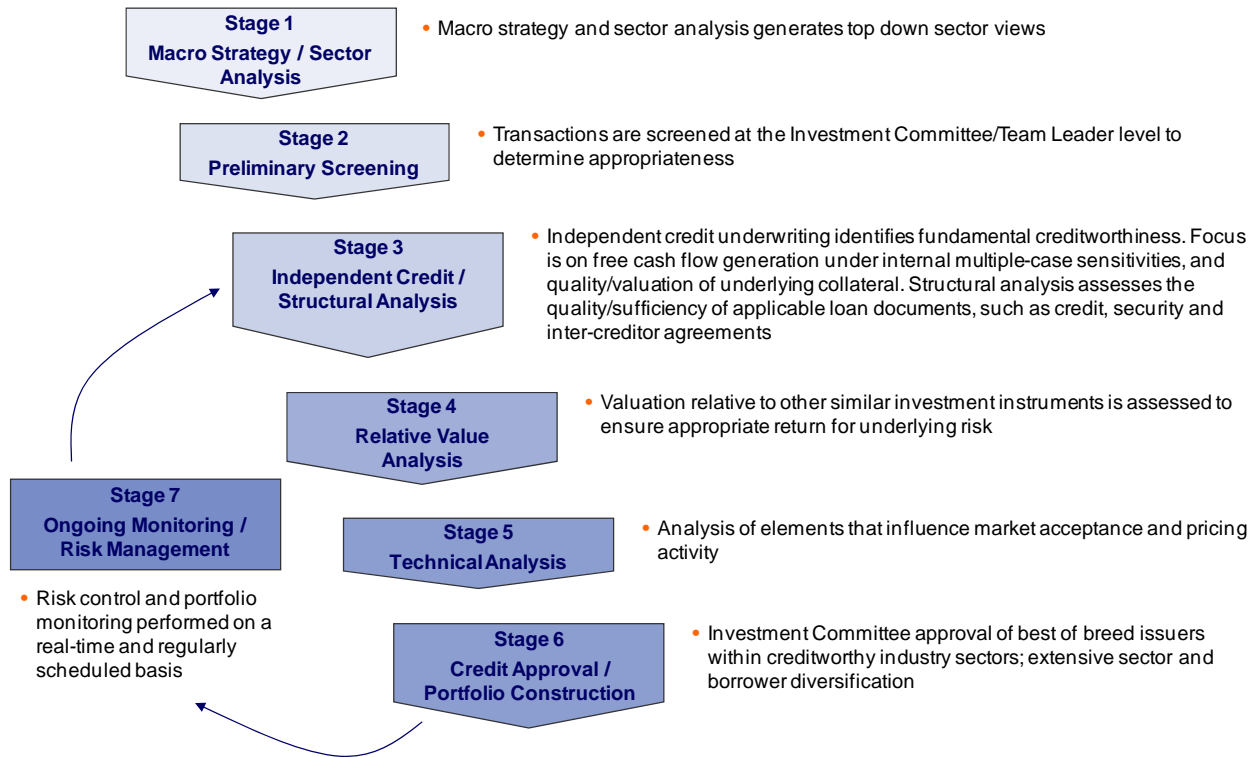
Fundamental credit analysis is the foundation of the Sub-Advisor's portfolio construction. The Sub-Advisor analyzes potential investments with respect to both the individual company and the deal structure. Fundamental credit analysis of a company is an in-depth, independent analysis focused on free cash flow generation, liquidity and adequacy of collateral coverage. In addition, the Sub-Advisor evaluates a company's management, its competitive position, its market share within its industry, and the strengths and weaknesses of its business segments.

The Sub-Advisor's review of the structure of a proposed transaction focuses on the provisions of the credit documents, particularly the strength of the protective covenants and the voting rights of lenders. The Sub-Advisor also analyzes the sponsors of the transaction to determine whether they are proven, committed, and have the financial resources required to support the company if necessary.

Proposed investments that are recommended after the foregoing review and analysis are presented to the ING Senior Loan Group's Investment Committee. The Investment Committee approves all new credit exposure, sets maximum per issuer credit limits and makes portfolio allocations. It also oversees secondary trading and compliance, validates credit scores, sets trading policy and provides approval of regular quarterly monitoring. All investment decisions of the Investment Committee must receive majority approval.

The final aspect of the Sub-Advisor's investment process is rigorous on-going monitoring. The Sub-Advisor's investment professionals continuously monitor general economic and company specific information, including daily review of indicative market valuations. The Sub-Advisor's Investment Committee oversees internal credit ratings on all assets under management. In addition, all assets are subject to a formal credit review by the Investment Committee at least quarterly.

The following table summarizes the Sub-Advisor’s investment management approach:



Source: ING.

Risk Management

The Sub-Advisor manages portfolio risk through the rigorous application of its investment process. The primary risk to a portfolio of Loans is credit risk and, by extension, default risk. To seek to mitigate this risk, specific borrower selection is focused on identifying high quality credits within each industry with the objective of achieving superior long-term risk-adjusted returns, rather than investing for the absolute highest returns at the expense of significantly increased credit risk. In addition, when investing in Second Lien Loans, the Sub-Advisor typically invests in the Second Lien Loans of borrowers in whose Senior Loans the Fund or other portfolios managed by the Sub-Advisor have also invested. The Sub-Advisor primarily targets more liquid Loans to enhance its ability to manage its Loan portfolios, since liquid Loans typically demonstrate lower volatility and provide superior trade execution in times of stress. Finally, the Sub-Advisor constructs broadly diversified portfolios.

OVERVIEW OF THE SECTOR THAT THE FUND INVESTS IN

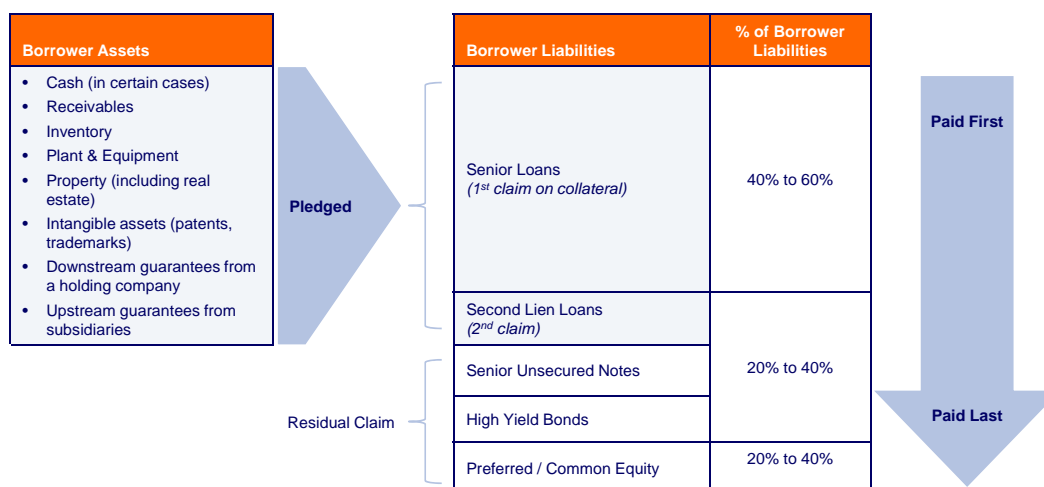
Description of Loans

Loans are extensions of credit made to corporations and other entities to finance acquisitions, refinance existing debt, support business expansion, and for other general business purposes. Senior Loans are called “senior” because they are generally secured by a borrower’s assets pursuant to a first priority or “senior” lien, and they are first in priority in receiving payments when a borrower is servicing its debts. Loans can also be called “floating rate loans” because the interest paid on such Loans changes as certain market interest rates change. The collateral packages pledged by the borrower can include working capital assets (such as accounts receivable and inventory), tangible fixed assets (such as real property, buildings and equipment), intangible assets (such as trademarks and patent rights) and security interests in shares of stock of the borrower’s subsidiaries and affiliates.

Loans rank at the senior part of a borrower’s capital structure and have the following attributes: (i) Loans are generally secured or benefit from another form of structural seniority relative to other obligations of the borrower; (ii) Loans are generally protected by covenants that limit the ability of the borrower to take actions adverse to the interests of the holders of the Loans; (iii) the default rate on Loans is historically lower than that of non-investment grade unsecured or subordinated debt; and (iv) Loans have generally received greater recoveries than non-investment grade unsecured or subordinated debt in the case of default.

The following chart illustrates how Loans rank at the top of a typical borrower’s capital structure and are senior to other types of debt such as bonds and preferred shares, as well as being senior to the shareholders of a borrower. The chart also illustrates the types of assets pledged by a borrower as security to Loan lenders.

Typical Borrower Capital Structure



Source: ING.

The principal amount of Loans issued by a borrower generally ranges from \$50 million to over \$10 billion. Loans are primarily originated by large banks and other major financial institutions. When a Loan is made, portions of such Loan are typically syndicated to a large number of banks and institutional investors, including mutual funds.

Loans are privately issued and are not traded on any public exchange. Instead, Loans are traded directly among banks and institutional investors in a private, secondary market. Although Loans are a relatively illiquid asset class when compared to publicly traded equity securities, over the past decade the Loan market has become deeper and more orderly due to an increased supply of Loans, a substantial increase in the number of participants in the market, and the efforts of the Loan Syndications and Trading Association, which is the U.S. trade association for Loan market participants, to make Loans trading more uniform and efficient.

Loans are made using a written contract (the credit agreement) that governs the manner in which funds are extended to the borrower and sets the interest rate to be paid by the borrower. The credit agreement may also provide limitations on a borrower's business operations designed to enhance the ability of the lenders to be repaid and protect against credit deterioration. Such limitations, called covenants, are designed to monitor the financial health of a borrower and may limit the total amount of debt that a borrower can incur or may restrict certain actions such as, for example, purchasing other companies, going into new lines of business, selling lines of business, *etc.* In addition, these covenants typically require mandatory pay-downs to lenders upon certain events, such as the issuance of additional stock or the sale of significant assets. If these restrictions are violated by the borrower, the credit agreement gives lenders the first right, often subject to certain conditions, to take certain actions against the borrower, ranging from increasing the interest rate on the Loan to calling the Loan and requiring its immediate repayment in full.

Loans differ from high-yield bonds in the following respects: Loans generally pay interest based on a floating rate, typically LIBOR, plus a fixed spread determined by the credit quality of the borrower. This differs from high yield bonds, which typically pay a semi-annual coupon at a fixed rate of interest. Many current Loans have LIBOR floors, which provide additional income during periods when LIBOR rates are below the floor levels. Loans with a LIBOR floor pay an interest rate of LIBOR plus the applicable margin so long as LIBOR remains above the specified floor level. If, however, LIBOR falls below the floor, the interest rate is the floor level plus the applicable margin. Over the past several years, an increasing proportion of new Loans have been issued with LIBOR floors. As of July 31, 2013, approximately 80% of the Loans in the Loan Index contained LIBOR floors, with an average floor level of 117 bps.

The average maturity of Loans is 5 to 7 years, although they are typically pre-payable by the borrower without any penalty. High yield bonds typically have non-call periods of 3 to 4 years, coupled with a pre-payment penalty of 50% to 75% of the annual coupon. Historically, borrowers have repaid their Loans in 3 to 4 years, on average. High yield bonds typically have 100% of their principal due on the maturity date, usually 7 to 10 years from the date the bond was originally issued, and may incur a penalty if they are called before their maturity.

Loans also generally have both maintenance and incurrence covenants which, among other things, are intended to provide the holders assurance that the borrower's financial performance and leverage will remain within specified levels. In comparison, high yield bonds typically only have incurrence covenants which only limit the borrower from taking certain corporate actions including incurring new debt or making dividend payments, unless certain conditions are met.

There are generally two types of secured loans: (i) Senior Loans; and (ii) Second Lien Loans. Senior Loans are secured and have first priority in receiving payments when a borrower is servicing its debts, ahead of bond holders and other lenders. Second Lien Loans are generally similar to Senior Loans, except that such loans are subordinated in payment and/or lower in lien priority to senior lien holders. As a result, Second Lien Loans have historically exhibited lower recovery rates relative to Senior Loans but higher recovery rates relative to high yield bonds. Further, Second Lien Loans offer higher spreads than Senior Loans to compensate for their subordinate security interest to Senior Loans.

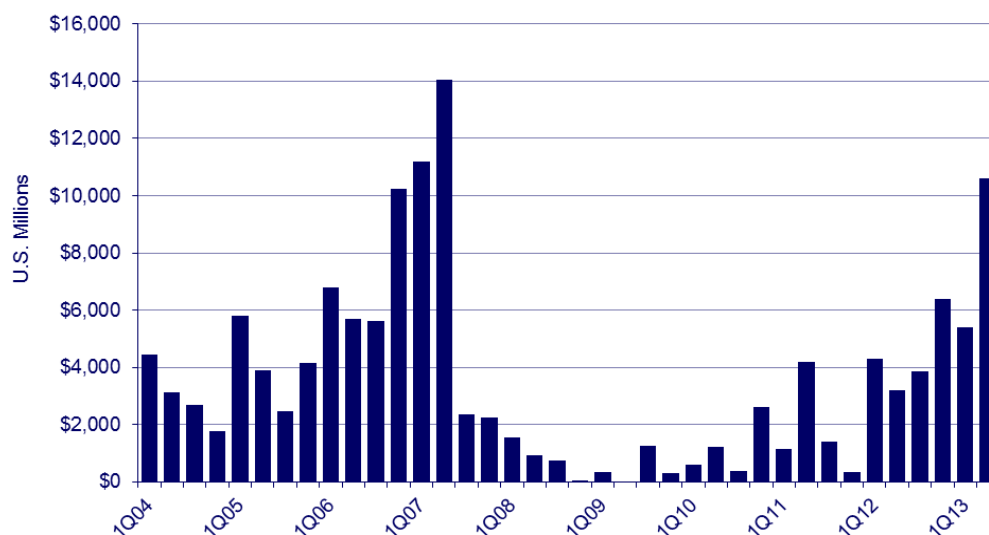
Second Lien Loans

Second Lien Loans are floating rate loans with a claim on the collateral of a borrower that is junior to the claim of Senior Loans and are typically priced at wider spreads relative to Senior Loans. Like Senior Loans, Second Lien Loans rank senior to bond and equity holders and enjoy covenant protection. With a junior claim on collateral, Second Lien Loans have historically experienced lower recovery rates than Senior Loans but higher recovery rates than high yield bonds.

	Senior Loans	Second Lien Loans	High Yield Bonds
Income	Floating Rate	Floating Rate	Fixed Rate
Security	First lien secured	Second lien secured	Unsecured
Ranking	First priority	Second priority	Subordinated
Covenants	Maintenance and/or Incurrence	Maintenance and/or Incurrence	Incurrence
Coupon Spread	250 – 400 bps over LIBOR	400 – 800 bps over LIBOR	500 – 750 bps over Treasuries
Prepayment	Generally callable at any time	Generally callable at any time	Usually 3 – 5 years non-call period
Average Maturity	5 – 7 years	6 – 8 years	7 – 10 years
Liquidity	Large, actively traded private market	Smaller, less active private market	Large, actively traded public market

With robust market conditions and investor demand for floating rate instruments, Second Lien Loan issuance is currently at multi-year highs. In the first half of 2013, Second Lien Loan issuance totaled approximately U.S. \$16 billion. Based on the Sub-Advisor’s current economic outlook for positive GDP, low to moderate default rate expectations and gradual interest rate increases over time, the Sub-Advisor expects that Second Lien Loan new issuance volume will continue to increase. As of July 31, 2013, the par value of the Second Lien Loan market was approximately U.S. \$20 billion.

Second Lien Loan New Issuance Volume (2004-2013)



Source: S&P.

