

SSF TRUST

ANNUAL INFORMATION FORM

Units

March 28, 2014

FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form constitute forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Manager believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this annual information form should not be unduly relied upon. These statements speak only as of the date of this annual information form.

In particular, this annual information form may contain forward-looking statements pertaining to distributable cash and distributions. The actual results could differ materially from those anticipated in these forward-looking statements as a result of, among other things, the risk factors set out in this annual information form. The Manager does not undertake any obligation to publicly update or revise any forward-looking statements.

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms shall have the meanings set forth below, unless otherwise indicated.

“**Additional Distribution**” means with respect to any taxation year of the Fund, the amount, if any, by which the aggregate of the Net Income and the Net Realized Capital Gains, less any Net Realized Capital Gains the tax on which would be refundable to the Fund in the current year under Part I of the Income Tax Act, for such taxation year exceeds the aggregate distributions paid or payable by the Fund to Unitholders for such taxation year.

“**Brompton**” means the Brompton group of companies.

“**Brompton Funds**” means Brompton Corp. and its wholly owned subsidiary Brompton Funds Limited which acts as manager of the Fund. Brompton Corp. is in the business of managing investment funds.

“**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.

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

“**Custodian**” means CIBC Mellon Global Securities Services Company in its capacity as custodian under the Custodian Agreement, as appointed from time to time by the Manager.

“**Custodian Agreement**” means the custodian agreement entered into by the Manager, on behalf of the Fund, and the Custodian dated as of November 1, 2011, as it may be amended from time to time.

“**Declaration of Trust**” means the second amended and restated declaration of trust governing the Fund, as it may be amended, restated or modified from time to time, as described in section 1.1 of this Annual Information Form.

“**Distributions**” means the distributions of the Fund declared in accordance with the Declaration of Trust.

“**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.

“**Fund**” means SSF Trust.

“**Fund Investment**” means an investment acquired on behalf of the Fund, and “**Fund Investments**” means more than one Fund Investment taken collectively.

“**Fund Property**” means the property and assets of the Fund.

“**High-Yield Bonds**” means bonds issued by corporations with a rating of BB+ or less from S&P or Ba1 or less from Moody’s Investor Services, Inc., or a similar rating from another qualified rating agency, which are typically issued at fixed rates and are unsecured.

“**Income Tax Act**” means the *Income Tax Act* (Canada), as amended, or successor statutes, and shall include regulations promulgated thereunder.

“Investment Objectives” means the investment objectives of the Fund as set forth in the Declaration of Trust as described in section 1.1.1 of this Annual Information Form.

“Investment Restrictions” means the investment restrictions of the Fund as set forth in the Declaration of Trust including, without limitation, those described in section 2.0 of this Annual Information Form.

“Investment Strategy” means the investment strategy of the Fund as set forth in the Declaration of Trust as described in section 1.1.2 of this Annual Information Form.

“IRC” means the independent review committee of the Fund established by the Manager pursuant to NI 81-107.

“Loan Facility” means the loan facility described in section 14.1 of this Annual Information Form.

“Management Agreement” means the management agreement dated as of November 1, 2011 between the Manager and the Fund, as it may be amended from time to time.

“Management Fee” means the management fee payable to the Manager pursuant to the Management Agreement and the Declaration of Trust as described in section 8.1.1 of this Annual Information Form.

“Manager” means the manager and administrator of the Fund, namely Brompton Funds Limited or, if applicable, its successor.

“Net Asset Value” means, at any time, the net asset value of the Fund, as determined in accordance with the Declaration of Trust as described in section 5.0 of this Annual Information Form.

“Net Asset Value per Unit” means, in respect of a class of Units, the Net Asset Value attributable to such class of Units divided by the total number of Units of that class outstanding on any Valuation Date.

“Net Income” or **“Net Loss”** of the Fund for any taxation year means the amount, if any, by which the income or loss of the Fund for such taxation year computed in accordance with the provisions of the Income Tax Act, other than paragraph 82(1)(b) and subsection 104(6) thereof and disregarding any designations made by the Fund under subsection 104(19) of the Income Tax Act, without reference to the Fund’s “capital gains” or “capital losses” (as those terms are defined in the Income Tax Act) for the taxation year, exceeds the non-capital losses of the Fund (as defined in the Income Tax Act) for any preceding taxation years of the Fund, to the extent that they may be, and are deducted in computing taxable income of the Fund for such taxation year for the purposes of the Income Tax Act.

“Net Realized Capital Gains” of the Fund for a taxation year of the Fund means the amount, if any, by which:

- (i) the capital gains realized by the Fund in the taxation year;

exceed the aggregate of:

- (ii) the capital losses incurred by the Fund in the taxation year;
- (iii) the unapplied capital losses incurred by the Fund in the preceding taxation years, to the extent that they may be and are applied against capital gains realized by the Fund in the taxation year; and

- (iv) any Net Loss of the Fund for the year and, if the Trustee so determines, any unapplied non-capital losses (as defined in the Income Tax Act) of the Fund for preceding years of the Fund, in each case multiplied by the reciprocal of the applicable fraction in paragraph 38(a) of the Income Tax Act.

where, for this purpose, “capital gains” and “capital losses” shall be computed in accordance with the provisions of the Income Tax Act.

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.

“**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.

“**Other Investments**” means income producing securities, other than Senior Loans, Second Lien Loans and High Yield Bonds, including, but not limited to, investment and non-investment grade debt securities, convertible securities and structured notes, mortgage-related and other asset-backed securities and sovereign debt securities.

“**Portfolio**” means the portfolio of Fund Investments held by the Fund from time to time.

“**Redemption Date**” means any Business Day on which Units are surrendered for redemption by a Unitholder provided that the redemption notice is given to the Trustee on or before 5:00 p.m. (Toronto time) on that day.

“**Redemption Payment Date**” means the date on which a Redemption Amount is paid to a Unitholder which shall be no more than 10 Business Days after the Redemption Date.

“**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“**Second Lien Loans**” means floating rate corporate loans with a secured interest in the assets of the borrower that is second in priority to Senior Loans.

“**Senior Loans**” means senior secured floating rate corporate loans typically issued by non-investment grade companies (and unless otherwise specifically noted herein means senior secured floating rate loans issued by non-investment grade companies), with exposure to such gained through (i) direct purchase of senior loans made by banks or other financial institutions to borrowers, (ii) assignments of such interests in senior loans, or (iii) participation interests in senior loans.

“**SIFT Rules**” means the provisions of the Income Tax Act that apply to a specified investment flow-through trust (“**SIFT Trust**”), as that term is defined in section 122.1 of the Income Tax Act, and the unitholders of a SIFT Trust.

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

“**SSF Fund**” means Symphony Floating Rate Senior Loan Fund, an investment fund governed pursuant to an amended and restated declaration of trust dated as of November 1, 2011, as amended.

“**Sub-Advisor**” means the sub-advisor appointed from time to time by the Manager on behalf of the Fund. The current Sub-Advisor is Symphony Asset Management, LLC, a wholly owned subsidiary of Nuveen Investments, Inc.

“**Sub-Advisor Agreement**” means the sub-advisor agreement entered into among the Fund, the Manager the Sub-Advisor and Nuveen Investments, Inc. dated as of November 1, 2011 pursuant to which the Sub-Advisor has been appointed to make investment decisions with respect to the Fund Property in accordance with the Investment Objectives and Investment Strategy and subject to the Investment Restrictions, as it may be amended from time to time.

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

“**Termination Date**” means the date the Fund is terminated in accordance with the Declaration of Trust, as described in section 3.5 of this Annual Information Form.

