2003 Tax Information for Non-Canadian Unit Holders

2003 Income Tax Information for United States Citizens and other Non-Residents of Canada

Unitholders who are not residents of Canada for Income Tax Purposes are encouraged to seek advice from a qualified tax advisor in your country of residence for the tax treatment of distributions.

Canadian Withholding Tax

The taxable portion of the Fund's monthly distributions that are payable to non-residents of Canada is normally subject to a withholding tax of 25% as prescribed by the Income Tax Act of Canada. This withholding tax may be reduced in accordance with reciprocal tax treaties. In the case of the Tax Treaty between Canada and the United States, the prescribed withholding tax for qualifying residents of the United States is 15%. (The Canadian Revenue Agency takes the position that, generally, US Limited Liability Companies are not qualifying residents of the United States for the Tax Treaty and in this case the prescribed withholding tax is 25%.) U.S. unitholders may be eligible for a foreign tax credit to recover Canadian withholding tax paid.

Unitholders who are non-residents of Canada will receive a NR-4 slip from their stockbroker in years when the cash distribution of the Fund has a component of Canadian regular income or taxable dividends. The NR-4 slips are required to be mailed out by March 31 of the following year. They will indicate the portion of the distribution that is taxable for Canadian purposes and the amount of Canadian withholding tax taken.

Since monthly distributions of the Fund did not include any Canadian Income in 2003, no withholding should have been taken on the 2003 monthly distributions. Accordingly, 2003 NR-4 slips are not expected to be issued.

2003 United States Income Tax Information

For U.S. unitholders, the income tax laws of the U.S. apply. The taxable portion of the Fund's monthly distribution is determined by the Fund based upon the earnings and profits of the Fund in accordance with the Code. The taxable portion of the 2003 distribution is considered a dividend for tax reporting purposes. The difference (if any) between the total distribution paid and the taxable portion is considered to be a return of capital.

U.S. unitholders will receive a Form 1099 – DIV "Dividends and Distributions" or substitute form from their stockbroker detailing the dividend portion and the non-taxable portion of the distribution and the amount of any U.S. and foreign tax withheld. Form 1099's are required to be mailed to unitholders by January 31, 2004.

The table below identifies the portion of the Fund's cash distributions that were taxable as ordinary dividends and tax deferred by way of a return of capital and is provided for information purposes only. Unitholders should use the tax-reporting information provided by your stockbroker in the Form 1099 and should not need to use the information provided below.

2003 Tax Information for United States Citizens and Residents

Record Date	Payment Date	Total Distribution Paid1 (Cdn$)	Cdn$/US$ Exchange Rate2	Total Distribution Paid3 (US$)	Taxable Ordinary Dividend (US$)	Tax Deferred Return of Capital (US$)
June 30	July 15	$0.0908	1.3929	0.0652	0.0494	0.0158
July 31	August 15	$0.0908	1.3872	0.0655	0.0496	0.0159
August 29	September 15	$0.0908	1.3659	0.0665	0.0504	0.0161
September 30	October 15	$0.0908	1.3242	0.0686	0.0520	0.0166
October 31	November 17	$0.0908	1.3137	0.0691	0.0524	0.0167
November 28	December 15	$0.0908	1.3134	0.0691	0.0524	0.0167
	Total per unit	$0.5448		0.4040	0.3062	0.0978

[1]Before any Canadian withholding taxes
[2]As of payment date (Bank of Canada noon rate)
[3]Dividend represents actual dividend amount before dividend gross up

Adjustments to the Cost Base of Units – for Capital Gains Purposes

The cost base of the units is used in calculating capital gains or losses on the disposition of trust units. U.S. unitholders are required to reduce the cost base of their trust units by subtracting the tax deferred (the return of capital amount of the cumulative cash distribution) amount received in a taxation year.

In the event a unitholder's cost base drops below zero during a taxation year, the negative amount is considered to be a capital gain, which must be reported in the taxation year.