Second Lien Loans can present an attractive investment opportunity relative to high yield bonds. High yield bonds are subordinate to Loans, including Second Lien Loans, and have historically experienced higher default rates and lower recovery rates. In 2012, Moody’s reviewed 151 US corporate defaults that occurred between 1988 and 2011 in which the borrowers had first and second lien instruments in their capital structure. The average ultimate recovery rate of the second lien instruments reviewed by Moody’s was 55% compared to 90% for the first lien instruments. Among the defaults that included unsecured subordinated debt in the capital structure, the average ultimate recovery for the unsecured subordinated debt was 30%. As floating rate instruments, Second Lien Loans have ultra-short durations relative to high yield bonds. Second Lien Loans, represented by the Second Lien Loans in the Loan Index, trade at an average discount to par of 0.3% whereas

bonds in the Bank of America Merrill Lynch US High Yield Index trade at a 4.6% premium with a modified duration of 4.9 years as of July 31, 2013.

The Loan Market

Over the last 20 years, the Loan market has developed into a large and active market. For example, the U.S. Loan market, as represented by the Loan Index, comprised over U.S. \$600 billion as of July 31, 2013. Prior to such period, loans to businesses were primarily made by commercial banks that kept the loans in their portfolios as investments. However, over this period, banks and other originators of Loans began selling portions of Loans to institutional investors.

Historically, the Loan market has been an attractive market for corporations to raise debt capital. Corporations such as Burger King, Cablevision, Dollar General, Dole Foods, Goodyear Tire & Rubber, Heinz, J. Crew, Live Nation (*i.e.*, Ticketmaster), Nieman Marcus, Savers, Toys-R-Us, and W.M. Wrigley Co., among other well-recognized entities, accessed the Loan market in recent years.

The information below is historical and is not intended to be, nor should it be construed to be, an indication as to the future performance of the assets comprising the Portfolio. Default rates, total returns, nominal spreads, yields and recovery rates of the assets comprising the Portfolio may be significantly different than those presented below. The information provided below is provided for illustrative purposes only and should not be construed as a proxy or a forecast or projection of the Fund's performance. No assurance can be given that the historical market conditions and index data reported below will be experienced by the assets comprising the Portfolio at any time or from time to time.

Loans have historically generated attractive risk-adjusted returns and the Loan Index has generated positive annual returns in all but one year since 1997. The Fund's investment strategy is based on the Sub-Advisor's belief that Loans represent a particularly attractive opportunity for investors for the following reasons:

- Sound fundamental credit risk has resulted in low current default rates: The Sub-Advisor believes that the U.S. macro-economic situation has improved since the global financial crisis of 2008/2009 as corporate balance sheets are sound and default rates are below the historical average.
- Floating interest rates offer protection against rising rates: Loans typically have ultra-short interest rate durations. As interest rates rise, absent other factors, such as the effects of LIBOR floors, Loan prices generally remain unaffected, but borrowers' Loan payments increase, which would result in higher current income for the Portfolio. In contrast, when interest rates rise, fixed rate bond prices decrease while their interest payments do not change.
- The Loan asset class has a history of attractive returns: Loans have historically provided steady returns through multiple credit and interest rate cycles, with the Loan Index having shown positive returns every year since its inception, with the exception of 2008.
- The opportunity to strategically allocate between different levels of seniority of security interests: Second Lien Loans provide an opportunity for strategic loan allocation to a junior capital, short duration alternative to fixed rate, long duration high yield bonds. In addition, Second Lien Loans typically offer higher interest payments than Senior Loans above them in the capital structure. Since 2004, the average annual total return of Second Lien Loans has been 11.70% versus 6.78% for Senior Loans and Second Lien Loans have outperformed Senior Loans in 79 of 115 total months.

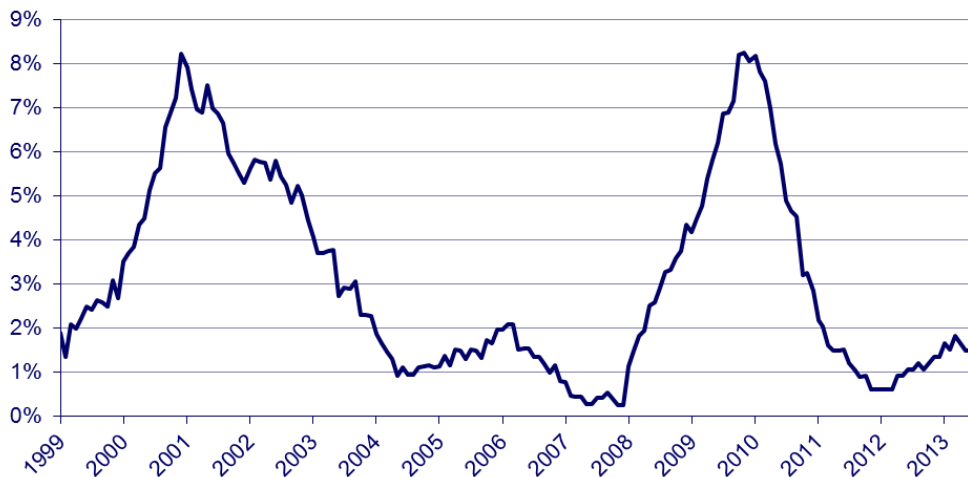
- Current yields on Loans represent an attractive alternative to high yield bonds: The average yield advantage of high yield bonds versus Senior Loans from January 2000 to July 2013 was approximately 2.02%, but it is approximately 0.94% as of July 31, 2013.¹
- Loans offer lower structural risk than high yield bonds: Loans are structurally less risky than high yield bonds because they have floating rates of interest and a priority claim on both payments and the borrower's assets in the event of a default. In addition, financial covenants on Loans can protect the interests of Loan investors whereas high yield bonds typically do not have the same level of protective covenants.
- Market interest rates are at historically low levels and are expected to rise: Loans generally pay interest based on a spread above LIBOR. 30-day LIBOR approximated 0.19% as of July 31, 2013, as compared with a 20-year average of 3.30%, providing an attractive entry point into the Loan asset class. In addition, many Loans have LIBOR floors (which set a minimum LIBOR rate for such Loans), which provide additional income during periods when LIBOR rates are below the floor levels.
- Loans have a low historical correlation with other asset classes: Loans are an attractive portfolio diversifier and have a negative correlation to many other asset classes and a positive correlation with inflation.

¹ Yield is defined as yield to worst for high yield bonds or discount margin to 3 year call plus 3 month LIBOR for loans.

Fundamental Credit Risk has Improved since 2008/2009

The Sub-Advisor believes that the on-going recovery of the U.S. economy from the global financial crisis of 2008/2009 has caused the fundamental credit risk for corporations in the United States to improve. Moreover, new Loans tend to have features such as LIBOR floors, which ensure that the Loan generates at least a minimum yield in the event that interest rates are currently at, or subsequently fall below, the level at which the floor is set, as well as protective covenant packages. As illustrated by the chart below, default activity for Senior Loans peaked in 2009 and is currently well below its historical average.

**Lagging 12-Month Default Rate
S&P/LSTA Leveraged Loan Index
(data as of July 31, 2013)**



Note: S&P/LSTA Leveraged Loan Index lagging twelve month default rate comprises all loans, including those not tracked in the LSTA/LPC mark-to-market service. Vast majority are institutional tranches. Principal default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the end of the prior period.

Source: S&P.

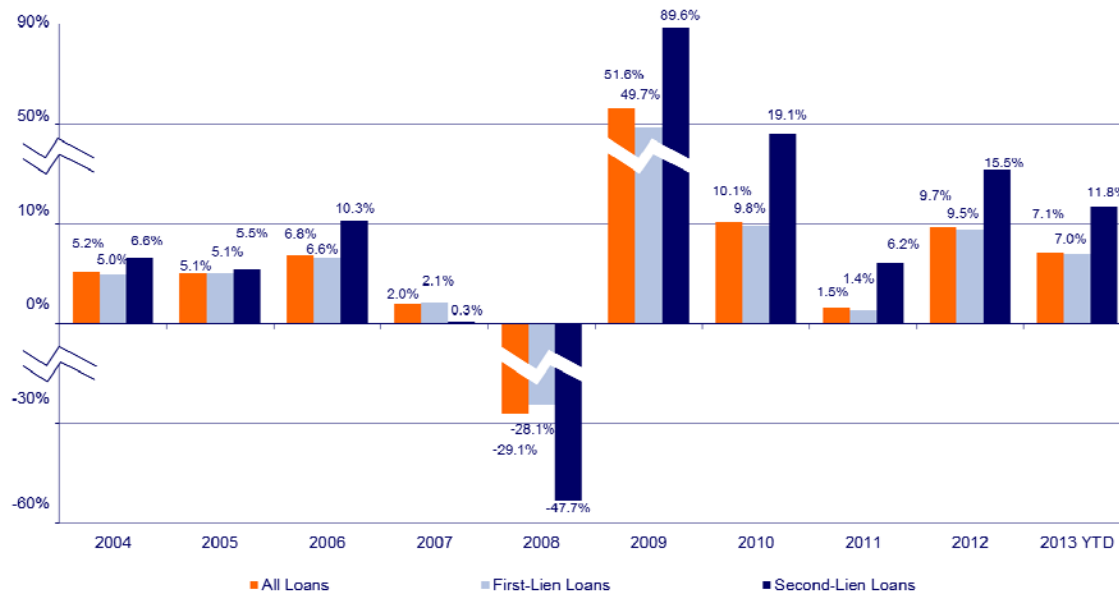
Loans Typically Outperform Fixed-Rate Bonds When Interest Rates Rise

Loans pay interest based upon an interest rate that is comprised of a reference rate, typically LIBOR, plus a fixed credit spread. Borrowers may choose one or more LIBOR rates, typically 30-day, 60-day or 90-day LIBOR, and may apply these rates to different portions of their Loan. Consequently, Loans typically have an average interest rate reset period of between 45 to 60 days, resulting in ultra-short interest rate duration. Therefore, as interest rates rise above applicable LIBOR floors, borrowers' Loan payments increase, which would result in higher current income for the Portfolio. A decline in interest rates would have the opposite effect although the existence of LIBOR floors would prevent the interest rate from declining below the floor level. In addition, rising interest rates have historically had minimal negative impact on the market value of Loans since their floating rate feature offsets interest rate duration risk. In contrast, when interest rates rise, fixed rate bond prices decrease while their interest payments do not change.

Attractive Historical Returns

Loans have historically provided steady returns through multiple credit and interest rate cycles, with the Loan Index having shown positive returns every year since its inception, with the exception of 2008. Within the loan universe, Second Lien Loans have generally outperformed Senior Loans. Since 2004, the average annual total return for Second Lien Loans was 11.70%, compared to 6.78% for Senior Loans. Senior Loans have also historically exhibited lower volatility than high yield bonds and equities.

Loan Total Returns by Year, 2004 to July 2013

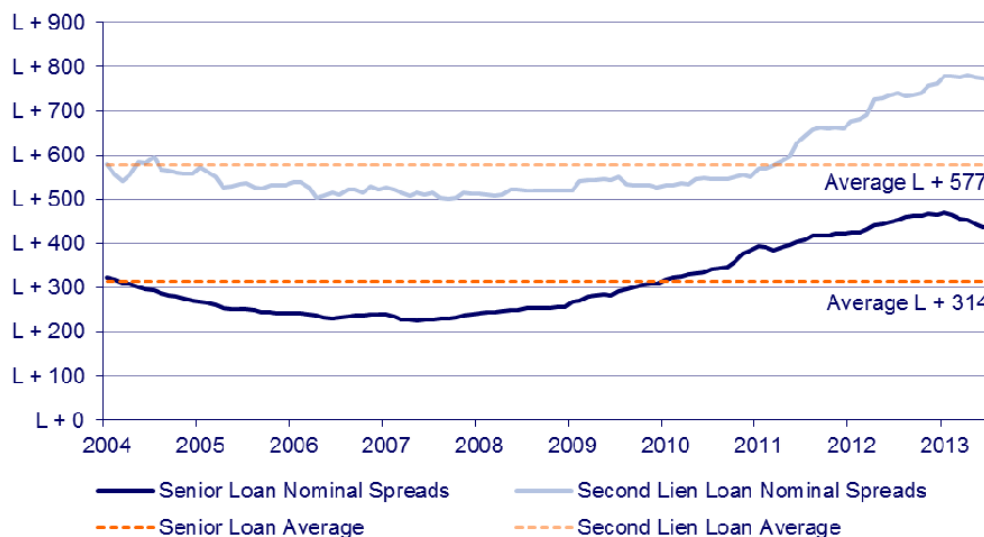


Note: Loan returns are represented by the S&P/LSTA Leveraged Loan Index, which includes all Loans that meet the S&P/LSTA Leveraged Loan Index inclusion criteria. Within the S&P/LSTA Leveraged Loan Index, S&P tracks the first-lien and second-lien components of the index individually. Returns for each component are also provided separately by S&P, as reflected in the chart above. As of July 31, 2013, 90.5% of the S&P/LSTA Leveraged Loan Index was comprised of U.S. borrowers and 9.5% was comprised of non-U.S. borrowers.

Source: S&P/LSTA Leveraged Loan Index.

Nominal spreads are the stated spreads (*i.e.*, the amount of interest a borrower pays in addition to the applicable LIBOR rate or LIBOR floor) as set forth in a credit agreement. The average nominal spread over LIBOR for Senior Loans is 314 bps and for Second Lien Loans is 577 bps (for the period from January 2004 to July 2013). The nominal spreads on Second Lien Loans are generally higher than Senior Loans as Second Lien loans are junior in the borrower's capital structure, meaning they are subordinated in payment and/or lower in lien priority to Senior Loan lenders. By strategically investing in Second Lien Loans, the Fund has the opportunity to benefit from the higher spreads available from Second Lien Loans, while continuing to benefit from the floating rate, short-duration secured nature of Loans.

Nominal Spreads of Senior Loans vs. Second Lien Loans



Note: Spreads are the average of the spreads at month-end for each period shown.

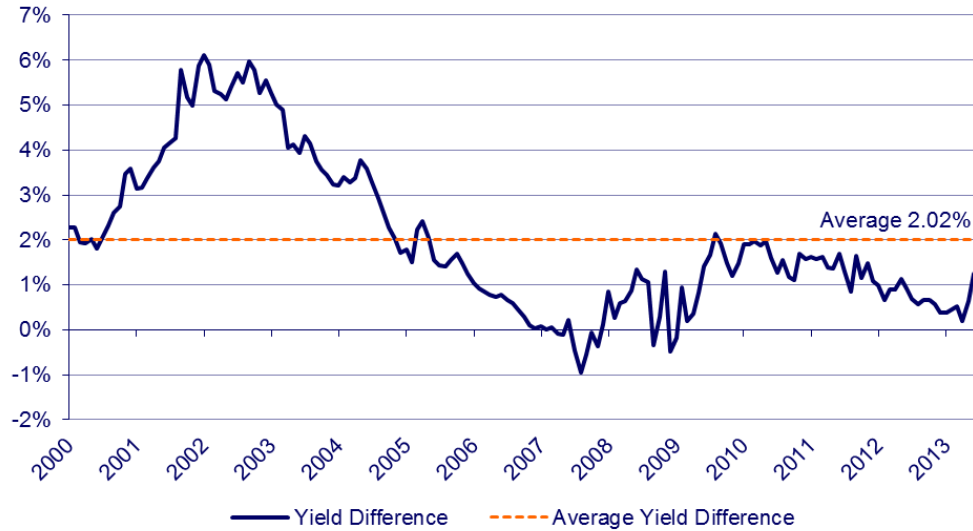
Source: S&P.

Loans Offer Attractive Levels of Risk-Adjusted Income.

As at July 31, 2013, the average discount margin (three-year call) of the Credit Suisse Leveraged Loan Index was 497 basis points. Currently, Loan yields are attractive relative to yields on high yield bonds. High yield bonds are subordinate to Loans and, unlike Loans, are typically unsecured. As a result, yields offered by high yield bonds have generally exceeded yields offered by Senior Loans by approximately 2.02%, as shown in the graph below. However, as at July 31, 2013, high yield bonds yielded only 0.94% above Senior Loans.