“**Total Assets**” means the aggregate value of the assets of the Fund calculated in accordance with the Declaration of Trust as described in section 4.0 of this Annual Information Form.

“**Total Distributions**” means the aggregate of the sum of all cash Distributions and Additional Distributions paid or payable to Unitholders in a taxation year.

“**Trustee**” means Brompton Funds Limited, in its capacity as trustee under the Declaration of Trust.

“**TSX**” means the Toronto Stock Exchange.

“**Unit**” means a transferable, redeemable unit of the Fund which may be issued in any number of classes. Each Unit of a class represents an equal, fractional and undivided beneficial interest in the Fund Property attributable to such class of Units net of all liabilities of the Fund attributable to such class of Units.

“**Units**” means more than one transferable, redeemable unit of the Fund.

“**Unitholder(s)**” means the holder(s) of the Units.

“**Valuation Date**” means each Business Day on which the Net Asset Value per Unit is calculated.

1.0 NAME, FORMATION AND HISTORY

SSF Trust is an investment fund with a registered office located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3. The Fund was established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of September 7, 2011. The Declaration of Trust was amended and restated as of November 1, 2011 in connection with the initial public offering of SSF Fund and included, among other amendments, adding provisions relating to the management, administration and operation of the Fund.

The Fund issued additional Units on March 9, 2012 (and March 27, 2012), October 2, 2012 (and October 15, 2012) and February 6, 2013 (and February 21, 2013) in connection with treasury offerings of SSF Fund (including pursuant to the exercise of the agent's over-allotment option in connection therewith).

1.1 Declaration of Trust

1.1.1 Investment Objectives

The Declaration of Trust provides that the Investment Objectives of the Fund are to provide monthly distributions and preserve capital, in each case, through investment in an actively managed, diversified Portfolio consisting primarily of short-duration floating rate senior corporate debt instruments, including senior secured loans and other senior debt obligations of North American non-investment grade corporate borrowers.

1.1.2 Investment Strategy

The Fund seeks to achieve its Investment Objectives by investing the Fund Property in an actively managed diversified Portfolio consisting primarily of short-duration Senior Loans. Up to 20% of the Portfolio may be invested in other non-investment grade corporate debt instruments including Second Lien Loans, High-Yield Bonds and Other Investments.

1.1.3 General

The Declaration of Trust also provides for the administration of the Fund and governs matters including, without limitation, the powers of the Trustee, the issue and sale of Units, the form and content of Unit certificates, the registration and the transfer of Units, the redemption of Units, distributions to Unitholders, the provision of management and administration, portfolio advisory and custodial services to the Fund, the limitation on the liability of the Unitholders, the Trustee and other parties and the termination of the Fund.

Pursuant to the Declaration of Trust, Brompton Funds Limited is the manager of the Fund and, on behalf of the Fund, has retained Symphony Asset Management LLC as the Sub-Advisor and CIBC Mellon Global Securities Services Company as the Custodian of the Fund Property.

2.0 INVESTMENT RESTRICTIONS

The Fund was required to become a reporting issuer under the *Securities Act* (Ontario) and the *Securities Act* (Quebec) by the Ontario and Quebec securities regulatory authorities. The Fund was not required to become a reporting issuer by any other provincial or territorial securities regulatory authorities.

The Fund is not subject to the standard investment restrictions and practices set out in National Instrument 81-102 *Mutual Funds*. However, the Fund is subject to certain other requirements and

restrictions contained in securities legislation, including National Instrument 81-106 *Investment Fund Continuous Disclosure*, which governs the continuous disclosure obligations of investment funds, such as the Fund. The Fund is managed in accordance with such applicable requirements and restrictions and the Investment Restrictions set out in the Declaration of Trust.

3.0 DESCRIPTION OF SECURITIES

3.1 The Units

The beneficial interests in the Fund are divided into interests of one or more classes, described and designated as “Units”. The Fund is authorized to issue an unlimited number Units in any number of classes. The number of outstanding Units may be consolidated or sub-divided as the Trustee shall determine. Each Unit of a class entitles the holder to the same rights and obligations as any other Unitholder of such class. Each Unitholder is entitled to one vote for each Unit held at all meetings of the Unitholders and at all meetings of the holders of that class. Each Unit of a class represents an equal undivided beneficial interest in any distribution from the Fund allocated to that class (whether of Net Income, Net Realized Capital Gains or other amounts) and in any net assets of the Fund allocated to that class in the event of termination or winding-up of the Fund. All Units of a class outstanding from time to time shall be entitled to equal shares in (i) distributions when and as declared to holders of Units of such class, and (ii) the proceeds of liquidation of the Fund Property allocated to that class in the event of termination or winding-up of the Fund, after satisfaction of all liabilities of the Fund allocated to that class. The Declaration of Trust permits fractions of Units to be issued which have the same rights, restrictions, conditions and limitations attaching to whole Units in the proportion which they bear to a whole Unit, except that fractional Units do not have the right to vote.

3.2 Conversion of Units

A holder of one class of Units may convert such Units into Units of another class. Units of one class may be converted in any week on the first Business Day of such week or on such other day as the Manager, in its discretion, may determine (the “Conversion Date”) by delivering a notice and surrendering such Units by 3:00 p.m. (Toronto time) at least two Business Days prior to the applicable Conversion Date. For each Unit of one class so converted, a holder will receive that number of Units of another class equal to the Net Asset Value per Unit of such class as at the close of trading on the Business Day immediately preceding the Conversion Date divided by the Net Asset Value per Unit of the other class as at the close of trading on the Business Day immediately preceding the Conversion Date. No fractions of Units will be issued upon any conversion of Units, and any remaining fraction of Units will be redeemed.

3.3 Distributions

The Fund will make Distributions to Unitholders if, as and when declared by the Manager. There can be no assurance that the Fund will be able to make any Distributions.

The Fund will be subject to tax under Part I of the Income Tax Act in each taxation year on the amount of its net income 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. The Fund intends to deduct, in computing its net 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 net income including its Net Realized Capital Gains, it will generally not be liable in such year for income tax under Part I of the Income Tax Act.

The Fund will distribute such portion of its net income and Net Realized Capital Gains earned in each fiscal year to ensure that it is not liable for income tax under Part I of the Income Tax Act. To the extent that the Fund has not distributed in cash a sufficient amount of its net income and Net Realized Capital Gains in any year to ensure that it is not liable to tax in that year, the difference between such amount and the amount actually distributed by the Fund will be paid through the issuance of additional Units having a Net Asset Value in the aggregate at the date of distribution equal to this difference. Immediately after any such distribution of Units, the number of outstanding Units will be consolidated such that each Unitholder of the Fund (other than holders that are not resident in Canada) will hold after the consolidation the same number of Units as held before the distribution of additional Units. Additional information regarding tax matters is set out in section 11.0.

3.4 Amendment of the Declaration of Trust

3.4.1 Amending of the Declaration of Trust by the Trustee

The Declaration of Trust provides that the Trustee is entitled to amend the Declaration of Trust without consent of, or notice to, the Unitholders to:

- a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;
- b) make any change or correction 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 Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not, in the opinion of the Manager, adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;
- d) maintain the status of the Fund as a “unit trust” for the purposes of the Income Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof; or
- e) provide added protection or benefit to Unitholders.

3.4.2 Amending of the Declaration of Trust by the Unitholders

The Declaration of Trust may be amended by the written consent of the Unitholder in lieu of a meeting if there is only one Unitholder. Currently, there is only one Unitholder. In the event there is more than one Unitholder, the Declaration of Trust provides that except as otherwise required by or contemplated in the Declaration of Trust, which exceptions are summarized below, the Declaration of Trust may be amended by an Ordinary Resolution of the Unitholders passed at a meeting called for the purpose of considering such Ordinary Resolution.