The decline in the yield differential between high yield bonds and Loans is largely due to high yield bonds trading at a significant premium to their par value. As at July 31, 2013, the average price of the Loan Index was 98% of par value (or a 2% discount to par), whereas high yield bonds (represented by the Bank of America Merrill Lynch US High Yield Index) and investment grade bonds (represented by the Bank of America Merrill Lynch US Corporate Index) were priced at 105% and 108% of par value, respectively. High yield bonds and investment grade bonds are also more susceptible to a decline in price in the event interest rates rise. As at July 31, 2013, high yield bonds, as measured by the Bank of America Merrill Lynch US High Yield Index, had a modified duration of 4.9 years and investment grade bonds, as measured by the Bank of America Merrill Lynch US Corporate Index, had a modified duration of 6.5 years. In comparison, the Loans reset their interest rates approximately every 60 days.

Historical Difference in Yield Between High Yield Bonds and Loans



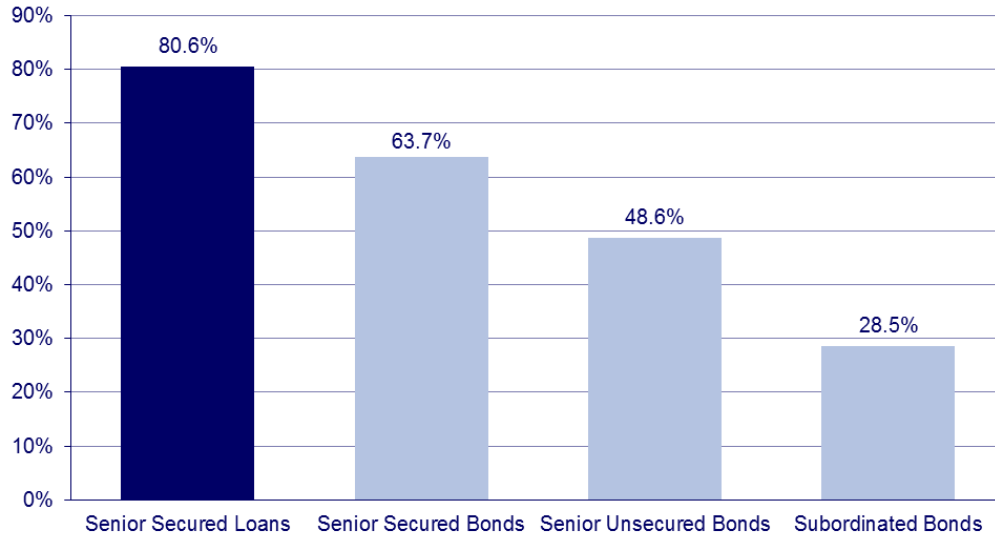
Note: January 31, 2000 to July 31, 2013. Yield is defined as yield to worst for high yield bonds as represented by the Credit Suisse High Yield Index and discount margin to 3 year call plus 3 month LIBOR for the Credit Suisse Leveraged Loan Index.

Source: Credit Suisse.

Inherent Structural and Credit Protection Characteristics

Loans have inherent structural and credit protection characteristics that differ from high yield bonds. Loans hold a higher rank in a borrower's capital structure, giving Loans priority over all of a borrower's other debt (including priority over bonds and preferred shares), and are secured by the borrower's assets. High yield bonds rank beneath Loans and are typically unsecured. In addition, high yield bonds lack the reporting and covenant protections that benefit holders of many Loans. As a result, Senior Loans have historically exhibited higher recovery rates in the event of default than high yield bonds. As illustrated in the following chart, over the period from 1987 to 2012, the average ultimate recovery rate for Senior Loans was 80.6%, compared to 28.5% for high yield bonds.

Average Corporate Debt Ultimate Recovery Rates (1987 to 2012)



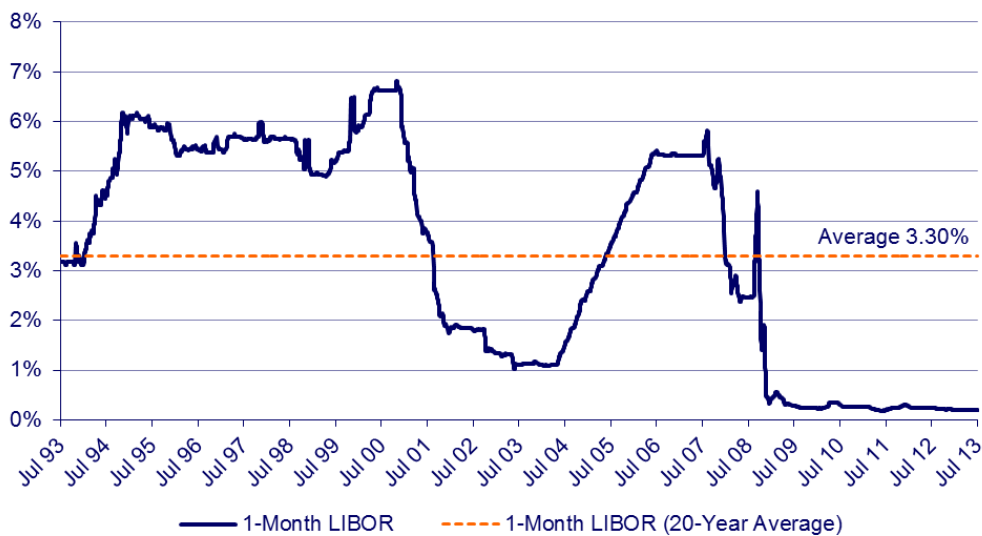
Note: Ultimate Recovery is the value that a creditor actually receives at the resolution of the default, usually at the time of emergence from bankruptcy.

Source: Moody's.

Historically Low Market Interest Rates

Currently, LIBOR is near all-time low levels. The Sub-Advisor believes this limits the downside yield risk of an investment in Loans and makes the current environment an attractive entry point for an investment in the asset class. In addition, many Loans have LIBOR floors, which provide additional income during periods when LIBOR rates are below the floor levels. As of July 31, 2013, one-month LIBOR was approximately 0.19%, significantly below its 20-year average of approximately 3.30%. The following chart illustrates the one-month LIBOR rate over a 20-year period.

20-Year Historical 1-Month LIBOR Rates



Source: Bloomberg.

Low Historical Correlation with Other Asset Classes

Loans are an attractive portfolio diversifier. As shown in the chart below, Loans have a negative correlation to many other asset classes and, in particular, have low correlations to equities and other risk assets, and a positive correlation to inflation.

Correlation of Loans with Other Asset Classes (January 1, 1992 – July 31, 2013)

Credit Suisse High Yield Index	0.76
FTSE NAREIT All REITs	0.49
Russell 2000	0.43
MSCI EAFE	0.44
Standard and Poor's 500	0.42
Merrill Lynch ABS	0.37
IA SBBI U.S. Inflation	0.31
Merrill Lynch U.S. Corporate Bonds	0.31
JPM Emerging Market Bonds	0.22
Gold	0.04
U.S. 30 Day T-Bills	-0.02
Barclays U.S. Aggregate Bond	-0.03
Merrill Lynch Mortgage	-0.12
Barclays U.S. Corporate Aaa	-0.12
U.S. Govt 10+ Years	-0.30
U.S. Govt 5-7 Years	-0.31

Note: Loans are represented by the Credit Suisse Leveraged Loan Index.

Source: Credit Suisse, Bloomberg, Ibbotson Associates.

Structured Credit Notes

The Fund expects initially to invest in structured credit notes ("Notes") issued by investment vehicles that principally invest in Senior Loans (typically, 80% or more of their assets) and are diversified by industry and borrower. It is also possible that the underlying collateral for the Notes in which the Fund invests will include (i) subordinated loans; and (ii) debt tranches of other collateralized loan obligations. Investment vehicles that issue Notes are created to reapportion the risk and return characteristics of a portfolio of underlying assets. Such vehicles securitize payment claims arising out of their portfolio of underlying assets and issue debt securities, i.e., the Notes, with payment characteristics linked to the underlying assets. The redemption of the Notes typically occurs from the cash flow generated by the portfolio of underlying assets. The vast majority of investment vehicles that issue Notes are actively managed by an independent investment manager. The Fund will not invest in structured credit notes issued by investment vehicles managed by the Sub-Advisor or its affiliates.

The Fund expects to invest in Notes issued by collateralized loan obligations. These Notes are principally secured by a portfolio of Senior Loans, diversified by industry and borrower. The cash flows on the underlying obligations will primarily determine the payments to holders of these Notes and the Notes will typically have floating interest rates. Notes are debt securities issued in tranches with different payment characteristics and different credit ratings. The tranches of Notes senior to the "residual" or lowest tranche (called the "rated tranches") are generally assigned credit ratings by one or more nationally recognized statistical rating organizations. Residual tranches are the most junior tranches and do not receive ratings.

The Fund will not invest in residual tranches of Notes and will invest only in tranches of Notes rated B or above at the time of the Fund's investment.

High Yield Bonds

High yield bonds are corporate debt securities which are rated below BBB- by S&P or Baa3 or by Moody's. High yield bonds are generally issued by companies to finance operations and refinance existing debt maturities. These debt instruments generally pay interest quarterly or semi-annually and repay principal on the maturity date.

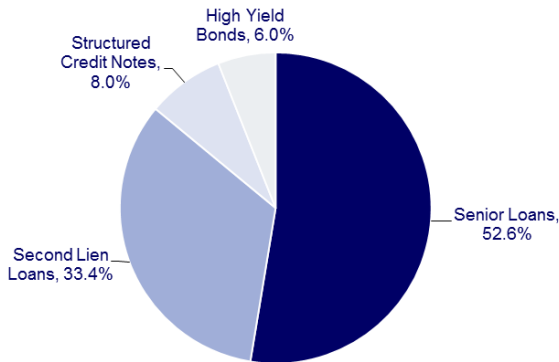
A lower credit rating connotes a greater risk of default. According to S&P's rating definitions, a company rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments. Debt rated BB, B, and CCC is regarded as having speculative characteristics. BB indicates a lesser degree of speculation and CCC a higher degree.

The prices at which high yield bonds trade vary over time based on such factors as term to maturity, interest and currency rate fluctuations, the liquidity of the security, underlying changes in the risks associated with the issuer of the securities (such as business changes affecting a corporate issuer), investor demand, and general economic trends. The yield of a high yield bond 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 high yield bonds varies inversely with yields available in the market, which, in turn, reflect the changes in spreads over Canadian or U.S. treasury notes, as applicable, and the yields on such notes. High yield bonds typically offer higher interest rates than government bonds or investment grade corporate bonds, and they have the potential for capital appreciation in the event of a rating upgrade, an economic upturn or improved performance at the issuing company.

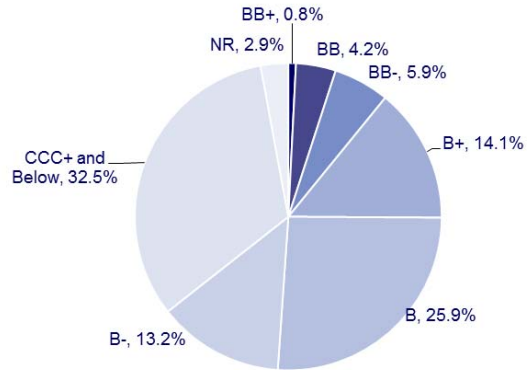
Indicative Portfolio

The following charts illustrate the expected composition of the Portfolio, on an indicative basis if the Portfolio had existed on August 20, 2013, in terms of asset type distribution, currency denomination distribution, ratings distribution, and industry distribution, respectively:

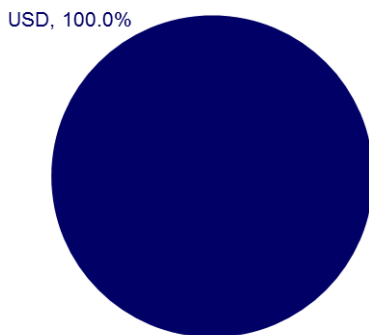
Asset Type Distribution



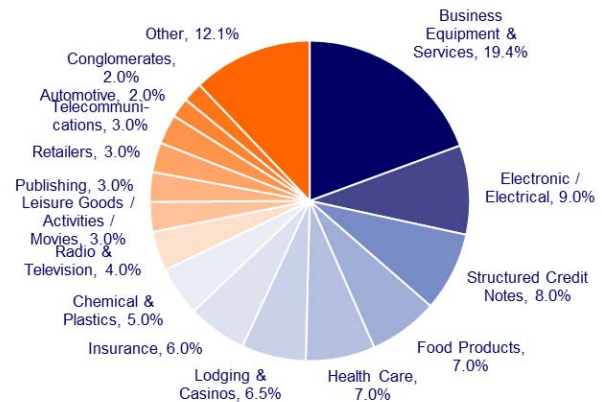
Ratings Distribution



Currency Distribution



Industry Distribution



As of August 20, 2013, the Indicative Portfolio had an average credit rating of B- using S&P ratings.

INVESTMENT RESTRICTIONS

Investment Restrictions of the Fund

The Fund will be subject to certain investment restrictions that are set out in the Trust Agreement. The investment restrictions of the Fund provide that the Fund will not:

- (a) invest at the time of purchase less than 80% of Total Assets in Loans, except within 90 days after the Closing Date and within 90 days prior to the Fund's termination;
- (b) invest at the time of purchase less than 85% of Total Assets in assets denominated in U.S. dollars;
- (c) invest at the time of purchase less than 50% of Total Assets in Senior Loans;
- (d) invest at the time of purchase more than 25% of Total Assets in the Loans or other debt instruments of borrowers in the same industry sector (determined with reference to the industry sectors identified by S&P);
- (e) invest at the time of purchase more than 10% of Total Assets in Loans or other debt instruments of any one borrower or issuer;
- (f) invest at the time of purchase more than 15% of Total Assets in credit facility agreements that are less than U.S. \$150 million in size;
- (g) employ financial leverage in excess of 35% of Total Assets, except in connection with foreign exchange rate hedging;
- (h) purchase the common or preferred shares of any "substantial securityholder" of the Fund (as defined in the *Securities Act* (Ontario)) or the direct or indirect parent of any substantial securityholder of the Fund;
- (i) sell securities short;
- (j) engage in securities lending;
- (k) use derivative instruments other than for hedging purposes in accordance with NI 81-102;
- (l) make or hold any investments in entities that would be "foreign affiliates" of the Fund for purposes of the Tax Act;
- (m) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act; (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act; or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act (or pursuant to any amendments to such provisions);
- (n) make any investment or conduct any activity that would result in the Fund failing to qualify as a "unit trust" or "mutual fund trust" within the meaning of the Tax Act;
- (o) acquire or hold any property that is "taxable Canadian property" within the meaning of the Tax Act if the definition were read without paragraph (b) thereof (or any amendments to that

definition) or “specified property” as defined in subsection 18(1) of the Tax Proposals released on September 16, 2004 if the fair market value of such property exceeds 10% of the fair market value of all property owned by the Fund;

- (p) acquire or hold any “non-portfolio property” as defined in the SIFT Rules;
- (q) enter into any arrangement where the result is a dividend rental arrangement for purposes of the Tax Act; or
- (r) invest in any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act.
- (s) pledge any of its assets, except in connection with the employment of permitted financial leverage and foreign exchange rate or interest rate hedging; or
- (t) purchase the securities of a borrower for the purposes of exercising control or direction, whether alone or in concert, over management of that borrower, except under circumstances where such borrower is in breach of the terms of, or in default under, the Loan.

For the purposes of the investment restrictions contained in (a) to (c) above, Total Assets will exclude cash, cash equivalents and unrealized gains or losses from foreign currency and interest rate hedging contracts. Additionally, to facilitate the strategic allocation of the Fund’s assets into permitted investments, for a period of 90 days after the Closing Date the Sub-Advisor may invest the assets of the Fund in securities of non-affiliated Loan exchange-traded funds.

Any changes to the investment restrictions discussed above may only be made with the approval of Unitholders unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time. See “Unitholder Matters — Matters Requiring Unitholder Approval”.

FEES AND EXPENSES

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 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 out of the gross proceeds of the Offering by the Fund. 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 1.25% per annum of the Net Asset Value, calculated and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Servicing Fee, plus applicable taxes. Accordingly, the total Management Fee including the Servicing Fee paid by the Fund will equal 1.65% of the NAV per Class A Unit or NAV per Class U Unit, as applicable, plus applicable taxes. The Manager will be responsible for paying the fees of the Sub-Advisor out of the amount received by the Manager.

Servicing Fee

A Servicing Fee will be payable by the Manager to each registered dealer (including discount brokerage and self-directed accounts) whose clients hold Class A Units or Class U Units at the end of a calendar quarter. The Servicing Fee will be equal to 0.40% annually of the NAV for each Class A Unit or Class U Unit held by clients

of the registered dealers, calculated and paid at the end of each calendar quarter commencing on December 31, 2013, plus applicable taxes. The Servicing Fee will be pro-rated for the partial first quarter of the Fund. The Manager may, from time to time, pay the Servicing Fee more frequently than quarterly, in which event the Servicing Fee will be pro-rated for the period to which it relates.

Ongoing and Operating Expenses

The Fund will pay for all expenses incurred in connection with its operation and administration which will generally be allocated to the Units of each class *pro rata* based on the Net Asset Value applicable to each class of Units, including, fees payable to the Trustee, custodial fees, legal, audit, valuation fees and expenses, any additional fees payable to third party service providers, out-of-pocket expenses of the Manager, the Portfolio Manager and the Sub-Advisor, expenses of the directors of the Manager, fees and expenses of the members of the Independent Review Committee appointed under NI 81-107 and expenses related to compliance with NI 81-107, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements of the Fund and investor relations, fees and expenses relating to the voting of proxies by a third party, taxes, brokerage commissions, costs and expenses relating to the issue of Units, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies (including U.S. and other foreign laws applicable to the Fund), extraordinary expenses that the Fund may incur, but excluding the fees payable to the Manager and the Sub-Advisor. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Sub-Advisor, the Custodian or the Trustee and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund.

The Manager estimates that ongoing expenses, exclusive of the Management Fee, brokerage expenses related to portfolio transactions and interest expense will be approximately \$275,000 (assuming an aggregate size of the Offering of approximately \$100 million).

Additional Services

Any arrangements for additional services between the Fund and the Manager and/or the Sub-Advisor, or any of their respective affiliates, 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. Any such additional services and the associated expenses will be subject to review by the Independent Review Committee.

RISK FACTORS

Certain risk factors relating to the Fund, the Units and the Loans are described below. Additional risks and uncertainties not currently known to the Manager or the Sub-Advisor or that are currently considered immaterial, may also impair the operations of the Fund. If any such risk actually occurs, the undertaking, financial condition, liquidity or results of operations of the Fund, and the ability to the Fund to make distributions on the Units, could be materially adversely affected.

No Assurance of Achieving Investment Objectives and No Guaranteed Rate of Return

There is no assurance that the Fund will be able to achieve its investment objectives. There is no assurance that the Fund will pay distributions. The funds available for distribution to Unitholders will vary according to, among other things, the return on the assets in the Portfolio and the value of the assets in the Portfolio. There is no assurance that the Portfolio will earn any return. It is possible that, due to declines in the market value of the assets in the Portfolio, the Fund will have insufficient assets to achieve its distribution and capital preservation investment objective, including that of long-term total returns.

Performance of the Portfolio

The Net Asset Value of the Fund will vary as the value of the assets in the Portfolio varies. The Loans and other assets in the Portfolio will be purchased at their prevailing market price, but the value of the assets will vary, potentially substantially, over time. The Fund has no control over the factors that affect the value of the assets in the Portfolio, including factors that affect the debt markets generally, such as general economic and market conditions, political conditions and fluctuations in interest rates, and factors unique to issuers of the Loans and their business, such as liquidity and funding conditions, legal and compliance risks, operational risks, tax-related risks, changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, and other events that may affect the value of their securities.

Risks Relating to Investments in Loans and other Non-Investment Grade Debt

An investment in interests in Loans and other non-investment grade debt involves certain risks. Under the agreements governing most syndicated loans, should the Fund, as a non-majority holder of an interest in a syndicated loan, wish to call a default or exercise remedies against a borrower, it could not do so without the agreement of at least lenders holding a majority of the Loan. Further, actions could be taken by the majority lenders, or in some cases, a single agent bank, without the consent of the Fund. The Fund would, nevertheless, be liable to indemnify the agent bank for the Fund's rateable share of expenses or other liabilities incurred in such connection and, generally, with respect to the administration and any renegotiation or enforcement of the syndicated loans. Moreover, the Fund, or an assignee or participant in a Loan may not be entitled to certain gross-up payments in respect of withholding taxes and other indemnities that otherwise might be available to the original holder of the Loan.

Although the Loans in the Portfolio will generally be secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower's obligation in the event of borrower default or that such collateral could be readily liquidated under such circumstances. In the event of bankruptcy of a borrower, delays or limitations could be experienced with respect to the ability to realize the benefits of any collateral securing a Loan.

A financial institution's appointment as an agent under the agreement governing a Loan might be terminated in the event that such financial institution fails to observe a requisite standard of care or becomes insolvent. A successor agent would generally be appointed to replace the terminated agent, and assets held by the agent under the loan agreement would likely remain available to holders of such indebtedness. However, if assets held by the terminated agent for the benefit of the Fund were determined to be subject to the claims of the agent's general creditors, the Portfolio might incur certain costs and delays in realizing payment on a Loan and could suffer a loss of principal and/or interest.

The Portfolio is expected to be primarily, and potentially fully, invested in assets that are not investment grade. Assets in the non-investment grade rating categories are subject to greater risk of loss as to repayment of principal and payment of interest or dividends than investment grade assets. They are also generally considered to be subject to greater risk than assets with investment grade ratings in the case of adverse business, financial or economic conditions as such conditions are more likely to impair an obligor's capacity or willingness to meet its financial commitment on the obligation. The yields and prices of non-investment grade assets may tend to fluctuate more than those for investment grade assets. In addition, adverse publicity and investor perceptions about non-investment grade assets, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such assets. Non-investment grade loans are considered by the ratings agencies to be predominantly speculative and may involve major risk exposures such as: (i) vulnerability to economic downturns and changes in interest rates; (ii) sensitivity to adverse economic changes and corporate developments and risk of repayment; (iii) redemption or call provisions which may be exercised at inopportune times; and (iv) difficulty in accurately valuing or disposing of such securities. Non-investment grade loans are considered by credit rating agencies to be subject to high credit risk.

Second Lien Loan Risk

The Fund may invest in Second Lien Loans including unsecured loans and secured subordinated loans and lower lien loans. Accordingly, Second Lien Loans are subject to a greater risk than Senior Loans that the available cash flows and the property, if any, securing such loans may be insufficient to make the scheduled payments and they may be subject to a higher degree of credit risk and may be less liquid than Senior Loans. Second Lien Loans are generally second in line in terms of repayment priority. A Second Lien Loan may have a claim on the same collateral pool as the first lien or it may be secured by a separate set of assets. Second Lien Loans generally give investors priority over bond holders and general unsecured creditors in the event of an asset sale. The priority of the collateral claims of third or lower lien loans ranks below holders of Second Lien Loans and so on. Such junior loans are subject to the same general risks inherent in any loan investment, including credit risk market and liquidity risk, and interest rate risk. Second Lien Loans are subject to the same risks as Senior Loans, including credit risk, market risk, liquidity risk and interest rate risk. Second Lien Loans and subordinated unsecured loans may be less liquid than Senior Loans and due to the subordinated nature of these loans they involve a higher degree of overall risk than the Senior Loans of the same obligor.

Structured Credit Notes Risk

The Fund may invest in structured products which include tranches of floating rate asset-backed securities such as structured credit notes issued by collateralized loan obligations. Holders of such debt securities are subject to a number of risks, including credit, liquidity, counterparty and other market and asset specific risks.

Notes are typically privately offered and sold and may be thinly traded or have a limited trading market. As a result, investments in Notes may be characterized by the Fund as illiquid securities. In addition to the general risks associated with debt securities discussed above, Notes carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; and (iii) the possibility that the investments in Notes are subordinate to other classes or tranches of the Notes.

Notes are debt securities issued in tranches with different payment characteristics and different credit ratings. The rated tranches of Notes are generally assigned credit ratings by one or more nationally recognized statistical rating organizations. Residual tranches are the most junior tranches and do not receive ratings. Below investment grade tranches of Notes typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior tranches of Notes. The Fund will not invest in residual tranches of Notes and will invest only in tranches of Notes rated B and above at the time of the Fund's investment.

Payments to holders of Notes may be subject to deferral. If cash flows generated by the underlying assets are insufficient to make all current and, if applicable, deferred payments on Notes, no other assets will be available for payment of the deficiency and, following realization of the underlying assets, the obligations of the issuer of the related Notes to pay such deficiency will be extinguished.

The market value of Notes may be affected by, among other things, changes in the market value of the underlying assets held by the Notes, changes in the distributions on the underlying assets, default and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, prices and interest rate of underlying assets. Furthermore, the leveraged nature of each subordinated class may magnify the adverse impact on such class of changes in the value of the assets, changes in the distributions on the assets, defaults and recoveries on the assets, capital gains and losses on the assets, prepayment on assets and availability, price and interest rates of assets. Finally, Notes are limited recourse and may not be paid in full and may be subject to up to 100% loss.

Leverage Risk

The Fund may employ leverage of up to 35% of Total Assets. As a result of fluctuations in the prices of the assets in the Portfolio, leverage may temporarily, and from time to time, exceed 35%. The addition of leverage has the

potential to enhance returns but also involves additional risks. There can be no assurance that the leverage employed by the Fund will enhance returns. The use of leverage may reduce returns (both distributions and capital) to Unitholders. If there is a decline in the value of the assets in the Portfolio, the leverage will cause a decrease in the Net Asset Value of the Fund in excess of that which would otherwise be experienced if no leverage was utilized. Under certain conditions, leverage may be reduced or discontinued.

To the extent that the Fund makes investments in Loans or other debt instruments structured with LIBOR floors, the Fund will not realize additional income if rates increase to levels below the LIBOR floors but the Fund's cost of financing on its leverage is expected to increase, resulting in the potential for a decrease in the level of income available for dividends or distributions made by the Fund.

Risks Relating to Interest Rates

The Fund's investments will be subject to interest rate risk, which will vary depending upon whether such assets are floating rate or fixed rate. Changes in short-term market interest rates will directly affect the yield on the floating rate assets owned by the Fund. If short-term market interest rates fall, the yield on such assets will also fall. Also, to the extent that credit spreads in the market for Loans experience a general increase, the value of the Fund's existing floating rate assets may decrease, which will cause the Fund's net asset value to decrease. Conversely, when short-term market interest rates rise, because of the lag between changes in such short-term rates and the resetting of the floating rates on the Loans in the portfolio, the impact of rising rates will be delayed to the extent of such lag. To the extent the Loans in the Fund's Portfolio contain LIBOR floors, the impact of any rise in short-term market interest rates will not be realized for such Loans until rates rise above such LIBOR floors. Changes in short-term market interest rates will have a different effect on any fixed rate assets in the Fund's portfolio. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decline. Conversely, as interest rates decline, the market value of fixed income securities tends to rise. This risk will be greater for long-term securities than for short term securities.

Risks Relating to Reliance on the Manager and the Sub-Advisor

The Manager and the Sub-Advisor will seek to manage and advise the Fund in a manner consistent with the investment objectives and the investment restrictions of the Fund. The officers of the Manager and the officers of the Sub-Advisor 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 will continue to be employees of the Manager or the Sub-Advisor, as applicable.

The Sub-Advisor is currently an indirect, wholly-owned subsidiary of ING U.S., Inc. ("ING U.S."), an indirect majority-owned subsidiary of ING Groep N.V. ("ING Group"), one of the world's largest financial services companies. Pursuant to a restructuring plan adopted by ING Group and approved the European Commission in October 2009 and subsequently amended and approved in November 19, 2012 (the "Amended Restructuring Plan"), ING Group agreed to divest its insurance and investment management operations, including ING U.S. and its subsidiaries. Under the terms of the Amended Restructuring Plan, ING Group is required to divest at least 25% of ING U.S. by December 31, 2013, more than 50% by December 31, 2014 and 100% by December 31, 2016. ING Group has announced that its base case is to divest its ownership of ING U.S. in one or more public offerings. On May 2, 2013, ING U.S. completed an initial public offering ("IPO") and shares began trading on the New York Stock Exchange (NYSE: VOYA). The IPO settled on May 7th and resulted in the divestment of 25% of ING Group's ownership in ING U.S. prior to the exercise of an option to purchase additional shares by the underwriters. On May 28, 2013, the underwriters exercised their option to purchase an additional amount of ING U.S. shares, thereby reducing ING Group's stake to approximately 71%. The sale of the remaining shares is subject to a lock-up period of 180 days from May 1, 2013. ING Group is required, under the terms of an agreement with the European Commission, to divest its remaining stake in ING U.S. by the end of 2016.

There can be no assurance that the Amended Restructuring Plan will be carried out through public offerings or at all. The Amended Restructuring Plan, whether implemented through the planned public offerings or through other

means, in whole or in part, may be disruptive to the businesses of ING entities, including the ING entities that service the Fund, and may cause, among other things, interruption or reduction of business and services, diversion of management's attention from day-to-day operations, and loss of key employees or customers. A failure to complete the offerings or other means of implementation of the Amended Restructuring Plan on favourable terms could have a material adverse impact on the operations of the businesses subject to the restructuring. The restructuring may result in the Sub-Adviser's loss of access to services and resources of ING Group. Currently, the Sub-Adviser does not expect that the restructuring will have a material adverse impact on the management of the Fund.

Concentration Risk

The Portfolio will be concentrated in Loans issued by non-investment grade North American borrowers. As a result, the Net Asset Value of the Fund may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Units.

Liquidity Risk

There is no assurance that an adequate market will exist for the assets included in the Portfolio and it cannot be predicted whether the assets included in the Portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. Certain assets held in the Portfolio may trade infrequently, if at all, and may trade at a significant premium or discount to the latest price at which they are valued in the Portfolio. The Portfolio may experience a lack of liquidity of the assets in the Portfolio due to restrictions on transfers in Loan agreements and the nature of the private syndication of Loans including, for example, the lack of publicly-available information. Some Loans are not as easily purchased or sold as publicly-traded securities. Some Loans and other Portfolio investments are very thinly traded or no market for them exists, which may make it difficult for the Fund to value them or dispose of them at an acceptable price when it wants to.

Risks Relating to Fluctuation in Value of Portfolio Assets

The value of the Units will vary according to the value of the assets included in the Portfolio. The value of the assets included in the Portfolio will be influenced by factors that are not within the control of the Fund, the Manager or the Sub-Advisor, including the financial performance and creditworthiness of a borrower under a Loan, operational risks relating to the specific business activities of a borrower under a Loan, exchange rates, interest rates, political risks, issues relating to government regulation, credit markets and other financial market conditions. The Fund may enter into commitments to purchase assets prior to the Closing Date. Accordingly, the Portfolio may have exposure to changes in the market value of such assets prior to the Closing Date. As a result, the initial value of the Portfolio may be greater than or less than the net proceeds of the Offering.

Use of Derivatives Risk

The Fund may invest in and use derivative instruments for hedging purposes with respect to foreign currency and interest rate exposure to the extent considered appropriate by the Manager taking into account factors including transaction costs. There can be no assurance that the Fund's hedging strategies will be effective. The Fund 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 the Fund of margin deposits in the event of the bankruptcy of the dealer with whom the Fund 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 the Fund to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options,

futures and forward positions could also have an adverse impact on the Fund's ability to use derivative instruments to effectively hedge the foreign currency exposure or any fixed rate exposure of the Portfolio.