The Declaration of Trust provides that the following may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

- a) the removal of the Trustee or any of its affiliates as the trustee of the Fund;

- b) any change in the Investment Objectives, Investment Strategy or Investment Restrictions, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- c) any material change in the Management Agreement, other than a change in the Manager provided that the new manager is an affiliate of the Manager;
- d) any increase in the Management Fee;
- e) any amendment, modification or variation in the provisions or rights attaching to the Units;
- f) any change in the frequency of calculating Net Asset Value per Unit to less often than weekly;
- g) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund other than in the ordinary course of business;
- h) 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 interests of the Unitholders or otherwise in accordance with the terms of the Declaration of Trust; and
- i) any amendment to the above provisions except as permitted by the Declaration of Trust.

3.5 Termination of the Fund

Pursuant to the Declaration of Trust, the Fund will terminate on the date specified in an Extraordinary Resolution of Unitholders calling for the termination of the Fund or an alternative to termination is approved by way of an Extraordinary Resolution at a duly called meeting of Unitholders. In addition, the Declaration of Trust also provides that if the Manager resigns and no new Manager is appointed by the Trustee 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 unless the Trustee elects to carry out the activities of the Manager.

The Declaration of Trust provides that prior to the termination of the Fund, the Manager will instruct the Sub-Advisor to convert the Fund Investments to cash to the extent practicable and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust provides that the Manager may, with the consent of the Unitholders, postpone the termination date by a period of up to 180 days if the Sub-Advisor advises the Manager that it will be unable to convert all of the Fund Investments to cash prior to the original termination date and the Manager determines that it would be in the best interests of the Unitholders to do so. Upon termination, the Declaration of Trust provides that the Fund will distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the Termination Date, such unliquidated assets *in specie* rather than in cash.

4.0 VALUATION OF PORTFOLIO SECURITIES

Under the Declaration of Trust, the calculation of Total Assets on a Valuation Date is determined as follows:

- a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, distribution, dividend or other amount receivable (or declared to holders of record of

securities owned on a date before the Valuation Date as at 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 Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, distribution, dividend or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as at 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 Manager determines to be the fair market value thereof;

- b) the value of any Senior 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 recognized information provider in such securities at consistent times on a Valuation Date. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- c) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) will be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available ask price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest ask 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 provider in such securities;
- e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Total Assets are being determined as determined by the Manager (generally the Manager will value such security or other asset at cost until there is a clear indication of an increase or decrease in value);
- f) any market price reported in currency other than Canadian dollars (or in the event that a class of Units is denominated in a different currency, other such currency) will be converted into Canadian currency (or such other currency, in the event that such a class of Units is denominated in a different currency) at the rate of exchange available from the Custodian on the Valuation Date on which the Total Assets are being determined;
- g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Manager and investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the Manager;
- h) the value of any forward contract, futures, swaps, options or other derivatives will be the value that would be realized by the Fund if, on the date on which the Total Assets are being determined, the forward contract, futures, swaps, options or other derivatives were closed out in accordance with its terms; and
- i) the value of any security or property to which, in the opinion of the Manager, the application of the above principles cannot be applied (whether because no price or yield equivalent quotations

are available as above provided, or for any other reason) will be the fair market value thereof determined in good faith in such manner as the Manager from time to time adopts;

except that, for the purposes of calculating the redemption amount in connection with a redemption of Units on a Redemption Date that falls on the second last Business Day of March of each year, the value of any Senior Loans, bonds, debentures and other debt obligations in the Portfolio will be valued by taking a bid price on the Valuation Date and any equity securities owned by the Fund will be valued at the weighted average trading price over the last three Business Days of the month in which such Redemption Date occurs calculated on a fully diluted basis, if applicable.

The Manager has not exercised its discretion to determine fair market value since inception of the Fund.

The primary difference between the valuation principles set out above and Canadian generally accepted accounting principles (“Canadian GAAP”) is that under Canadian GAAP securities traded in an active market are generally valued using the last available bid price for securities held long.

5.0 CALCULATION OF NET ASSET VALUE

Pursuant to the Declaration of Trust, the Net Asset Value per Unit of each class on any Valuation Date is calculated by dividing the Net Asset Value on such Valuation Date (calculated by subtracting the aggregate amount of the Fund’s liabilities from the Total Assets) by the total number of Units of each class outstanding on such Valuation Date.

The Net Asset Value per Unit of each class is calculated as at the close of business on each Valuation Date. The Net Asset Value per Unit of SSF Fund will be provided to Unitholders by the Manager at no cost.

The Net Asset Value per Unit is calculated in Canadian dollars or in the event that a class of Units is denominated in a different currency, such other currency.

6.0 PURCHASES OF UNITS

Pursuant to the Declaration of Trust, the Trustee shall allot and issue Units at such times and in such manner and for such consideration and to such persons as the Manager in its sole discretion shall determine.

7.0 REDEMPTION OF SECURITIES

Subject to the Fund’s right to suspend redemptions as discussed below, Unitholders are entitled to surrender Units for redemption in accordance with the Declaration of Trust at any time. The Declaration of Trust provides that Units surrendered for redemption will be redeemed at a redemption price per Unit that is equal to the Net Asset Value per Unit of the applicable class, minus any costs associated with the redemption, including all brokerage costs. At the option of the Unitholder, the redemption amount may be satisfied by delivery to the Unitholder of Portfolio securities. Payment of the redemption amount will be made on the Redemption Payment Date.

Units may be surrendered for redemption by presentation by the Unitholder to the Trustee of a redemption notice in a form acceptable to the Trustee, specifying the number of Units to be redeemed, and if definitive Unit certificates have been issued therefore, accompanied by such Unit certificates.

The Trustee may, on such date or dates as the Manager directs, make such designation, determinations and allocations for tax purposes of amounts or portions of amounts which the Fund has received, paid, declared payable or allocated to Unitholders as Distributions or redemption proceeds. Such designations are intended to provide equitable distribution of Net Income and Net Realized Capital Gains for a year among Unitholders. Any unpaid distribution payable to Unitholders of record on or before the Redemption Date in respect of Units surrendered for redemption on such Redemption Date will also be paid on the Redemption Payment Date.

7.1 Suspension of Redemptions

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

8.0 RESPONSIBILITY FOR OPERATIONS

8.1 Manager

The Declaration of Trust provides that the Trustee shall appoint or retain a manager to manage the business and affairs of the Fund. The Trustee has appointed the Manager pursuant to the terms of the Declaration of Trust and the Management Agreement.

Brompton Funds Limited was formed pursuant to the *Business Corporations Act* (Ontario) by articles of incorporation dated May 17, 2011. Its head office is located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3. Its telephone number is (416) 642-6000, its e-mail address is info@bromptongroup.com and its website address is www.bromptongroup.com. The Manager was organized for the purpose of managing and administering closed-end investment funds, including the Fund and is a member of the Brompton group of companies. The Manager also acts as trustee of the Fund and manager of SSF Fund. The Manager is registered with the Ontario Securities Commission as a portfolio manager, investment fund manager, commodity trading manager and exempt market dealer and is also registered as an investment fund manager in Quebec and Newfoundland and Labrador.

Pursuant to the Management Agreement, the Manager is responsible for providing, or causing to be provided, management and administrative services and facilities to the Fund, and may delegate certain of its powers to third parties at no additional cost to the Fund where, in the discretion of the Manager, it would be in the best interests of the Fund and the Unitholders to do so. In addition, the Manager is responsible for providing, or causing to be provided, investment fund management and portfolio management services to the Fund.