Risks Relating to the Trading Price of Units

The Class A Units may trade in the market at a discount to the Net Asset Value per Class A Unit and there can be no assurance that the Class A Units will trade at a price equal to the Net Asset Value per Class A Unit. Units will be redeemable at 100% of the Redemption Net Assets per Unit on an Annual Redemption Date less any costs associated with the redemption, including brokerage costs. While the redemption right provides Unitholders the option of annual liquidity at the Redemption Net Assets per Unit, there can be no assurance that it will reduce trading discounts of the Class A Units.

Risks Relating to the Taxation of the Fund

In determining its income for tax purposes, the Fund will treat gains and losses realized on the disposition of securities held by it as capital gains and capital losses. In addition, gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in securities held by the Fund will likely constitute capital gains and capital losses to the Fund if such securities are capital property to the Fund and there is sufficient linkage and designations with respect to the Fund's income and capital gains will be made and reported to Unitholders on this basis. The CRA's practice is not to grant advance income tax rulings on the character of items as capital or income and no advance income tax ruling has been applied for, or received from, the CRA. If some or all of the dispositions or transactions undertaken by the Fund were treated on income rather than capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase.

The SIFT Rules will apply to a mutual fund trust that is a SIFT Trust. Generally, a trust will be a SIFT Trust if it is resident in Canada, its units are listed on a stock exchange, and it holds "non-portfolio property" (as defined in the Tax Act). Provided the Fund complies with its investment restrictions, the Fund will not be a SIFT Trust.

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

If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described under "Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects. There can be no assurance that Canadian federal and provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders.

U.S. Tax Risk

The Foreign Account Tax Compliance provisions ("FATCA") of the U.S. Hiring Incentive to Restore Employment Act generally impose a reporting and 30% withholding tax regime with respect to certain U.S. source income (including interest, dividends, and other types of passive income ("FDAP income")) and gross

proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends (collectively referred to as “withholdable payments”) made by non-U.S. financial institutions. Under FATCA, unless the Fund enters into an agreement with the U.S. Internal Revenue Service (the “IRS”) pursuant to which it agrees to report to the IRS information regarding the U.S. holders of, and certain U.S. persons that indirectly hold, interests in the Fund (other than equity and debt interests that are regularly traded on an established securities market), and to comply with other reporting, verification, due diligence and other procedures established by the IRS, the Fund will be subject to 30% withholding tax on FDAP income paid to it after June 30, 2014, on the gross proceeds from the disposition of property that produces U.S.-source FDAP income paid to it after December 31, 2016. Obligations issued prior to July 1, 2014 are exempt from such withholding, unless such obligation is materially modified. If any interests in the Fund are not regularly traded on an established securities market, the Fund generally will be required to withhold 30% U.S. tax on a portion of the distributions that it makes to holders of such interests that fail to provide information requested by the Fund to comply with FATCA. It is expected that Class A Units, but not Class U Units, will be regularly traded on an established securities market. In addition, regardless of whether Units are regularly traded on an established securities market, the Fund may be required to withhold U.S. tax on a portion of payments made by the Fund after December 31, 2016 to any non-U.S. financial institution (for example, a Unitholder’s Canadian investment dealer) that has not entered into a FATCA agreement with the IRS, including any non-U.S. financial institution through which distributions on the Units are made or to a Unitholder that fails to provide information requested by such non-U.S. financial institution to comply with FATCA. These rules may be modified if Canada and the United States enter into an inter-governmental agreement. Investors should consult their own tax advisors regarding the possible implications of this legislation on their investment and the entities through which they hold their investment.

Withholding Tax Risks

As the Portfolio will consist of securities issued by foreign issuers, distributions received by the Fund on the securities in the Portfolio may be subject to foreign withholding tax. The return on the Portfolio will be net of such foreign withholding tax, unless the terms of the securities in the Portfolio require the issuers of such securities to “gross-up” distributions and gains, as applicable, so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) distributions and gains on securities held in the Portfolio will not be subject to foreign withholding tax or (ii) the terms of securities held in the Portfolio will provide for the gross-up referred to above.

No Ownership Interest Risk

An investment in Units does not constitute an investment by Unitholders in the assets included in the Portfolio. Unitholders will not own the assets held by the Fund.

Changes in Legislation and Regulatory Risk

There can be no assurance that certain laws applicable to the Fund, including income tax laws and the treatment of trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or Unitholders. If such laws change, such changes could have a negative effect upon the value of the Portfolio and upon the investment opportunities available to the Portfolio.

Loss of Investment Risk

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

Conflicts of Interest Risk

The Manager, the Sub-Advisor and their respective 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 or the Sub-Advisor will devote his or her full time to

the undertaking and affairs of the Fund, applicable directors and officers of the Manager and of the Sub-Advisor will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the undertaking and affairs of (in the case of officers) the Fund, the Manager and the Sub-Advisor, as applicable.

Risks Relating to the 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.

Risks Relating to Redemptions

The purpose of the annual redemption right is to prevent Class A Units from trading 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 an alternative option of annual liquidity, there can be no assurance that it will reduce trading discounts. There is a risk that the Fund may incur significant redemptions if Class A Units trade at a significant discount to their Net Asset Value per Class A Unit, thereby providing arbitrage traders an opportunity to profit from the difference between the applicable Net Asset Value per Unit and the discounted market price at which they purchased their Units.

If a significant number of Class A Units are redeemed, the trading liquidity of the Class A Units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of Unitholders to do so. The Manager may also suspend the redemption of Units in the circumstances described under “Redemption of Securities – Suspension of Redemptions”.

Operating History Risk

The Fund is a newly organized investment fund 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 Act or any other legislation.

Risks Relating to the Nature of the Units

The Units represent a beneficial 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.

DISTRIBUTION POLICY

The Fund will not have a fixed distribution policy, but intends to make monthly distributions based on the actual and expected returns on the Portfolio to Unitholders of record on the last Business Day of each month. Distributions will be paid on a Business Day designated by the Manager that will be no later than the 15th day of the following month; provided that if the 15th day of the following month is not a Business Day, the distributions shall be paid on the next day that is a Business Day. Given that the majority of the Portfolio will be invested in Loans which are floating rate, returns will vary with changes in interest rates. Based on current estimates and the assumptions set out below, the Fund’s initial distribution target is expected to be \$0.05417 per Unit per month

(U.S. \$0.05417 in the case of the Class U Units), representing an initial yield on the Unit issue price of 6.5% per annum. The initial monthly distribution will be payable to Unitholders of record on November 29, 2013 and will be paid no later than December 16, 2013. The first distribution is expected to reflect the period from the Closing Date to November 29, 2013. Based on the assumptions in (i)-(v) below, the Portfolio would be required to generate an average annual total return of approximately 7.15%, inclusive of distributions and other income, in order for the Fund to maintain a stable NAV per Unit and make the initial targeted distribution. Based on current estimates and assuming (i) an aggregate size of the Offering of \$100 million, (ii) the employment of the investment strategy as described under “Investment Strategy”, (iii) the use of leverage of 25% of Total Assets, (iv) the fees and expenses described under “Fees and Expenses”, (v) foreign exchange rates remain constant, and (vi) the market price and yield of the assets included in the Indicative Portfolio, it is expected that distributions paid on the assets held in the Portfolio will be sufficient to allow the Fund to pay distributions at the initial target level and maintain a stable Net Asset Value. The current yield of the assets in the Indicative Portfolio is approximately 7.23% per annum. The ability of the Portfolio to generate such returns will be dependent on the extent to which these assumptions turn out to be accurate. **If the return on the Portfolio and the increase in the value of the Portfolio are less than the amount necessary to fund the monthly distributions and all expenses of the Fund and if the Manager chooses to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, NAV per Unit would be reduced.** The distributions are not guaranteed. The Manager will review such distribution policy from time to time and the distribution amount may change from time to time.

The Fund intends for monthly distributions to be paid in cash. However, at the Manager’s discretion, Additional Distributions may be paid in cash and/or Units from time to time.

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 generally not be liable for income tax under Part I of the Tax Act, the Trust Agreement provides that, if necessary, an Additional Distribution will be automatically payable in each year to Unitholders of record on December 31. The Additional Distribution may be necessary if the Fund realizes income and net realized capital gains for tax purposes which is in excess of the monthly distributions paid or made payable to Unitholders during the taxation year. If 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 may be automatically consolidated on a basis such that each Unitholder will hold after the consolidation the same number of Units 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”.

PURCHASES OF SECURITIES

The Fund proposes to offer Class A Units at a price of \$10.00 per Class A Unit, and Class U Units at a price of U.S. \$10.00 per Class U Unit (with a minimum subscription of 100 Class A Units for \$1,000 or 100 Class U Units for U.S. \$1,000). The Class U Units are designed for investors wishing to make their investment in U.S. dollars. Prospective purchasers may subscribe for Units through one of the Agents or any member of a sub-agency group that the Agents may form. Closing of the Offering will take place on or about October 22, 2013, or such later date as may be agreed upon by the Fund and the Agents, but in any event no later than the date that is 90 days after the receipt is issued for the final prospectus of the Fund. The distribution price was determined by negotiation between the Agents and the Fund. See “Plan of Distribution”.

REDEMPTION OF SECURITIES

Annual Redemptions

Class A Units and Class U Units may be redeemed on an Annual Redemption Date, subject to certain conditions. In order to effect such a redemption, the Units must be surrendered during the period from the first Business Day in April until 5:00 p.m. (Toronto time) on April 15 in the year of redemption (the “Notice Period”), subject to the

Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the Annual Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date. Redeeming Unitholders will be entitled to receive a redemption price in an amount equal to 100% of the Annual Redemption Price. Concurrently with the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains and income of the Fund realized by it to fund the payment of the redemption price. The Annual Redemption Price will vary depending on a number of factors. Commencing in 2015, Unitholders depositing Units during the Notice Period will be entitled to elect to receive the Monthly Redemption Amount rather than the Annual Redemption Price.

See "Risk Factors".

Monthly Redemptions

In addition to the annual redemption right, Class A Units and Class U Units may also be redeemed on a Monthly Redemption Date, subject to certain conditions. 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 month in which the Monthly Redemption Date falls, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption within such period will be redeemed on the Monthly Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date. Concurrently with the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains and income of the Fund realized by it to fund the payment of the redemption price. See "Risk Factors".

Unitholders surrendering a Class A Unit for redemption will receive a redemption price equal to the lesser of (i) 95% of the Market Price of a Class A Unit, and (ii) 100% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

If at the time of a monthly redemption the Class U Units are listed for trading on a securities exchange, Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the lesser of (i) 95% of the Market Price of a Class U Unit; and (ii) 100% of the Closing Market Price of a Class U Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

If at the time of a monthly redemption the Class U Units are not listed for trading on a securities exchange, Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount; and (ii) a fraction, the numerator of which is the most recently calculated Redemption Net Assets per Unit of a Class U Unit and the denominator of which is the most recently calculated Redemption Net Assets per Unit of a Class A Unit. For such purpose, the Fund will utilize the Reference Exchange Rate current at, or as nearly as practicable to, the Monthly Redemption Date in respect of a monthly redemption of Class U 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 dates 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 Annual Redemption Date or 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 dates 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 Annual Redemption Date or Monthly Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, if 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, the Custodian or the Manager to the CDS Participant or the Unitholder.

Resale of Units Tendered for Redemption

The Fund may enter into the Recirculation Agreement with BMO NBI on or prior to the Closing Date whereby BMO NBI will agree to use commercially reasonable efforts to find purchasers for any Units tendered for redemption up to two Business Days prior to the relevant Redemption Payment Date. The Fund may, but is not obliged to, require BMO NBI to seek such purchasers. In such event, the amount to be paid to the Unitholder on the Redemption Payment Date will be an amount equal to the proceeds of the sale of the Units, less any applicable commission payable to BMO NBI. Such amount shall not be less than the amount that a Unitholder would have been otherwise entitled to receive on the Redemption Payment Date.

Suspension of Redemptions

The Fund may suspend the redemption of Units or payment of redemption proceeds (i) 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 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 (ii) 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 will be conclusive.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Fund, and Stikeman Elliott 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 that is not a Registered Plan) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length, and is not affiliated, 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 and all other “Canadian securities” owned or subsequently owned by them treated as capital property by making an irrevocable election in accordance with the Tax Act.

This summary is based on the current provisions of the Tax Act, counsel’s understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof, the Tax Proposals and certificates of the Manager and Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. There can be no assurance that any Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor’s particular circumstances, including the province or territory in which the investor resides or carries on business. Counsel express 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 and certain investment criteria referred to under “Investment Restrictions”. If the Fund were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.

This summary is also based on the assumption that the Fund will at no time be a SIFT Trust. Provided the Fund complies with the investment restrictions, as described under the heading “Investment Restrictions”, the Fund should not hold any investment that would result in the Fund being subject to the special tax for SIFT Trusts.

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 have 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 “Distribution Policy”, it will generally not be liable in such year for income tax under Part I of the Tax Act.

The Fund will be required to include in its income for a taxation year with respect to debt obligations held by the Fund all interest that accrues or is deemed to accrue to the Fund to the end of that taxation year, or that becomes receivable or is received by it before the end of that year, except to the extent that such interest was included in the Fund’s income for a preceding taxation year. Upon the actual or deemed disposition of a debt obligation, the Fund will be required to include in computing its income for the year of disposition all interest that accrued on such debt obligation from the last interest payment date to the date of disposition, except to the extent such interest was included in computing the Fund’s income for that or another taxation year and such income inclusion will be excluded in computing the proceeds of disposition for purposes of computing any capital gain or capital loss.

The Portfolio will include securities that are not denominated in Canadian dollars. Cost, proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Fund will derive income (including gains) from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid does not exceed 15% of such income and has not been deducted in computing the Fund's income, the Fund may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for the purposes of the Tax Act.

In determining the income of the Fund, gains or losses realized upon dispositions of Portfolio securities of the Fund will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on an investment business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the Fund will purchase the Portfolio with the objective of earning distributions and income from the Portfolio securities over the life of the Fund and will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses. In addition, the Manager has advised counsel that the Fund will elect in accordance with the Tax Act to have each of its "Canadian securities" (as defined in the Tax Act) treated as capital property. Such election will ensure that gains or losses realized by the Fund on the disposition of Canadian securities are capital gains or capital losses, as the case may be.

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 securities acquired by the Fund.

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. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act

Taxation of Unitholders

A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder 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 and designated 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 (i) the net realized taxable capital gains of the Fund and (ii) the foreign source income 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 Unitholder's 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 identical 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.

A conversion of Class U Units into Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act. The consolidation of Units following an Additional Distribution will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units to a Unitholder.

The cost and proceeds of disposition of Class U Units must be computed in Canadian dollars using the exchange rate at the time of acquisition or disposition, respectively.

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 and capital gains realized on the disposition of Units held in a Registered Plan are generally not taxable under Part I of the Tax Act while retained in a Registered Plan, provided that the Units are qualified investments under such Registered Plan. See "Canadian Federal Income Tax Considerations – Eligibility for Investment". Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

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 "Distribution Policy", 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

Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, Units will be qualified investments under the Tax Act for trusts governed by Registered Plans. In addition, Class A Units which are listed on a designated stock exchange (which currently includes the TSX) will be qualified investments for trusts governed by Registered Plans.

Notwithstanding the foregoing, if the Units are “prohibited investments” for a tax-free savings account (“TFSA”), a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Units will not be “prohibited investments” provided that the holder or annuitant, as the case may be: (i) deals at arm’s length with the Fund; (ii) does not have a “significant interest” in the Fund (within the meaning of the Tax Act); and (iii) does not have a “significant interest” (within the meaning of the Tax Act) in a corporation, partnership or trust that does not deal at arm’s length with the Fund. Tax Proposals released on December 21, 2012 (the “December 2012 Proposals”) propose to delete the condition in (iii) above. In addition, pursuant to the December 2012 Proposals, the Units will generally not be a “prohibited investment” if the Units are “excluded property” as defined in the December 2012 Proposals for TFSAs, RRSPs, or RRIFs. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their own tax advisors in this regard.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

The Manager

Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) will act as manager of the Fund. The Manager will perform or will arrange for the performance of management services for the Fund, including portfolio management services, and will be responsible for the overall undertaking of the Fund. The registered office of the Manager is located at 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8. The Manager is a leading provider of investment products having raised over \$2.5 billion in assets. The Manager is part of Aston Hill Financial Inc., a diversified asset management company with a suite of retail mutual funds, closed end funds, private equity funds, hedge funds and segregated institutional funds. The company is also engaged in the administration of Argent Energy Trust. Aston Hill Financial has offices in Calgary, Toronto and Halifax. Aston Hill Financial Inc. has over \$7.8 billion in assets under management. The corporate secretary of the Manager is Sasha Rnjak.