8.1.1 Management Fee

In consideration for its services to the Fund, the Fund pays the Manager a fee and reimburses the Manager for all reasonable costs and expenses incurred by the Manager on behalf of the Fund. The Manager receives a management fee from the Fund equal to 0.75% per annum of the Net Asset Value, calculated and payable monthly in arrears, plus applicable taxes. The Manager is responsible for paying the fees payable to the Sub-Advisor out of the Management Fee.

8.1.2 Termination of the Management Agreement

The Management Agreement may be terminated at any time by the Trustee, on behalf of the Fund, on 90 days written notice with the approval of the Unitholders by an Ordinary Resolution passed at a duly convened meeting of the Unitholders called for the purpose of considering such Ordinary Resolution. The Management Agreement may also be terminated by the Trustee, on behalf of the Fund:

- a) at any time on 30 days written notice to the Manager in the event of the persistent failure of the Manager to perform its duties and discharge its obligations under the Management Agreement, or the continuing malfeasance or misfeasance of the Manager in the performance of its duties under the Management Agreement;
- b) immediately in the event of the commission by the Manager of any fraudulent act; and
- c) automatically, if the Manager becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors.

In addition, the Trustee, on behalf of the Fund, may immediately terminate the investment fund management and portfolio management services provided under the Management Agreement if:

- a) the Manager has lost any registration, license or other authorization required by it to perform its investment fund management and portfolio management duties under the Management Agreement; or
- b) the Manager is otherwise deemed unable to perform the investment fund management and portfolio management services under the Management Agreement.

The Manager may resign and the Management Agreement may be terminated upon 120 days notice to the Trustee. The Manager may assign the Management Agreement to an affiliate of the Manager at any time.

8.1.3 Directors and Officers of the Manager

The name, municipality of residence, position with the Manager and principal occupation of each of the directors and officers of the Manager are set out below:

Name and Municipality of Residence and Position with the Manager	Principal Occupation and Positions Held During the Last 5 Years
PETER A. BRAATEN ⁽¹⁾ Toronto, Ontario Director	Director, Brompton Funds since April 2006.

Name and Municipality of Residence and Position with the Manager	Principal Occupation and Positions Held During the Last 5 Years
MARK A. CARANCI ⁽¹⁾ Toronto, Ontario President, Chief Executive Officer and Director	President and Chief Executive Officer, Brompton Funds since April 2007.
RAYMOND R. PETHER ⁽¹⁾ Toronto, Ontario Director	Director, Brompton Funds since April 2006.
CRAIG T. KIKUCHI Toronto, Ontario Chief Financial Officer and Corporate Secretary	Chief Financial Officer, Brompton Funds since April 2006; Corporate Secretary since July 2013
ANN WONG Toronto, Ontario Vice President and Controller	Vice President, Brompton Funds since October 2007; Controller, Brompton Funds since October 2005.
CHRISTOPHER CULLEN Toronto, Ontario Senior Vice President	Senior Vice President, Brompton Funds since May 2010; Vice President, Brompton Funds from October 2007 to May 2010.
LAURA LAU Toronto, Ontario Senior Vice President and Senior Portfolio Manager	Senior Vice President and Senior Portfolio Manager, Brompton Funds since February 2012; Senior Portfolio Manager, Sentry Investments Inc. from May 2008 to November 2011; Senior Portfolio Manager, Sentry Select Capital Corp. from July 2006 to January 2009.
MICHAEL CLARE Toronto, Ontario Vice President and Portfolio Manager	Vice President & Portfolio Manager, Brompton Funds since December 2012; Vice President and Portfolio Manager, Creststreet Asset Management Limited from June 2008 to November 2012; Manager, Deloitte & Touche LLP from September 2003 to May 2008.
MICHELLE TIRABORELLI Toronto, Ontario Vice President	Vice President, Brompton Funds since February 2011; Assistant Vice President, Brompton Funds from September 2010 to February 2011; Investment Advisor, BMO Nesbitt Burns from March 2009 to August 2010.
JASON GOLETZ Toronto, Ontario Vice President, Sales & Marketing	Vice President, Sales and Marketing, Brompton Funds since May 2012; Director of Sales, Qwest Investment Management from March 2009 to May 2012; National Branch Development Manager, Integral Wealth Services from January 2008 to March 2009.
KATHRYN BANNER Toronto, Ontario Assistant Vice President	Assistant Vice President, Brompton Funds since February 2011; Senior Manager, Brompton from August 2007 to February 2011.

Note:

⁽¹⁾ Member of the audit committee.

8.1.4 Independent Review Committee

The members of the IRC are James W. Davie, Arthur R.A. Scace and Ken S. Woolner. Mr. Woolner is the Chair of the IRC and is the primary IRC member who interacts with the Manager.

The mandate and responsibilities of the IRC are set out in its charter. The IRC is responsible for carrying out those responsibilities required to be undertaken by an IRC under NI 81-107, in particular:

- (a) reviewing and providing input into the Manager's policies and procedures regarding conflict of interest matters, including any amendments to such policies and procedures referred to the IRC by the Manager;
- (b) approving or disapproving each conflict of interest matter referred by the Manager to the IRC for its approval;
- (c) providing its recommendation as to whether the Manager's proposed action on a conflict of interest matter referred by the Manager to the IRC for its recommendation achieves a fair and reasonable result for the Fund;
- (d) together with the Manager, providing orientation to new members of the IRC as required by NI 81-107;
- (e) conducting regular assessments as required by NI 81-107; and
- (f) reporting to the securityholders of the Fund, to the Manager and to regulators as required by NI 81-107.

In addition to its responsibilities and functions under NI 81-107, the IRC:

- (a) handles complaints and implements corrective action regarding accounting, internal accounting controls and auditing matters for the Manager, as more specifically set out in the whistleblower policy of the Manager;
- (b) acts in an advisory capacity to the audit committee of the board of directors of the Manager, as more specifically set out in the IRC's charter; and
- (c) may, as more specifically set out in its charter, identify conflict of interest matters.

Note:

The members of the IRC also act as the members of the independent review committee for other investment funds managed by the Manager.

8.2 Sub-Advisor

The Declaration of Trust provides that the Manager may, on behalf of the Fund, retain a Sub-Advisor to make investment decisions with respect to the Fund Property, in accordance with the Investment Strategy and Investment Objectives and subject to the Investment Restrictions. The Manager has retained Symphony Asset Management LLC as the sub-advisor pursuant to the Sub-Advisor Agreement to provide such services to the Fund. The Sub-Advisor's principal office is located at 555 California Street, Suite 2975, San Francisco, California, USA. The Sub-Advisor has an additional office located at 100 Park Avenue, 36th Floor, New York, New York, USA.

8.2.1 Principal Sub-Advisors

The principal portfolio advisors of the Sub-Advisor who are responsible for the investment management of the Fund are as follows:

Name	Length of Service and Experience in the Past 5 Years
GUNTHER STEIN Chief Investment Officer and Chief Executive Officer San Francisco, CA	Mr. Stein has been with Symphony since 1999 and is responsible for Symphony's fixed-income and equity investments. He has over 25 years of investment and research experience and is actively involved with the management of Symphony's fixed income products.
SCOTT CARAHER Co-Portfolio Manager New York, NY	Mr. Caraher joined Symphony in 2002 and is a member of Symphony's fixed-income team and his responsibilities include portfolio management and trading for Symphony's bank loan strategies and credit and equity research for its fixed-income strategies.
JENNY RHEE Co-Portfolio Manager San Francisco, CA	Ms. Rhee joined Symphony in 2001 and is a member of Symphony's fixed-income team and her responsibilities include portfolio management, credit trading and research.

All new securities and loan positions are reviewed and approved by the portfolio management team, which consists of Gunther Stein, CIO and CEO, Scott Caraher, Co-Portfolio Manager, Jenny Rhee, Co-Portfolio Manager, and the analyst who covers the specific name. Once a position is in the Fund, the portfolio managers have the authority to resize or sell names as needed.

8.2.2 Sub-Advisor Fee

Pursuant to the terms of the Sub-Advisor Agreement, the Manager pays the Sub-Advisor a fee, and the Fund reimburses the Sub-Advisor for all reasonable costs and expenses incurred by the Sub-Advisor on behalf of the Fund.

8.2.3 Termination of the Sub-Advisor Agreement

The Sub-Advisor Agreement will automatically terminate on a date that the Manager is terminated as manager of Fund or the Fund is terminated in accordance with the Declaration of Trust. The Manager may also terminate the Sub-Advisor Agreement if:

- a) the Sub-Advisor is in material breach or default of the provisions of the Sub-Advisor Agreement and such breach or default has not been cured within 20 Business Days after notice thereof has been given to the Sub-Advisor by the Manager;
- b) any representation of the Sub-Advisor in the Sub-Advisor Agreement is determined by the Fund to have not been true as at the date of the Sub-Advisor Agreement;
- c) the Sub-Advisor has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reorganization);
- d) the Sub-Advisor makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency;
- e) the assets of the Sub-Advisor have become subject to seizure or confiscation by any public or governmental organization;

- f) the Sub-Advisor has lost any registration, licence or authorization required by it to perform the services delegated to it under the Sub-Advisor Agreement (unless such loss is caused by the Manager's breach); or
- g) the Sub-Advisor has acted with wilful misconduct, fraud or negligence and as a result there has been a material adverse effect on the Portfolio.

The Sub-Advisor may terminate the Sub-Advisor Agreement if:

- a) the Fund or the Manager is in material breach or default of the provisions of the Sub-Advisor Agreement and such breach or default has not been cured within 20 Business Days after notice thereof has been given to the Manager and the Trustee;
- b) any representation of the Manager in the Sub-Advisor Agreement is determined by the Fund to have not been true as at the date of the Sub-Advisor Agreement;
- c) there is a material change in the Investment Objectives, Investment Strategy and Investment Restrictions to which the Sub-Advisor has not agreed;
- d) there is a material change to the obligations of the Sub-Advisor as set out in the Declaration of Trust to which the Sub-Advisor has not agreed;
- e) the Manager ceases to be the manager of the Fund for any reason; or
- f) there is a dissolution and commencement of winding up of the Fund.

Each of the Manager and the Sub-Advisor may terminate the Sub-Advisor Agreement for any reason without penalty upon 90 days written notice to the Sub-Advisor or the Manager, as applicable.

8.2.4 Brokerage Arrangements

The Sub-Advisor is responsible for decisions to buy and sell Senior Loans and securities for the Fund, the negotiation of the prices to be paid for principal trades and the allocation of transactions among various dealer firms. Transactions on stock exchanges involve the payment by the Fund of brokerage commissions. There is generally no stated commission in the case of securities and loans traded in the over-the-counter market but the price paid by the Fund usually includes an undisclosed dealer commission or mark-up. In certain instances, the Fund may make purchases of underwritten issues at prices which include underwriting fees.

Portfolio investments may be purchased directly from an underwriter or in the over-the-counter market from the principal dealers in such securities and loans, unless it appears that a better price or execution may be obtained through other means. Portfolio investments will not be purchased from Nuveen Investments, Inc. or its affiliates or affiliates of the Sub-Advisor except in compliance with applicable law. With respect to interests in floating rate loans, the Fund generally will engage in privately negotiated transactions for purchase or sale in which the Sub-Advisor will negotiate on behalf of the Fund, although a more developed market may exist for certain floating rate loans. When purchasing loans, the Fund may be required to pay fees, or forego a portion of interest and any fees payable to the Fund, to the lender selling participations or assignments to the Fund. The Sub-Advisor will determine the lenders from whom the Fund will purchase assignments and participations by considering their professional ability, level of service, relationship with the borrower, financial condition, credit standards and quality of management.

It is the policy of the Sub-Advisor to seek the best execution under the circumstances of each trade. The Sub-Advisor will evaluate price as the primary consideration, and will consider the financial condition, reputation and responsiveness of the dealer in determining best execution. Given the best execution obtainable, the Sub-Advisor may select dealers which, in addition, furnish research information (primarily credit analyses of issuers and general economic reports) and statistical and other services to the Sub-Advisor. It is not possible to place a dollar value on information and statistical and other services received from dealers. Since it is only supplementary to the Sub-Advisor's own research efforts, the receipt of research information is not expected to significantly reduce the Sub-Advisor's expenses.

The Sub-Advisor has other accounts under management that may invest in the same types of assets and securities with similar or different investment objectives as the Fund. The Fund or any of the Sub-Advisor's other accounts may not always receive an allocation of a particular investment even though it may be suitable for the particular account, based on various considerations including, for example, available cash flows and lack of sufficient size of the particular investment to allocate among many accounts. However, the Sub-Advisor seeks to allocate fairly over time the investment opportunities amongst all of its accounts.

8.3 Trustee

Brompton Funds Limited is the trustee of the Fund and is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee is Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

8.4 Custodian

The Manager has appointed CIBC Mellon Global Securities Services Company as custodian, pursuant to the terms of a custodian agreement dated as of November 1, 2011, to provide various safekeeping and custodial services relating to the Fund Property. The Custodian may, in accordance with the Custodian Agreement, appoint sub-custodians and enter into sub-custodian agreements. The address of the Custodian is 320 Bay Street, P.O. Box 1, 6th Floor, Toronto, Ontario M5H 4A6.

8.4.1 Custodian Fees

In consideration for its services, the Fund pays to the Custodian such compensation as agreed upon in writing between the Manager and the Custodian from time to time and reimburses the Custodian for all reasonable costs and expenses incurred by the Custodian on behalf of the Fund.

8.4.2 Termination of the Custodian Agreement

The Custodian Agreement may be terminated by either party without penalty by giving at least 90 days prior written notice. Prior notice is not required and termination will be immediate if any party becomes insolvent or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. In addition, the Fund may terminate the agreement without penalty upon written notice to the Custodian that the Manager has resigned, been replaced or has otherwise been terminated as manager of the Fund.

8.5 Valuation Services

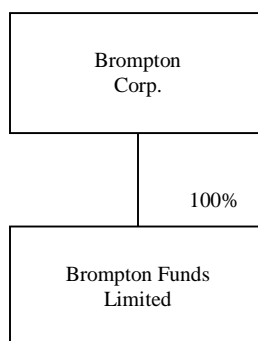
The Manager, on behalf of the Fund, has appointed CIBC Mellon Global Securities Services Company to provide the Fund with valuation services. Such services include the calculation of the Fund's Net Asset Value, calculated in accordance with the Fund's valuation parameters described in section 4.0.

8.6 Auditor, Registrar, Transfer Agent and Distribution Agent

The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licenced Public Accountants ("PWC"), located in Toronto, Ontario. The auditors of the Fund can be changed by an Ordinary Resolution of the Unitholders. The register and transfer ledger for the Units is kept by the Trustee at its offices located in Toronto.

9.0 CONFLICTS OF INTEREST

9.1 Principal Holders of Securities



Note:
Brompton Corp. owns of record and beneficially 100% of the shares of the Manager.