Duties and Services to be Provided by the Manager

Pursuant to the Trust Agreement, the Manager has exclusive authority to manage the operations and affairs of the Fund to make all decisions regarding the undertaking of the Fund and to bind the Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

The Manager’s duties will include maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements, income tax returns and financial and accounting information as required by the Fund; ensuring that unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the Fund complies with regulatory requirements, including its continuous disclosure requirements under applicable securities laws; preparing the Fund’s reports to unitholders and to the Canadian securities regulators; providing the Custodian with information and reports necessary for the Custodian to fulfil its fiduciary responsibilities; currency hedging; administering the redemption of Units; arranging for any payment required on the termination of the Fund; dealing and communicating with unitholders; and negotiating contracts with third party providers of services, including, but not limited to, custodians, transfer agents, legal counsel, auditor and printers.

The Manager will also implement and monitor the Fund’s investment strategy to ensure compliance with the Fund’s investment guidelines and that the net proceeds of the Offering are invested as described under “Use of Proceeds”.

The Fund will enter into the Registrar, Transfer Agency and Distribution Agency Agreement, as referred to under “Organization and Management Details of the Fund – Transfer Agent and Registrar”. The Fund may terminate the foregoing agreement upon notice.

Details of the Manager's Obligations under the Trust Agreement

Pursuant to the Trust Agreement, the Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and its Unitholders and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances. The Trust Agreement provides that the Manager shall not be liable in any way for any default, failure or defect in the assets held by the Fund or for any loss or diminution in the value of such assets or other loss or damage suffered by any such person or for any errors of judgement, acts or omissions if it has satisfied the duties and standard of care, diligence and skill set forth above. The Manager will, however, incur liability in cases of wilful misconduct, bad faith or negligence or breach of its obligations under the Trust Agreement and is responsible for any investment advisory and portfolio management services provided to the Fund, including those provided to the Fund by the Sub-Advisor.

The Manager may resign as manager of the Fund upon at least 60 days' notice to the Unitholders and to the Fund or upon such lesser notice period as the Fund may accept. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by Unitholders of the Fund. If the Manager is in material default of its obligations under the Trust Agreement and such default has not been cured within 20 business days after notice of same has been given to the Manager or the Fund, the Fund shall give notice thereof to its unitholders, and such unitholders may remove the Manager and appoint a successor manager.

The Manager is entitled to fees for its services under the Trust Agreement as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by it on behalf of the Fund.

The Manager and each of its directors, officers, employees and agents will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against the Manager or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from the Manager's wilful misconduct, bad faith or negligence or the Manager's failure to meet the standard of care set forth above.

Conflicts of Interest – Manager and Trustees

The management and administrative services provided by the Manager to the Fund pursuant to the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents the Manager from providing similar management services to other investment funds and clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. Investment decisions for the Fund will be made independently of those made for other clients and independently of investments of the Manager. On occasion, however, the Manager may manage the same investment for the Fund and for one or more of its other clients. If the Fund and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

The Trust Agreement 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. The Trustee may act as trustee of, and provide services to, other investment funds or trusts.

Accounting and Reporting

The Fund's fiscal year-end will be July 31. The Manager will ensure that the Fund complies with all applicable reporting and administrative requirements.

The Manager will keep adequate books and records reflecting the activities of the Fund. A Unitholder or his or her duly authorized representative will have the right to examine the books and records of the Fund during normal business hours at the offices of the Manager. Notwithstanding the foregoing, subject to applicable law, a

Unitholder shall not have access to any information which, in the opinion of the Manager, should be kept confidential in the interests of the Fund.

Officers and Directors of the Manager

The name and municipality of residence of the Directors and Executive Officers of the Manager and their principal occupations are as follows:

Name and municipality of residence	Position with the Manager	Principal occupation
W. Neil Murdoch..... Oakville, Ontario	Director, President and Chief Executive Officer	President and Chief Executive Officer, Aston Hill Capital Markets Inc.
Darren N. Cabral..... Toronto, Ontario	Director, Vice-President and Chief Financial Officer	Vice President and Chief Financial Officer, Aston Hill Capital Markets Inc.
Eric Tremblay..... Calgary, Alberta	Director and Chairman	Chief Executive Officer, Aston Hill Financial Inc.
Michael J. Killeen..... Toronto, Ontario	Director	Chief Operating Officer, Aston Hill Financial Inc.
Larry Titley..... Airdrie, Alberta	Director	Vice President & Chief Financial Officer, Aston Hill Financial Inc.

Each of the foregoing has held his current position or has held a similar position with the Manager or an affiliate during the five years preceding the date hereof, except for: (i) Darren N. Cabral, who was elected as a director on September 29, 2009 and became Chief Financial Officer on April 27, 2011; and (ii) Michael J. Killeen, who joined and was appointed Chief Operating Officer of Aston Hill Financial Inc. in August 2010. Eric Tremblay, Michael J. Killeen and Larry Titley were elected as directors of the Manager on August 15, 2013.

W. Neil Murdoch: CFA; B.Comm, McGill University; LL.B, University of Toronto; Master of Management, Kellogg Graduate School of Management, Northwestern University. Mr. Murdoch joined Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) in December 2003. Prior thereto, Mr. Murdoch was Executive Vice-President and Portfolio Manager at AIC Group of Funds.

Darren N. Cabral: CFA; BA (Hons.), York University; MBA, Schulich School of Business, York University. Mr. Cabral joined Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) in May 2007. Prior thereto, Mr. Cabral held various positions with affiliates of Middlefield Group Limited from September 2001 to April 2007, including Executive Director of Research at Middlefield Capital Corporation and Managing Director of Middlefield International Limited.

Eric Tremblay: B.Eng, Ryerson University. Mr. Tremblay joined Aston Hill Financial Inc. in 2001. Prior thereto, Mr. Tremblay held various positions at Enerplus Corporation from 1993 to 2001 including Senior Vice President of Capital Markets.

Michael J. Killeen: B.Sc., University of Western Ontario; LL.B., University of Western Ontario; Advanced Management Program, Harvard Business School. Mr. Killeen joined Aston Hill Financial Inc. in 2010. Prior thereto, Mr. Killeen was an Executive Vice President with Davis + Henderson Income Fund from March 2009 to July 2010 and Senior Vice-President and General Counsel with CI Financial from April 1995 to September 2007.

Larry Titley: C.A.; B.Comm, University of Calgary. Mr. Titley joined Aston Hill Financial Inc. in 2002. Prior thereto Mr. Titley was Treasurer for the Enerplus Group of Management Companies since 1999.

Portfolio Manager

The Manager is the lead portfolio manager in charge of providing management services for the Fund. The Manager may appoint a sub-advisor, pursuant to the Trust Agreement, to perform some of its services and will have responsibility for the investment advice given or portfolio management services provided by the Sub-Advisor.

The Sub-Advisor

ING Investment Management Co. LLC will act as the Sub-Advisor to the Fund in connection with the selection, purchase and sale of Loans and other assets of the Portfolio. The Sub-Advisor is currently an indirect, wholly-owned subsidiary of ING U.S., Inc. (“ING U.S.”), an indirect majority-owned subsidiary of ING Groep N.V. (“ING Group”), one of the world’s largest financial services companies.

The Sub-Advisor is a direct, wholly-owned subsidiary of ING Investment Management LLC, which oversees the investment management business of ING U.S., the primary U.S. holding company for ING Group. ING Investment Management LLC, as of June 30, 2013, had over 800 employees who provide investment advisory services to a wide range of customers, including mutual funds, insurance companies, pension plans and individuals. ING Investment Management LLC offers numerous investment strategies, including equity, fixed income and alternative investment strategies. As of June 30, 2013, ING Investment Management LLC had over \$196 billion in total assets under management across all portfolios and strategies.

The ING Senior Loan Group, a unit of the Sub-Advisor, will manage the Portfolio, is located in Scottsdale, Arizona (with an additional office in London, UK), and consists of a team of 24 investment professionals and 24 support staff. The ING Senior Loan Group currently manages over U.S. \$17 billion in assets that are substantially similar to the Loan investments that it will manage for the Fund across 28 portfolios (not including the Fund). The Sub-Advisor will principally provide its services to the Fund in Scottsdale, Arizona U.S.A.

The ING Senior Loan Group has one of the industry’s largest Loan investment teams with global loan management capabilities. The ING Senior Loan Group’s 24 investment professionals comprise five portfolio management teams based in Scottsdale, Arizona, each of which is responsible for particular industry sectors, and a European team based in London, UK that is responsible for European loan management. The investment management team has deep fundamental credit and structuring experience, with 12 investment professionals, each having more than 15 years of investment experience. The most senior members of the ING Senior Loan Group, being 9 professionals, have an average of more than 23 years of experience and more than 13 years of experience with the Sub-Advisor. All assets are approved for investment by the ING Senior Loan Group’s Investment Committee comprised of the ING Senior Loan Group’s two group heads and a senior credit officer. Each member of the Investment Committee has at least 26 years of investment experience. The ING Senior Loan Group is supported by a 24 member team of operations, analytics and legal personnel.

In addition to a large, stable and experienced team of investment professionals, other core strengths of the ING Senior Loan Group include: (i) global access to Loans; (ii) a conservative and disciplined investment process centred on fundamental credit analysis; (iii) a focus on consistent results through broad diversification, high relative quality and liquidity; (iii) an in-house proprietary research and portfolio management system; and (iv) an Investment Committee approach to decision making and oversight.

The name, municipality of residence, position with the Sub-Advisor and principal occupation of each of the directors and the officers of the Sub-Advisor involved in managing the assets of the Fund is set out below:

Name and municipality	Position with the Sub-Advisor	Principal occupation
DANIEL A. NORMAN..... Scottsdale, Arizona, U.S.A.	Managing Director	Group Head, ING Senior Loan Group
JEFFREY A. BAKALAR Scottsdale, Arizona, U.S.A.	Managing Director	Group Head, ING Senior Loan Group

RALPH E. BUCHER..... Senior Vice President
Scottsdale, Arizona, U.S.A.

Senior Credit Officer, ING Senior Loan
Group

During the past five years, all of the officers of the Sub-Advisor listed above have held their present principal occupations (or similar positions with their present employer or its affiliates).

The Sub-Advisor will be primarily responsible for providing advice to the Manager with respect to the investment in Loans and other assets in the Portfolio. Specifically, pursuant to the Sub-Advisor Agreement, the Sub-Advisor will provide investment management services necessary for the Fund to implement its stated investment strategy.

The team of individuals working at the Sub-Advisor responsible for advising, servicing and making investment decisions on behalf of the Fund consists of three individuals, Mr. Daniel A. Norman, Mr. Jeffrey A. Bakalar and Mr. Ralph E. Bucher, each of whom has significant experience in portfolio management and investment advisory services. These individuals comprise the Investment Committee of the ING Senior Loan Group which is responsible for all investment decisions. Mr. Norman and Mr. Bakalar will share primary portfolio management responsibilities, with final decision-making responsibility resting with the Investment Management Committee. A short biography of each of Messrs. Norman, Bakalar and Bucher is provided below, which biographies include their respective full name, title, length of time of service with the Sub-Advisor and business experience over the past five years.

Daniel A. Norman: B.A., MBA, University of Nebraska. Mr. Norman is Managing Director and Group Head of the ING Investment Management Co. LLC's Senior Loan Group and is the co-chairman of such group's Investment Committee and the Loan Valuation Committee. Mr. Norman began managing senior loan portfolios in 1995 when ING's predecessor acquired the management rights to ING Prime Rate Trust. Mr. Norman is currently a member of the Loan Syndications and Trading Association and International Association of Credit Portfolio Managers Boards of Directors. Mr. Norman has a wide variety of business and investment experience, having begun his career at Arthur Andersen & Co. in 1981. Mr. Norman joined ING's predecessor in 1992.

Jeffrey A. Bakalar: B.S. (Finance), University of Illinois Chicago; M.B.A. (Finance), DePaul University. Mr. Bakalar is Managing Director and Group Head of the ING Investment Management Co. LLC's Senior Loan Group and is co-chairman of the Group's Investment Committee and the Loan Valuation Committee. Mr. Bakalar joined ING's predecessor in 1998 and became part of the investment team for what is now ING Prime Rate Trust. Mr. Bakalar began his career as an associate with Continental Bank in 1987, serving in various credit and corporate finance roles.

Ralph E. Bucher: B.A., University of Arizona in 1983; MA (International Management), Thunderbird School of Global Management. Mr. Bucher is Senior Vice President and Senior Credit Officer in the ING Investment Management Co. LLC's Senior Loan Group and joined the group in November 2001. Mr. Bucher serves as a member of the group's Investment Committee and the Loan Valuation Committee. Mr. Bucher also assists in the approval of loan credit limits, problem loan management and loan valuations. Mr. Bucher has spent most of his financial career in credit risk management and distressed asset management. Prior to joining ING, Mr. Bucher was the North American Head of Special Assets for Standard Chartered Bank. Mr. Bucher has also held other senior credit risk management positions with Standard Chartered and Societ  Generale, as well as credit structuring and analysis positions with National Australia Bank and Commerzbank.

Details of the Sub-Advisor Agreement

Under the Sub-Advisor Agreement, the Sub-Advisor is required to act at all times on a basis which is fair and reasonable to the Fund and to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent investment advisor would exercise in comparable circumstances. The Sub-Advisor Agreement provides that the Sub-Advisor shall not be liable in any way for any default, failure or defect in the assets held by the Fund or for any loss or diminution in the value of such assets or other loss or damage suffered by any such person or for any errors of judgement, acts or omissions if it has satisfied the duties and standard of care, diligence and skill set forth above.

The Sub-Advisor will, however, incur liability in cases of wilful misconduct, bad faith or negligence or breach of its standard of care set forth above.

The Sub-Advisor Agreement will continue in effect unless earlier terminated in accordance with the terms thereof. If the Manager is terminated, the Sub-Advisor Agreement will terminate at such time. The Manager may terminate the Sub-Advisor Agreement if the Sub-Advisor has committed certain events of bankruptcy or insolvency, has lost any registration, licence or other authorization required to perform its services thereunder or is in material breach or default of the provisions thereof and such material breach or default has not been cured within 20 Business Days after notice thereof has been given to the Sub-Advisor by the Manager.

The Sub-Advisor Agreement includes various customary rights of termination, including that the Sub-Advisor may terminate the Sub-Advisor Agreement upon at least 20 business days' notice in the event that the Fund or the Manager is in material breach or default of the provisions thereof and such material breach or default has not been cured within 20 business days' notice of same to the Manager and to the Fund, as applicable, or in the event that there is a material change in the investment guidelines of the Fund. In addition, either the Manager or the Sub-Advisor may terminate the Sub-Advisor Agreement upon at least 90 days' notice to the other party.

Any amendment to the Sub-Advisor Agreement requires the prior written consent of the Manager, which consent shall not be unreasonably withheld or delayed.

The Manager is responsible for the payment of the fees of the Sub-Advisor out of its fees.