The Declaration of Trust acknowledges that the Trustee may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services. The services of the Custodian and the officers and directors of the Custodian are not exclusive to the Fund. The Custodian and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in any other activity.

The Manager and the Sub-Advisor and their directors and officers engage in the promotion, management or investment management of other funds or trusts with investment objectives similar to the Fund. The Sub-Advisor acts as the investment advisor or administrator for other funds and may in the future act as the investment advisor to other funds which invest in securities and which are considered competitors of the Fund. The Manager also acts as manager of SSF Fund and the services of the Manager are not exclusive to the Fund.

In addition, the directors and officers of the Manager and the Sub-Advisor may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund may acquire securities. The Manager, the Sub-Advisor or their respective affiliates may be a manager of one or more issuers in which the Fund may acquire securities and may be managers or administrators of funds with similar investment objectives as 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 business and affairs of the Fund, each director and officer of the Manager

and 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 business and affairs of (in the case of officers) the Fund, the Manager and the Sub-Advisor, as applicable.

No person or entity that provides services to the Fund or the Manager in relation to the Fund is an affiliated entity of the Manager other than Brompton Corp., which provides premises and staff to the Manager. Brompton Corp. does not receive any fees from the Fund. Each of the directors and officers of the Manager are also directors and officers of Brompton Corp., see section 8.1.3.

9.2 Securities Held by Members of the Independent Review Committee

As at March 1, 2014, the members of the IRC did not own, directly or indirectly, any securities in the Manager. Further, as at March 1, 2014, the percentage of securities of each class or series of voting securities beneficially owned, directly or indirectly, in aggregate, by all members of the IRC in any person or company that provides material services to the Fund or Manager or in any one or more Canadian chartered bank which provides a loan facility or other credit to the Fund or Manager is less than 1%.

10.0 FUND GOVERNANCE

Brompton supports good governance practices for its funds. The Fund is managed by the Manager and consequently, the board of directors (the “Board”) and audit committee (the “Audit Committee”) referred to are the Board and Audit Committee of the Manager. The Board is responsible for the overall stewardship of the business and affairs of the Fund. The Board consists of 3 directors, 2 of whom are not involved in the management of the Fund. Details regarding the names, principal occupations and committee memberships of the Board are set out in section 8.1.3. The Board believes that the number of directors is appropriate.

The Board members are also members of the Audit Committee. The Audit Committee consists of 3 members, 2 of whom are not involved in the management of the Fund. The responsibilities of the Audit Committee include, but are not limited to, review of the Fund’s financial statements and the annual audit performed by PWC, the auditors of the Fund, and oversight of internal controls and of the Fund’s compliance with tax laws and regulations. PWC reports to the Audit Committee and the Audit Committee and PWC have direct communication channels to discuss and review specific issues as appropriate.

The Board is responsible for developing the Fund’s approach to governance issues. To ensure the proper management of the Fund and compliance with regulatory requirements, the Board has adopted policies, procedures and guidelines relating to business practices, risk management control, and internal conflicts of interest. As part of managing its business practices, the Board has adopted a whistleblower policy and a privacy policy. The whistleblower policy establishes a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters pertaining to the Fund. The privacy policy dictates the manner in which the Fund and the Manager may collect, use and disclose personal information regarding the Unitholders. As part of its risk management, the Board has adopted a disclosure policy. The disclosure policy sets out guidelines that aim to ensure that complete, accurate and balanced information is disclosed to the public in a timely, orderly and broad-based manner in accordance with securities laws and regulations. As part of managing potential internal conflicts of interest, the Board has adopted a code of business ethics and an insider trading policy. The code of business ethics and insider trading policy address, among other things, ethical business practices and handling of material information and purchasing or selling of securities by insiders.

NI 81-107 requires the Manager to have policies and procedures relating to conflicts of interest and the Manager has such policies and procedures in place.

In accordance with NI 81-107, the Manager has appointed an IRC to deal with potential conflict of interest matters between the Manager and the Fund. See section 8.1.4 of this Annual Information Form.

The Manager maintains a website for the Fund at www.bromptongroup.com. The mandate of the Board is available on the website. The Manager has an investor relations line to respond to inquiries from Unitholders, which is 1-866-642-6001.

10.1 Composition of the Independent Review Committee

As indicated in section 8.1.4 of this Annual Information Form, the IRC is comprised of three members, who were appointed by the Manager in accordance with NI 81-107. Subsequent to this initial appointment by the Manager, the IRC shall, taking into consideration any recommendation of the Manager, fill vacancies on the IRC, provided that if for any reason the IRC has no members, the Manager shall fill the vacancies.

10.2 Proxy Voting Policy

The Portfolio is managed by the Sub-Advisor and pursuant to the Sub-Advisor Agreement, the Sub-Advisor is authorized to exercise all rights and privileges incidental to ownership for the Portfolio. The Fund has adopted the Sub-Advisor's proxy voting policy, which provides general guidance, in compliance with applicable legislation, for the voting of proxies. The Sub-Advisor has retained a third party service provider to provide proxy analysis, vote recommendations and vote execution services on behalf of the Sub-Advisor. However, the ultimate decision as to how to cast a vote rests with the Sub-Advisor, based on what the Sub-Advisor believes to be in the best interest of the Fund.

The Sub-Advisor has adopted and implemented proxy voting guidelines to ensure that proxies are voted in the best interest of its clients. These are merely guidelines and specific situations may call for a vote which does not follow the guidelines. In determining how to vote proxies, the Sub-Advisor will follow the proxy voting guidelines of the independent third party which the Sub-Advisor has retained to provide proxy voting services (the "Sub-Advisor's Proxy Guidelines").

The Sub-Advisor has created a Proxy Voting Committee to periodically review the Sub-Advisor's Proxy Guidelines, address conflicts of interest, specific situations and any portfolio manager's decision to deviate from the Sub-Advisor's Proxy Guideline (including the third party's guidelines). Under certain circumstances, the Sub-Advisor may vote one way for some clients and another way for other clients. For example, votes for a client who provides specific voting instructions may differ from votes for clients who do not provide proxy voting instructions. However, when the Sub-Advisor has discretion, proxies will generally be voted the same way for all clients. In addition, conflicts of interest in voting proxies may arise between clients, between the Sub-Advisor and its employees, or a lending or other material relationship. As a general rule, conflicts will be resolved by the Sub-Advisor voting in accordance with the Sub-Advisor's Proxy Guidelines when:

- the Sub-Advisor manages the account of a corporation or a pension fund sponsored by a corporation in which clients of the Sub-Advisor also own stock. The Sub-Advisor will vote the proxy for its other clients in accordance with the Sub-Advisor's Proxy Guidelines and will follow any directions from the corporation or the pension plan, if different than the Sub-Advisor's Proxy Guidelines;

- an employee or a member of his/her immediate family is on the board of directors or a member of senior management of the company that is the issuer of securities held in client's account; or
- the Sub-Advisor has a borrowing or other material relationship with a corporation whose securities are the subject of the proxy.

Proxies will always be voted in the best interest of the Sub-Advisor's clients. Those situations that do not fit within the general rules for the resolution of conflicts of interest will be reviewed by the Proxy Voting Committee. The Proxy Voting Committee, after consulting with senior management, if appropriate, will determine how the proxy should be voted. For example, when a portfolio manager decides not to follow the Sub-Advisor's Proxy Guidelines, the Proxy Voting Committee will review a portfolio manager's recommendation and determine how to vote the proxy. Decisions by the Proxy Voting Committee will be documented and kept with records related to the voting of proxies. A summary of specific votes will be retained in accordance with the Sub-Advisor's books and records requirements which are set forth in the Sub-Advisor's Compliance Manual and Code of Ethics.

The policies and procedures that the Fund follows when voting proxies relating to the Portfolio are available on request, at no cost, by calling 1-866-642-6001 or by writing to the Manager at Suite 2930, Box 793, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

The Fund's voting record for the period ended June 30 of each year is available free of charge to any Unitholder upon request at any time after August 31 of that year. The Fund makes the Fund's proxy voting record available on the Fund's website at www.bromptongroup.com.

10.3 Use of Derivatives

The Declaration of Trust allows the Fund to invest in or use derivatives and other instruments for hedging, leverage or other purposes consistent with the Investment Objectives and Investment Strategy and subject to the Investment Restrictions.

10.4 Short-Term Trades

The Fund does not have policies and procedures in place to monitor, detect and deter short-term trading given that there is only one Unitholder.

11.0 INCOME TAX CONSIDERATIONS

The following summary is based on the current provisions of the Income Tax Act, the current published administrative policies and assessing practices of the CRA and the Tax Proposals. This summary assumes that the Tax Proposals will be enacted as proposed. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the 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 also based on the assumption that the Fund will at no time be subject to the tax for SIFT Trusts as set out in the Income Tax Act.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations that may be relevant to the Fund, and is not intended to be legal or tax advice to any particular investor. Prospective 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.

11.1 Taxation of the Fund

The Fund will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Income Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more such financial institutions. The Income Tax Act contains special rules for determining the income of financial institutions.

The Fund will be subject to tax under Part I of the Income Tax Act in each taxation year on the amount of its net income 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. The Fund intends to deduct, in computing its net 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 Net Income, including its Net Realized Capital Gains, it will generally not be liable in such year for income tax under Part I of the Income Tax Act.

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 Income Tax Act. The Fund may deduct over a five-year period the costs and expenses of any offering paid by the Fund, pro-rated for short taxation years.

The Fund may be subject to “minimum tax” under the Income Tax Act. The Manager will endeavour to manage the Fund in a manner such that the Fund will not be subject to minimum tax.

The Income Tax Act provides for special tax on designated income of certain trusts which have designated beneficiaries. The Declaration of Trust prohibits ownership of Units by any person that would be a designated beneficiary for the purposes of the Income Tax Act.

12.0 REMUNERATION OF DIRECTORS, OFFICERS, IRC AND TRUSTEES

The Manager is paid the Management Fee as disclosed in section 8.1.1 of this Annual Information Form. The directors of the Manager and the IRC do not receive any fees from the Fund.

As the Trustee is also the Manager, the Trustee, in its capacity as such, is not entitled to receive fees from the Fund but is entitled to be reimbursed by the Fund for all expenses which it reasonably incurs in connection with the activities of the Fund. No expenses were paid in 2013.

13.0 MATERIAL CONTRACTS

The Fund and/or the Manager, on behalf of the Fund, are party to the Declaration of Trust, the Management Agreement, the Sub-Advisor Agreement and the Custodian Agreement. Copies of these material contracts may be accessed by prospective or existing Unitholders at www.sedar.com under the Fund’s profile. They are also available at the Fund’s office during normal business hours. Details regarding each of these contracts are provided in section 1.1 in the case of the Declaration of Trust and in section 8 in the case of the other contracts.

14.0 OTHER MATERIAL INFORMATION

14.1 Loan Facility

The Fund entered into a Loan Facility with a Canadian chartered bank (the “Lender”) in order to provide the Fund with the ability to utilize leverage to enhance the total return on the Portfolio. The terms,

conditions, interest rates, fees and expenses of and under the Loan Facility are typical for loans of this nature. The Lender is at arm's length to the Fund, the Trustee, the Manager and the Sub-Advisor and their respective affiliates and associates.

SSF Trust may employ leverage of up to 40% 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 Manager, in consultation with the Sub-Advisor, from time to time and implemented by the Manager in accordance with the Investment Strategy. Accordingly, at the maximum leverage level, SSF Trust's assets to equity ratio would be 1.67:1. In the event that leverage exceeded 40% of Total Assets, SSF Trust will sell Portfolio securities in an orderly manner and use the proceeds therefrom to reduce the leverage to or below 40%. SSF Trust may borrow at fixed or floating rates, either directly or indirectly through hedging strategies.

14.2 Risk Factors

Certain risk factors relating to the Fund and the Units are described below. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund and the ability of the Fund to meet its Investment Objectives could be materially adversely affected.

General Risks of Investing in Senior Loans and other Non-Investment Grade Debt

An investment in interests in Senior Loans and other non-investment grade debt involves certain risks. Under the agreements governing most syndicated loans, should the Fund, as a 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 a majority of the lenders. Further, actions could be taken by a majority of the 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, 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 Senior 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 Senior Loan.

A financial institution's appointment as an agent under the agreement governing a Senior 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 Senior Loan and could suffer a loss of principal and/or interest.

Non-investment grade debt securities involve greater risks than investment grade debt securities, including greater risks of default in the payment of interest and principal, lower recovery rates on a security that is in default and greater price changes due to such factors as general economic conditions

and the issuer's creditworthiness. Non-investment grade debt securities may also be less liquid than investment grade debt securities.

The investments of the Fund will expose the Fund to the credit risk of the underlying issuers including risk of default on interest and principal and the risk that the credit ratings of such issuers may be downgraded in certain circumstances. The markets in which non-investment grade debt securities are traded may be less liquid than the markets for investment grade rated securities. In addition, real or anticipated changes in the credit ratings of securities held by the Fund may affect the market value of such securities.

Non-investment grade debt securities can also be regarded as predominantly speculative investments with respect to the issuers' continuing ability to meet principal and interest payments, involve certain greater risk exposure during adverse market conditions and may be subject to substantially greater price volatility, especially during times of adverse economic change.

Risks of Investing in High-Yield Bonds

High-Yield Bonds involve greater risks than investment grade bonds, including risks of default in the payment of interest and principal, lower recovery rates on a bond that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Such securities can be regarded as predominantly speculative, and involve certain risk exposure to adverse conditions and may be subject to substantial price volatility, especially during times of economic change. Lower rated bonds may be less liquid than investment grade securities. During periods of thin trading, the spread between bid and ask prices is likely to increase significantly and the Sub-Advisor may have difficulty selling such securities. There are no formal exchanges on which such High Yield Bonds trade; accordingly, there may be limited liquidity for holders of such bonds.

The Fund invests in High-Yield Bonds. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of interest than higher-rated securities. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of the securities.

High yield securities that are rated BB or lower by S & P's, or Ba or lower by Moody's Investors Service, Inc. are often referred to in the financial press as "junk bonds" and may include securities of issuers in default. "Junk bonds" are considered by the rating 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.

Fluctuation in Value of Portfolio Securities and Performance of the Portfolio

The Net Asset Value will vary according to the value of the securities included in the Portfolio. The Senior Loans, Second Lien Loans and High-Yield Bonds included in the Portfolio will be purchased at their prevailing market price, but such prices will vary, potentially substantially, over time. The Fund, the Manager and the Sub-Advisor have no control over the factors that affect the value of the assets in the Portfolio including both factors that affect the debt markets generally, such as general economic and market conditions, political conditions and fluctuations in interest and exchange rates, and factors unique to issuers of the Senior Loans, Second Lien Loans and High Yield Bonds 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.