Conflicts Of Interest — The Sub-Advisor

The services of the Sub-Advisor and its officers and directors are not exclusive to the Fund or the Manager. The Sub-Advisor or any of its affiliates and associates may, at any time, engage in the promotion, management or investment management of any other entity or portfolio which invests primarily in the same assets as those held by the Fund and provide similar services to other investment funds and other clients and engage in other activities. Investment decisions for the Fund will be made independently of those made for other clients and independently of investments of the Sub-Advisor. On occasion, however, the Sub-Advisor may identify the same investment for the Fund and for one or more of its other clients. If the Fund and one or more of the other clients of the Sub-Advisor are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Independent Review Committee

The Manager has appointed an independent review committee (the "Independent Review Committee") in accordance with NI 81-107 comprised of four members, each of whom is independent of the Manager and entities related to the Manager. The Independent Review Committee intends to function in accordance with applicable securities law, including NI 81-107. The mandate of the Independent Review Committee is to review and provide its decisions to the Manager on conflict of interest matters that the Manager has referred to the Independent Review Committee for review. The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the Independent Review Committee in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee has adopted a written charter which it follows when performing its functions and is subject to requirements to conduct regular assessments. In performing their duties, members of the Independent Review Committee are required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Independent Review Committee also serves in respect of other funds that are managed by the Manager. The Independent Review Committee will report annually to the Fund which report will be available free of charge upon request to the Manager and will also be posted on the Manager's website at www.astonhill.ca. Information contained on the Manager's website is not part of this prospectus and is not incorporated herein by reference.

The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed 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, will be paid by the Fund and approximately 20 other applicable investment funds managed by the Manager with each fund's share based on a complexity factor on a *pro rata* basis. It is expected that the annual retainer fees (but not including expenses) and insurance for the Independent Review Committee for all such funds collectively will be approximately \$55,000. In addition, the Fund has agreed to indemnify the members of the Independent Review Committee against certain liabilities.

The following are brief biographies provided by the members of the Independent Review Committee:

John Crow (chair) is the former Governor of the Bank of Canada and a noted economist. He is a director or advisor to a number of companies, and is also a Senior Fellow of the C.D. Howe Institute. In 1999, he chaired a committee of international experts that was commissioned by the Executive Board of the International Monetary Fund (the "IMF") to evaluate IMF bilateral, regional, and multilateral surveillance activities, and in 2002, he took part in a high level international mission to advise on monetary problems in Argentina. In 2003, he chaired an international task force commissioned by the International Federation of Accountants to examine the loss of credibility in financial reporting and how to restore it. Mr. Crow is the author (2002) of *Making Money: An Insider's Perspective on Finance, Politics, and Canada's Central Bank*.

Joseph Wright spent 23 years with Citibank in New York, Geneva and Toronto. He left Citibank in 1986 to join Burns Fry Limited where he worked until 1994, finishing as a Vice Chairman. In 1995, he joined Swiss Bank Corporation (Canada) as President & CEO. Following Swiss Bank, he has spent 16 years as a corporate director, serving on the boards of Loblaw Companies Limited, O & Y Real Estate Investment Trust, Call-Net Enterprises Inc. and St. Laurent Paperboard Inc., to name a few. He also served for 5 years as the Chair of the Connor, Clark & Lunn independent review committee.

Robert B. Falconer is a Member of Board of Directors, Audit and Valuation, Investment and Independent Review Committee (chair) of VentureLink Funds and has financial consulting contracts with Altamira Financial Services, Ontario Clean Water Agency and GHD International. He recently worked as a Director of Community Loans Policy & Risk Control for Ontario Strategic Infrastructure Financing Authority and as a Vice President of Corporate Finance for Altamira Financial Services.

Scott Browning received his doctorate in chemistry from the University of Toronto in 1992. He returned to join the faculty at UofT after a sixteen month term as a post-doctoral Fellow at the National Institute of Bioscience in Japan. His research on the modular design, synthesis and properties of tunable phosphine ligands has been published in the journals of the Royal Society of Chemistry and the American Chemical Society and presented at international conferences. Dr. Browning is a Fellow of the University of St. Michael's College and is currently co-authoring a textbook that emphasizes a strong mechanistic approach to understanding organic chemistry.

Trustee of the Fund

Computershare Trust Company of Canada is the trustee of the Fund under the Trust Agreement and, as such, is responsible for certain aspects of the day-to-day administration of the Fund as described in the Trust Agreement. The Trustee's office is located in Toronto, Ontario.

The Trustee may resign upon at least 60 days' notice to the Manager and to Unitholders. The Trustee may be removed with the approval of a simple majority vote cast at a meeting of Unitholders called for such purpose or by the Manager, if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Trust Agreement, which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns, its successor may be appointed by the

Manager. The successor of the Trustee must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 90 days, the Fund will be terminated.

The Trust Agreement provides that the Trustee shall be liable in carrying out its duties under the Trust Agreement except where it is in breach of its obligations under the Trust Agreement or where the Trustee fails to act honestly and in good faith, and in the best interests of Unitholders to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Trust Agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of their respective officers, directors, employees or agents, 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”. The Trustee is entitled to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Fund.

Custodian

State Street Trust Company Canada will act as custodian of the assets of the Fund pursuant to the Trust Agreement. The Custodian, in its capacity as valuation services agent, will also carry out certain aspects of the day-to-day administration of the Fund, including calculating NAV, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund. The Custodian’s office is located in Toronto, Ontario.

Auditor

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

Transfer Agent and Registrar

Pursuant to the Registrar, Transfer Agency and Distribution Agency Agreement, Computershare Investor Services Inc., at its office in Toronto, Ontario, will maintain the securities registers of the Units and register transfers of the Units.

The Promoter

Aston Hill Capital Markets Inc. 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. Aston Hill Capital Markets Inc. will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than amounts paid to it in its capacity as Manager of the Fund as described under “Fees and Expenses”. Aston Hill Capital Markets Inc. has offices in Toronto, Ontario.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Valuation Agent will calculate the Net Asset Value per Unit of each class of Units as at the close of business on each Valuation Date. The Fund will make available to the financial press for publication on a daily basis the Net Asset Value per Unit of each class. Such amount will also be available on the Manager’s website at www.astonhill.ca.

Valuation Policies and Procedures

For transactional reporting purposes, the Net Asset Value of the Fund on a particular date will be equal to (i) the Total Assets of the Fund less (ii) the aggregate value of the liabilities of the Fund. The Net Asset Value per Unit of a class on any day will be obtained by dividing the Net Asset Value of that class on such day by the number of Units of that class then outstanding.

For the purpose of calculating Net Asset Value (*i.e.*, for purposes other than financial statements) of the Fund on a Valuation Date, the Total Assets of the Fund 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 assets owned on a date before the Valuation Date as of which the Total Assets are 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 Valuation Agent 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 assets owned on a date before the Valuation Date as of which the Total Assets are 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 Valuation Agent determines to be the fair market value thereof;
- (b) the value of any loans, including Loans, bonds, debentures and other debt obligations will be valued by taking the average of the bid and ask prices quoted by a major dealer or independent third party pricing service, such as Thomson Reuters (Markets) LLC or Markit North America, Inc., in such assets on a Valuation Date at such times as the Valuation Agent, 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 Valuation Agent) 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 Valuation Agent 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 Total Assets are 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 provided in such securities;
- (e) any market price reported in currency other than Canadian dollars (or U.S. dollars in the case of the Class U Units) will be translated into Canadian currency (or U.S. currency in the case of the Class U Units) at the rate of exchange available from the Valuation Agent on the Valuation Date on which the Total Assets are being determined;
- (f) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Valuation Agent 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 market value is determined to be appropriate by the Valuation Agent;
- (g) the value of any forward contract or other derivatives, such as future contracts, swap contracts or options on financial futures, will be the value that would be realized by the Fund if, on the date on

which the Total Assets are being determined, or other derivatives were closed out in accordance with its terms; and

- (h) the value of any security or property to which, in the opinion of the Valuation Agent, 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 market value thereof determined in good faith in such manner as the Valuation Agent determines in consultation with the Manager or the Sub-Advisor from time to time.

The Net Asset Value per Unit of a class is calculated in Canadian dollars (or U.S. dollars in the case of the Class U Units) 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 of a class determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian generally accepted accounting principles.

For the purposes of calculating the Redemption Net Assets per Unit in connection with a redemption of Units on an Annual Redemption Date, the net asset value will be determined on the basis that any bonds, debentures and other debt obligations that are owned by the Fund will be valued by taking the bid price on the Valuation Date.

Reporting of Net Asset Value

The Net Asset Value per Unit will be provided daily to Unitholders, at no cost, on the Manager's website at www.astonhill.ca, and will also be available to Unitholders upon request, at no cost, by calling 1-800-513-3868.

DESCRIPTION OF THE UNITS

The Units

The beneficial interest in the net assets and net income of the Fund is divided into units of such classes as may be determined by the Manager from time to time. Initially, Class A Units and Class U Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. 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, subject to Unitholders of each class being entitled to distributions or redemptions based on the Net Asset Value of the Units of a particular class. 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 or income, 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, and income of, 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 with holders of Units of that class all of the assets of the Fund attributable to that class remaining after payment of all debts, liabilities and liquidation expenses of the Fund. Unitholders will have no voting rights in respect of assets held by the Fund or the Fund has delegated to the Manager the responsibility for voting on matters for which the Fund receives, in its capacity as a securityholder, proxy materials for a meeting of securityholders of a borrower included in the Portfolio. See "Proxy Voting Disclosure".

The Trust Agreement provides that the Fund may not issue additional Units of a class following completion of the Offering except (i) for net proceeds per Unit of a class of not less than 100% of the most recently calculated Net Asset Value per Unit of such class prior to the pricing of such issuance (and, for greater certainty, in making such determination, if such NAV is calculated prior to a record date for a distribution in respect of units of a class being issued, the most recently calculated NAV per unit for the purposes of determining the subscription price will be adjusted to account for any distributions which have been declared payable in respect of such units and which will not be received by the subscriber); (ii) with the approval of Unitholders; (iii) by way of unit distributions; or (iv) upon the exercise of any warrants provided that the exercise price of such warrants is not less

than that which would yield net proceeds of at least 100% of the most recently calculated Net Asset Value per Unit prior to the pricing of such warrants.

See “Unitholder Matters – Amendment of Trust Agreement” with respect to the modification, amendment or variation of the rights attached to the Units.

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 Trust Agreement.

Conversion of Class U Units

A holder of Class U Units may convert such Class U Units into Class A Units on a weekly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and a sale of such Class A Units. Class U Units may be converted in any week on the first Business Day of such week by delivering a notice and surrendering such Class U Units by 3:00 p.m. (Toronto time) at least five Business Days prior to the applicable Conversion Date. For each Class U Unit so converted, a holder will receive that number of Class A Units equal to the Net Asset Value per Class U Unit as of the close of trading on the Business Day immediately preceding the Conversion Date divided by the Net Asset Value per Class A Unit as of the close of trading on the Business Day immediately preceding the Conversion Date. For such purpose, the Fund will utilize the Reference Exchange Rate as of the Business Day immediately preceding the Conversion Date. No fraction of a Class A Unit will be issued upon any conversion of Class U Units. Any remaining fraction of a Class U Unit will be rounded down to the nearest whole number of Class A Units. A conversion of Class U Units into whole Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act. See “Canadian Federal Income Tax Considerations – Taxation of Unitholders”.

Purchase for Cancellation

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market) 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 the applicable class 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 Trust Agreement contains provisions to the effect that if a take-over bid is made for the Class A Units and not less than 90% of the aggregate of the Class A Units (but not including any Class A 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 Class A Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

The Trust Agreement also provides that if, prior to the termination of the Fund, a formal bid (as defined in the *Securities Act* (Ontario)) is made for all of the Class U Units and such bid would constitute a formal bid for all Class A Units if the Class U Units had been converted to Class A Units immediately prior to such bid and the other offer does not include a concurrent identical take-over bid, including in terms of price (relative to the Net Asset Value per Unit of the class), for the Class A Units then the Fund shall provide the holders of Class A Units the right to convert all or a part of their Class A Units into Units of the applicable class and to tender such units to the other offer, as applicable. In the circumstances described above, the Fund shall by press release provide written notice to the holders of the Class A Units that such an offer has been made and of the right of such holders

to convert all or a part of their Class A Units into Units of the applicable class and to tender such units to other offer.

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 Manager, on behalf of the Fund will deliver to CDS certificates representing the aggregate number of Class A Units and Class U Units then subscribed for under the Offering. Class A Units and Class U Units must be purchased, converted (in the case of Class U Units), 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 or the Manager by a written requisition specifying the purpose of the meeting, and must be convened by the Trustee if requisitioned by Unitholders holding not less than 10% of the then outstanding Units entitled to vote on the matter (whether Class A Units and/or Class U Units) by a written requisition specifying the purpose of the meeting. The Trustee or the Manager may convene a Class A Meeting or a Class U Meeting if the nature of the business to be transacted at that meeting is only relevant to Unitholders of the applicable class.

Notice of all meetings of Unitholders (whether a meeting of all Unitholders, a Class A Meeting or a Class U Meeting) will be given in accordance with the Trust Agreement and 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 (whether Class A Units or Class U Units). The quorum for a Class A Meeting is two or more holders of Class A Units present in person or represented by proxy holding not less than five percent of the Class A Units then outstanding. The quorum for a Class U Meeting is two or more holders of Class U Units present in person or represented by proxy holding not less than five percent of the Class U 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, will be dissolved, but in any other case, the meeting will 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 (which for greater certainty can be at a later time on the date of the originally scheduled meeting), and if at such adjourned meeting a quorum is not present, the Unitholders present in person or by proxy at such adjourned meeting will be deemed to constitute a quorum.

A matter requiring an Extraordinary Resolution requires an 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.

The Fund, subject to obtaining any necessary regulatory approvals, 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.

Permitted Merger

Subject to applicable law, the Fund may, without obtaining Unitholder approval, enter into a merger or other similar transaction which has the effect of combining the Fund or its assets on a tax-deferred “rollover basis” (a “**Permitted Merger**”) with any other investment fund or funds managed or advised by the Manager that has or have investment objectives and investment strategies that are substantially the same as the Fund’s on an exchange ratio based on the relative Net Asset Values of such funds, subject to:

- (a) approval of the Permitted Merger by the Fund’s Independent Review Committee;
- (b) written notice to Unitholders at least 60 days before the effective date of the Permitted Merger;
- (c) a special redemption right allowing Unitholders to redeem Units at 100% of Net Asset Value per Unit if they so choose; and
- (d) the merging funds bearing none of the costs associated with the Permitted Merger.

Matters Requiring Unitholder Approval

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

- (a) 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;
- (b) any change of the Manager except where the new manager is an affiliate of the Manager;
- (c) any increase in the Management Fee;
- (d) any amendment, modification or variation in the provisions or rights attaching to the Units;
- (e) any change in the frequency of calculating the Net Asset Value per Unit to less often than daily;
- (f) other than a Permitted Merger, 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;
- (g) other than in connection with a Permitted Merger, 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 Trust Agreement;
- (h) the issuance of additional Units, other than (i) for net proceeds per Unit of a class of not less than 100% of the most recently calculated Net Asset Value per Unit of such class prior to the pricing of such issuance (and, for greater certainty, in making such determination, if such NAV is calculated prior to a record date for a distribution in respect of units of a class being issued, the most recently calculated NAV per unit for the purposes of determining the subscription price will be adjusted to account for any distributions which have been declared payable in respect of such units and which will not be received by the subscriber), (ii) by way of unit distributions, or (iii) upon the exercise of any warrants provided that the exercise price of such warrants is not less than that which would yield net proceeds of at least 100% of the most recently calculated Net Asset Value per Unit prior to the pricing of such warrants, as more particularly described under “Description of the Units – The Units”; and

- (i) any amendment to the above provisions except as permitted by the Trust Agreement.

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

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Agreement and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;
- (b) make any change or correction in the Trust Agreement 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;
- (c) bring the Trust Agreement 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;
- (d) 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;
- (e) provide added protection or benefit to Unitholders;
- (f) in connection with a Permitted Merger; or
- (g) add additional classes of Units whose rights and privileges are not greater than the existing classes of Units.

Amendment of Trust Agreement

Except as provided above, the Trust Agreement 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 Trust Agreement, or by the written consent in lieu of a meeting if there is only one Unitholder.

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 (i) unaudited interim and audited annual financial statements of the Fund, prepared in accordance with Canadian generally accepted accounting principles and, (ii) interim and annual management reports of fund performance in respect of the Fund. The Fund will make available to each Unitholder annually and within the time prescribed by law, 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 Fund does not have a fixed termination date. However, the Fund may be terminated at any time provided that the prior approval of Unitholders has been obtained by an Extraordinary Resolution at a meeting of Unitholders called for that purpose (the “Termination Date”) or in connection with a Permitted Merger; provided, however, that the Manager may, in its discretion, on at least 60 days’ notice to Unitholders by way of press release, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, it would be in the best interests of Unitholders to terminate the Fund. The Fund will also issue a press release fifteen days prior to the Termination Date setting forth the details of the termination including the fact that, upon termination, the net assets of the Fund will be distributed to Unitholders on a *pro rata* basis. Immediately prior to the termination of

the Fund, including on the Termination Date, the Trustee will, to the extent possible, convert the assets of the Fund to cash and after paying or making adequate provision for all of the Fund's liabilities, distribute the net assets of the Fund to the Unitholders as soon as practicable after the date of termination, subject to compliance with any securities or other laws applicable to such distributions.

Additionally, in the event that the Manager resigns and no new manager is appointed by the Unitholders within 120 days of the Manager giving notice to the Trustee of such resignation, the Fund will automatically terminate on the date which is 60 days following the end of such 120 day period.

Upon termination, the Trust Agreement provides that the Fund will 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. Such assets, 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 any Termination Date, unliquidated assets in specie rather than in cash. The value of any remaining assets of the Fund will be determined by the Manager, acting reasonably. Following such distribution, the Fund will be dissolved. There can be no assurance that Unitholders will receive \$10.00 per Unit upon any termination of the Fund.

USE OF PROCEEDS

The net proceeds from the issue of the maximum number of Class A Units offered hereby (after payment of the Agents' fee and before deducting the expenses of the Offering) are estimated to be approximately \$189,500,000, assuming that the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised in full under the maximum Offering the net proceeds to the Fund (after payment of the Agents' fee and before deducting the expenses of the Offering) are estimated to be approximately \$217,925,000 (assuming only Class A Units are sold). The expenses of the Offering, 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 out of the gross proceeds of the Offering and will be allocated *pro rata* between the Class A Units and the Class U Units. The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest in the Portfolio.

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 \$10.00 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 \$0.525 per Class A Unit and U.S. \$0.525 per Class U 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 limited market 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, exercisable for a period of 30 days from the Closing Date and gives the Agents the right to offer additional Class A Units in an amount up to 15% of the aggregate number of Class A Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. To the extent that the Over-Allotment Option is exercised, the additional Class A Units will be sold at \$10.00 per Class A Unit and the Agents will be paid a fee of \$0.525 per Class A Unit sold. This prospectus also qualifies the grant of the Over-Allotment Option, the distribution of the Class A Units issuable upon exercise of the Over-Allotment Option and the distribution of the Class A Units issuable as part of the Agents' over-allocation position. A purchaser who acquires Class A Units forming part of the Agents' over-allocation position acquires such Class A Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

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 Class A Units has been obtained. If subscriptions for a minimum of 2,500,000 Class A Units (or \$25,000,000) 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 Class A 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 Class A Units that will be sold is 20,000,000 (\$200,000,000). 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 22, 2013 or such later date as the Fund and the Agents may agree, but in any event not later than the date that is 90 days after a receipt is issued for the final prospectus of the Fund.

The TSX has conditionally approved the listing of the Class A Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before December 20, 2013, including distribution of the Class A Units to a minimum number of public securityholders.

The Fund may enter into a credit facility with a Canadian chartered bank or an affiliate thereof, which may be an affiliate of one of the Agents. Accordingly, the Fund may be considered to be a “connected issuer” of such Agent or Agents.

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 the Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Pursuant to the Agency Agreement, the Fund, the Manager and the Sub-Advisor 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 Management Fee pursuant to the Trust Agreement and the Sub-Advisor is entitled to receive fees from the Manager pursuant to the Sub-Advisor Agreement. See “Organization and Management Details of the Fund” and “Fees and Expenses”.

PROXY VOTING DISCLOSURE FOR PORTFOLIO ASSETS HELD

Policies and Procedures

Subject to compliance with the provisions of applicable law, the Manager has the right to vote proxies relating to the assets in the Portfolio and the assets held directly by the Fund. Proxies must be voted in a manner consistent with the best interests of the Fund.

Because the Fund does not purchase assets for the purposes of exercising control or direction over the assets of the Portfolio, as a general rule, proxies will be voted with management on routine business. Examples of routine business are voting on the size, nomination and election of the board of directors and the appointment of the

auditor. All other special or non-routine matters will be assessed on a case-by-case basis with a focus on the potential impact of the vote on the value of the Fund's investment. Examples of non-routine business are stock based compensation plans, executive severance compensation arrangements, shareholders rights plans, corporate restructuring plans, going private transactions in connection with leveraged buyouts, supermajority approval proposals, and stakeholder or shareholder proposals.

On rare occasions, the Manager may abstain from voting a proxy or a specific proxy item when it is concluded that the potential benefit of voting the proxy is outweighed by the cost of voting the proxy. In addition, the Manager will not vote proxies received for assets which are no longer held by the Fund.

The Manager's proxy voting guidelines include procedures with respect to: (i) the completion and submission of proxies in a timely fashion; and (ii) subsequent verifications with respect to (i) above, to ensure that securities held by the Fund are voted in accordance with the instructions of the Manager.

Proxy Voting Conflicts of Interest

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, in order to balance the interest of the Fund in voting proxies with the desire to avoid the perception of a conflict of interest, the Manager has instituted procedures to help ensure that the Fund's proxy is voted in accordance with the business judgment of the person exercising the voting rights on behalf of the Fund, uninfluenced by considerations other than the best interests of the Fund.

The procedures for voting proxies where there may be a conflict of interest include escalation of the issue to the Independent Review Committee, for their consideration and advice, although the responsibility for deciding how to vote the Fund's proxies and for exercising the vote remains with the Manager.

Disclosure of Proxy Voting Guidelines and Record

A copy of the Manager's proxy voting guidelines will be made available on the Internet at www.astonhill.ca. The most recent proxy voting record for the Fund for the most recent period ended December 31 of each year will also be available on the Internet at www.astonhill.ca.

MATERIAL CONTRACTS

The only material contracts entered into by the Fund or the Manager during the past two years 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:

- (a) the Trust Agreement;
- (b) the Agency Agreement;
- (c) the Sub-Advisor Agreement; and
- (d) the Recirculation 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 Trust Agreement 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 McCarthy Tétrault LLP and on behalf of the Agents by Stikeman Elliott LLP.

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP is independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

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 and territories 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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of his or her province or territory of residence for the particulars of these rights or consult with a legal advisor.

INDEPENDENT AUDITOR'S REPORT

To the Unitholder and the Manager of ING High Income Floating Rate Fund:

We have audited the accompanying statement of net assets of ING High Income Floating Rate Fund (the "Fund") as at September 26, 2013 and the related notes including a summary of significant accounting policies and other explanatory information (the financial statement).

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Fund as at September 26, 2013 in accordance with Canadian generally accepted accounting principles.

(signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
September 26, 2013

ING HIGH INCOME FLOATING RATE FUND
STATEMENT OF NET ASSETS
As at September 26, 2013

Assets	
Cash.....	\$10
Unitholder's Equity (Note 1)	
Unitholder's Equity (one Class A Unit).....	\$10

Approved on behalf of ING High Income Floating Rate Fund
By: Aston Hill Capital Markets Inc., as Manager

(Signed) "W. Neil Murdoch"
Director

(Signed) "Darren N. Cabral"
Director

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

ING HIGH INCOME FLOATING RATE FUND
NOTES TO STATEMENT OF NET ASSETS

As at September 26, 2013

1. ORGANIZATION AND UNITHOLDER'S EQUITY

ING High Income Floating Rate Fund (the "**Fund**") is a non-redeemable investment fund established under the laws of the Province of Ontario pursuant to a trust agreement, with Computershare Trust Company of Canada as trustee, dated as of September 26, 2013. The beneficiaries of the Fund will be the holders of Class A Units and Class U Units. The Fund's investment objectives are to (i) provide monthly cash distributions; (ii) preserve capital; and (iii) generate increased returns in the event that short-term market interest rates rise, in each case, through an investment in a diversified portfolio (the "**Portfolio**") consisting primarily of first lien and second lien secured floating rate loans of non-investment grade North American borrowers, actively managed by ING Investment Management Co. LLC, as Sub-Advisor. The beneficial interest in the net assets and net income of the Fund is initially divided into two classes of units, Class A Units and Class U Units (collectively, the "**Units**"). The Fund is authorized to issue an unlimited number of transferable, redeemable Units. The Class U Units may be converted into Class A Units on a weekly basis. On September 26, 2013, the Fund was settled and issued an initial Class A Unit for cash consideration of \$10.00 to Aston Hill Capital Markets Inc., the settlor of the Fund.

The Fund may purchase (in the open market) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the assessment of Aston Hill Capital Markets Inc. (the "**Manager**") that such purchases are accretive to the holders of Units.

The Manager will receive a Management Fee from the Fund equal to 1.25% per annum of the Net Asset Value, calculated and payable monthly in arrears, plus an amount equal to 0.40% annually of the Net Asset Value for each Class A Unit or Class U Unit held by clients of the registered dealers, calculated and paid at the end of each calendar quarter, plus applicable taxes. The Manager will be responsible for paying the fees of the Sub-Advisor out of the amount received by the Manager. The Fund will pay for all of its ongoing expenses incurred in connection with its operation and administration.

The expenses of the Offering, which are estimated to be \$700,000, will be paid by the Fund and are not to exceed 1.5% of the gross proceeds of the Offering.

Class A Units and Class U Units may be redeemed on the second to last Business Day of May of each year, commencing in 2015 (each, an "**Annual Redemption Date**"), subject to certain conditions. A holder of Units (each, a "**Unitholder**") whose Units are redeemed on an Annual Redemption Date will receive a redemption price in an amount equal to 100% of the redemption net assets per Unit (less any costs associated with the redemption, including brokerage costs and less any net realized capital gains or income of the Fund that are distributed to the holder concurrently with the proceeds of disposition on redemption).

In addition, the Units may also be redeemed on the second to last Business Day of each month other than, commencing in 2015, in the month of May (each, a "**Monthly Redemption Date**"), subject to certain conditions.

Unitholders surrendering a Class A Unit for redemption will receive a redemption price equal to the lesser of (i) 95% of the Market Price of a Class A Unit, and (ii) 100% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption, being the Monthly Redemption Amount.

Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated Redemption Net Assets per Unit of a Class U Unit and the denominator of which is the most recently calculated Redemption Net Assets per Unit of a Class A Unit. For such purpose, the Fund will utilize the Reference Exchange Rate current at, or as nearly as practicable to, the Monthly Redemption Date in respect of a monthly redemption of Class U Units.

For the purposes hereof, the “Market Price” in respect of a security on a Monthly Redemption Date means the weighted average trading price on the Toronto Stock Exchange (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date and the “Closing Market Price” in respect of a security on a Monthly Redemption Date means the closing price of such security on the Toronto Stock Exchange on such Monthly Redemption Date (or such other stock exchange on which such security is listed) or, if there was no trade on the relevant Monthly Redemption Date, the average of the last bid and the last asking prices of the security on the Toronto Stock Exchange on such Monthly Redemption Date (or such other stock exchange on which the security is listed).

2. SIGNIFICANT ACCOUNTING POLICIES

This financial statement has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). In applying Canadian GAAP, management may make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statement.

Issue Costs

Issue costs incurred in connection with the offering are charged against unitholder’s equity.

Cash and Cash Equivalents

Cash is comprised of cash on deposit with a Canadian financial institution. Cash is stated at fair value.

Valuation of Fund Units for Transaction Purposes

The Net Asset Value per Unit of a class on any day will be obtained by dividing the Net Asset Value of that class on such day by the number of Units of that class then outstanding.

As used herein, (i) “Net Asset Value” means the net asset value of the Fund determined by subtracting the aggregate liabilities of the Fund from the Total Assets of the Fund on the date on which the calculation is being made; (ii) “Total Assets” means the aggregate value of the assets of the Fund; (iii) “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 net asset value of the Fund will be determined on the basis that any Loans, bonds, debentures and other debt obligations that are owned by the Fund will be valued by taking the bid price on the Valuation Date; (iv) “Reference Exchange Rate” means the U.S. dollar/Canadian dollar WM/Reuters closing spot rate determined at 4:00 p.m. (London, U.K. time), or another U.S. dollar/Canadian dollar exchange rate deemed appropriate by the Manager; and (v) “Valuation Date” means each Business Day; and (vi) “Business Day” means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the Toronto Stock Exchange is not open for trading.

3. SUBSEQUENT EVENT

The Fund, the Manager and the Sub-Advisor have entered into an agency agreement with BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., GMP Securities L.P., National Bank Financial Inc., Canaccord Genuity Corp., Macquarie Private Wealth Inc., Raymond James Ltd., Desjardins Securities Inc., Mackie Research Capital Corporation and Manulife Securities Incorporated (collectively, the “Agents”) dated as of September 26, 2013, pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer for sale to the public, by way of the initial public offering prospectus of the Fund dated September 26, 2013, a minimum of 2,500,000 Class A Units and a maximum of 20,000,000 Class A Units and/or Class U Units at \$10.00 per Class A Unit and U.S. \$10.00 per Class U Unit. In consideration for their services in connection with the Offering, the Agents will be paid a fee of \$0.525 per Class A Unit and U.S. \$0.525 per Class U Unit out of the proceeds of the Offering.

CERTIFICATE OF THE FUND

Dated: September 26, 2013

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 and territories of Canada.

ING High Income Floating Rate Fund
by its attorney, **Aston Hill Capital Markets Inc.**

By: *(signed)* W. NEIL MURDOCH
Chief Executive Officer

By: *(signed)* DARREN N. CABRAL
Chief Financial Officer

On behalf of the Board of Directors of
Aston Hill Capital Markets Inc.

By: *(signed)* MICHAEL J. KILLEEN
Director

By: *(signed)* LARRY TITLEY
Director

CERTIFICATE OF THE MANAGER

Dated: September 26, 2013

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 and territories of Canada.

Aston Hill Capital Markets Inc.
as Manager

By: *(signed)* W. NEIL MURDOCH
Chief Executive Officer

On behalf of the Board of Directors of
Aston Hill Capital Markets Inc.

By: *(signed)* MICHAEL J. KILLEEN
Director

By: *(signed)* LARRY TITLEY
Director

CERTIFICATE OF THE PROMOTER

Dated: September 26, 2013

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 and territories of Canada.

Aston Hill Capital Markets Inc.
as Promoter

By: *(signed)* W. NEIL MURDOCH
Chief Executive Officer

CERTIFICATE OF THE AGENTS

Dated: September 26, 2013

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 and territories of Canada.

BMO NESBITT BURNS INC.

By: *(signed)* Robin G. Tessier

CIBC WORLD MARKETS INC.

By: *(signed)* Michael D. Shuh

RBC DOMINION SECURITIES INC.

By: *(signed)* Edward V. Jackson

SCOTIA CAPITAL INC.

By: *(signed)* Brian D. McChesney

TD SECURITIES INC.

By: *(signed)* Cameron Goodnough

GMP SECURITIES L.P.

By: *(signed)* Neil Selfe

NATIONAL BANK FINANCIAL INC.

By: *(signed)* Timothy D. Evans

CANACCORD GENUITY CORP.

By: *(signed)* Ron Sedran

MACQUARIE PRIVATE WEALTH INC.

By: *(signed)* Brent Larkan

RAYMOND JAMES LTD.

By: *(signed)* J. Graham Fell

DESJARDINS SECURITIES INC.

By: *(signed)* Beth A. Shaw

**MACKIE RESEARCH CAPITAL
CORPORATION**

By: *(signed)* David J. Keating

**MANULIFE SECURITIES
INCORPORATED**

By: *(signed)* David MacLeod



ING HIGH INCOME FLOATING RATE FUND