Recent and Future Global Financial Developments

Global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. Notwithstanding that central banks as well as governments globally are attempting to restore liquidity to the global economies, no assurance can be given that these efforts will abate the combined impact of the significant revaluations and constraints on the availability of credit on the economies around the world in the near to medium term. Some of these economies are experiencing diminished growth or a recession. Continuing adverse market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of the Fund and the value of the securities included in the Portfolio.

Reinvestment Risk

The Fund's investments will be subject to reinvestment risk as, if current spreads are above long-term spreads, there is a risk that borrowers will prepay their debt as spreads fall.

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 may also fall. Also, to the extent that credit spreads in the market for Senior 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 Senior Loans in the Portfolio, the impact of rising rates will be delayed to the extent of such lag. To the extent the Senior Loans in the 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 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.

Leverage

The Fund may employ leverage of up to 40% 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 40%. 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 in excess of that which would otherwise be experienced if no leverage was utilized. Under certain conditions, leverage may be reduced or discontinued.

No Assurance in Achieving Investment Objectives or Making Distributions

There is no assurance that the Fund will be able to achieve its Investment Objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will appreciate or be preserved. It is possible that, due to declines in the market value of the assets of the Portfolio, the Fund will have insufficient assets to achieve its distribution and capital preservation investment objectives.

Concentration Risk

The Portfolio is concentrated in Senior Loans issued by non-investment grade U.S. borrowers. As a result, the Net Asset Value 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 Senior Loans including, for example, the lack of publicly-available information. Some Senior Loans are not as easily purchased or sold as publicly-traded securities. Some Senior 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, or at all, when it wants to.

Use of Derivatives

The Fund may invest in or use derivative instruments, other than commodity derivatives, for hedging purposes consistent with the Investment Objectives and subject to the Investment Restrictions. For example, the Fund may use derivatives, including foreign exchange forwards and interest rate swaps, with the intention of fixing the interest rate under the leverage facility used by the Fund. No assurance can be given that the Portfolio will be hedged from any particular risk from time to time.

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.

Currency Exposure

As the Portfolio will be invested in securities traded in foreign currencies, the Net Asset Value, when measured in Canadian dollars (or, in the event that a class of Units is denominated in a different currency, such other currency), will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the Canadian dollar (or such other currency, in the event that a class of Units is denominated in a different currency). The Fund may not be fully hedged at all times and distributions received on the Portfolio may not be hedged and accordingly no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Reliance on the Manager and the Sub-Advisor

The Manager and the Sub-Advisor will manage the Portfolio in a manner consistent with the Investment Objectives and the Investment Restrictions. The officers of the Manager and 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, until the termination of the Fund. The performance of the Fund (and therefore the return to Unitholders) will be dependent on the ability of the Manager and the Sub-Advisor to successfully execute the Investment Strategy.

Changes in Legislation and Regulations

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

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb investment losses.

Conflicts of Interest

The Manager and 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 business and affairs of the Fund, each director and officer of the Manager and 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 business and affairs of (in the case of officers) the Fund, the Manager and the Sub-Advisor, as applicable.

Status of the Fund

The Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds. It is not intended that the Fund will be a mutual fund trust for purposes of the Income Tax Act.

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* and are not insured under the provisions of that Act or any other legislation.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act (“FATCA”) generally impose reporting obligations and a 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 made to non-U.S. financial institutions. The Fund may need to comply with FATCA. A recently signed Inter-Governmental Agreement between the Canada and the U.S. (the “Canada-U.S. IGA”) modifies the Fund’s obligations with respect to FATCA. Provided Canada complies with its obligations under the Canada-U.S. IGA and the Fund complies with reporting, verification, due diligence and other procedures established under the Canada-U.S. IGA, the Fund will not be subject to 30% withholding tax on FDAP income paid to it. The Fund may be required to identify and report annually to the Canadian Minister of National Revenue 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). The first reporting period (requiring only partial reporting of information) is 2014 and is required to be reported, according to proposed legislation, by May 2, 2015. The Manager, on behalf of the Fund, will ensure adequate measures are taken in order for the Fund to comply with the Canada-U.S. IGA and the provisions of FATCA, as applicable, and will register the Fund with the U.S. Internal Revenue Service (the “IRS”) in accordance with FATCA requirements through an online registration portal. As of the date of this drafting, the Canada-U.S. IGA has yet to be ratified under Canadian law. To the extent the Canada-U.S. IGA is not ratified under both Canadian law and U.S. law, the Fund may be subject to, in particular, the withholding provisions of FATCA and the Fund’s FATCA obligations may differ from those described above. Investors should consult their own tax advisors regarding the possible implications of this legislation and the Canada-U.S. IGA on their investment and the entities through which they hold their investment.

Residency of the Sub-Advisor

The Sub-Advisor is resident outside Canada and all or a substantial portion of its assets are situated outside Canada. As a result, should the Fund seek to enforce any legal rights against the Sub-Advisor it may find it difficult to do so.

Distressed Securities

Distressed securities purchased by the Fund may be subject to certain additional risks to the extent that such securities may be unsecured and subordinated to substantial amounts of senior indebtedness, a significant portion of which may be secured.

Distressed securities may result in significant returns to the Fund, but also involve a substantial degree of risk. The Fund may lose a substantial portion or all of its investment in a distressed environment or may

be required to accept cash or securities with a value less than the Fund's investment. Among the risks inherent in investments in entities experiencing significant financial or business problems is the difficulty in obtaining information as to the true condition of such issuers. Such investments also may be adversely affected by applicable laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the relevant court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and ask prices of such instruments may be greater than normally expected. In trading, distressed securities, litigation sometimes arises. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Risks Relating to Redemptions

If a significant number of Units are redeemed, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit and a higher management expense ratio. 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 direct the Trustee to suspend the redemption of Units in certain circumstances.

Nature of the Units

The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

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

14.2 Future Accounting Changes

The adoption of *International Financial Reporting Standards* ("IFRS") for investment companies will be mandatory for periods beginning on or after January 1, 2014.

The Manager has developed a plan for the changeover to IFRS. The key elements of the plan include an assessment of differences between Canadian GAAP and IFRS, changes required to financial statement disclosure and the impact on the current process for financial reporting purposes.

Based on the Manager's assessment of the accounting differences between Canadian GAAP and IFRS, the following main differences were identified:

- a) IAS 32, "Financial Instruments; Disclosure and Presentation", requires puttable instruments to be classified as a liability unless certain conditions are met. The Units meet the definition of a puttable instrument. The Manager has assessed the Fund's unitholder structure and expects the liability treatment will be the most appropriate classification.
- b) IFRS 13, "Fair Value Measurements", was published in May 2011. The standard provides guidance on the measurement of fair value and allows for the use of last traded prices to value investments if the last traded prices were between the closing bid prices and closing ask prices. Under Canadian GAAP the fair value of investments for financial statement reporting purposes was required to be measured at closing bid price for long positions and closing ask price for short

positions. The Manager has assessed the guidance that will apply under IFRS and has determined that the use of last traded prices is appropriate in valuing investments.

In addition, the Manager has presently determined other minor impacts of the transition to IFRS will also include additional note disclosure and modifications to existing presentation. The Manager does not expect that the Net Asset Value or the Net Asset Value per Unit will be significantly impacted by the changeover to IFRS.

ANNUAL INFORMATION FORM FOR SFF TRUST

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ADDITIONAL INFORMATION:

Additional information about the Fund is available in the Fund's management report of fund performance and financial statements, and copies of these documents may be obtained at no cost:

- By calling (416) 642-6000 or toll-free at 1-866-642-6001,
- Direct from your dealer, or
- By e-mail at info@bromptongroup.com.

Copies of these documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's website at www.bromptongroup.com or on SEDAR at www.sedar.com.