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**NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS  
AND  
JOINT MANAGEMENT INFORMATION CIRCULAR**

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**ACUITY ALL CAP & INCOME TRUST  
ACUITY DIVERSIFIED TOTAL RETURN TRUST  
ACUITY MULTI-CAP TOTAL RETURN TRUST  
ACUITY GROWTH & INCOME TRUST**

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**SPECIAL MEETINGS OF UNITHOLDERS  
TO BE HELD ON DECEMBER 13, 2007**

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## NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS

of

**ACUITY ALL CAP & INCOME TRUST  
ACUITY DIVERSIFIED TOTAL RETURN TRUST  
ACUITY MULTI-CAP TOTAL RETURN TRUST  
ACUITY GROWTH & INCOME TRUST**

**(collectively, the “Funds”)**

Notice is hereby given that special meetings (the “**Meetings**”) of unitholders of the Funds will be held at the offices of Acuity Funds Ltd., Scotia Plaza, 40 King Street West, 55<sup>th</sup> Floor, Toronto, Ontario, M5H 3Y2, on December 13, 2007 commencing at 3:30 p.m. (Toronto Time).

The purpose of the Meetings is as follows:

**1. Fund Mergers:**

To seek the approval of unitholders of Acuity All Cap & Income Trust, Acuity Diversified Total Return Trust and Acuity Multi-Cap Total Return Trust (the “**Terminating Funds**”) and Acuity Growth & Income Trust (the “**Continuing Fund**”) for the merger (the “**Merger**”) of the Terminating Funds with the Continuing Fund on the basis described in the accompanying Joint Management Information Circular (the “**Information Circular**”) such that all unitholders of the Terminating Funds would receive, in exchange for their units of a Terminating Fund, units of the Continuing Fund having the same net asset value.

**2. Amendment to the Declaration of Trust of the Continuing Fund:**

To seek the approval of unitholders of the Continuing Fund to amend and restate the existing Declaration of Trust governing the Continuing Fund.

**3. Other Business:**

For each of the Funds, to transact such other business as may properly come before the Meetings.

The Information Circular dated November 15, 2007 and the form of Proxy accompany this Notice. We have provided a complete description of the matters to be considered at the Meetings in the Information Circular. The full text of the resolutions to be considered at the Meetings are set out, with respect to the Merger for Acuity All Cap & Income Trust, in Schedule “A” to the Information Circular, for Acuity Diversified Total Return Trust, in Schedule “B” to the Information Circular, for Acuity Multi-Cap Total Return Trust, in Schedule “C” to the Information Circular, for Acuity Growth & Income Trust, in Schedule “D”

to the Information Circular, and with respect to the amendments to the Declaration of Trust of the Continuing Fund in Schedules “E” through “J” to the Information Circular.

Although the Meetings are scheduled to be held at the same time and place for purposes of convenience, unitholders of each Fund will vote separately on the matters to be decided upon by them. The Board of Directors of Acuity Funds Ltd., as manager (the “**Manager**”) of each of the Funds, has fixed the close of business on November 12, 2007 as the record date for the purpose of determining unitholders entitled to receive notice and vote at the Meetings.

**Unitholders of the Funds may obtain the most recent interim and annual financial statements, annual information forms and other additional information relating to the Funds by either accessing the SEDAR website at [www.sedar.com](http://www.sedar.com), by accessing the Manager’s website at [www.acuityfunds.com](http://www.acuityfunds.com) or by calling the Manager’s toll-free telephone number at 1-800-461-4570.**

**Please complete and return the form of proxy provided to you in accordance with the instructions provided therein.**

*Si vous désirez recevoir la version française de ces documents, veuillez communiquer avec votre conseiller financier.*

**DATED** at Toronto this 15<sup>th</sup> day of November, 2007.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
ACUITY FUNDS LTD.  
(AS MANAGER OF THE FUNDS)**

By: (signed) “Ian O. Ihnatowycz”  
Ian O. Ihnatowycz  
President and Chief Executive Officer

**JOINT MANAGEMENT INFORMATION CIRCULAR**

**ACUITY ALL CAP & INCOME TRUST  
ACUITY DIVERSIFIED TOTAL RETURN TRUST  
ACUITY MULTI-CAP TOTAL RETURN TRUST  
ACUITY GROWTH & INCOME TRUST**

November 15, 2007

## JOINT MANAGEMENT INFORMATION CIRCULAR

### GENERAL

Unitholders of each of Acuity All Cap & Income Trust (“**All Cap**”), Acuity Diversified Total Return Trust (“**Diversified**”), and Acuity Multi-Cap Total Return Trust (“**Multi-Cap**”), (All Cap, Diversified and Multi-Cap collectively being referred to as the “**Terminating Funds**”) and Acuity Growth & Income Trust (the “**Continuing Fund**”) are being asked to approve, as applicable, the merger (the “**Merger**”) of each Terminating Fund with the Continuing Fund as described under “Purpose of the Meetings” below. The Terminating Funds and the Continuing Fund are collectively referred to herein as the “**Funds**”. Further, the unitholders of the Continuing Fund are being asked to approve certain amendments to the Declaration of Trust of the Continuing Fund.

All Cap was created under a Declaration of Trust dated April 29, 2004, Diversified was created under a Declaration of Trust dated January 30, 2006, Multi-Cap was created under a Declaration of Trust dated September 28, 2005, and the Continuing Fund was created under a Declaration of Trust dated November 27, 2003. The Funds are closed-end investment funds listed on the Toronto Stock Exchange.

Acuity Funds Ltd. (the “**Manager**” or “**Acuity**”) is the manager and trustee of the Funds. This single Joint Management Information Circular (the “**Information Circular**”) is being utilized for the purposes set out in the accompanying Notice of Special Meetings of Unitholders. Where appropriate, information pertaining to only one Fund has been disclosed separately in this Information Circular from the commentary applicable to the Funds or the Terminating Funds, as the case may be.

This Information Circular contains detailed information about the proposed Mergers and the amendments to the Declaration of Trust of the Continuing Fund. Unitholders of the Funds may obtain the most recent interim and annual financial statements, annual information forms and other additional information relating to the Terminating Funds and the Continuing Fund by accessing the SEDAR website at [www.sedar.com](http://www.sedar.com), by accessing the Manager’s website at [www.acuityfunds.com](http://www.acuityfunds.com), or by calling the Manager’s toll-free telephone number at 1-800-461-4570. See “Information Regarding the Funds”.

Although the Meetings are scheduled to be held at the same time and place for purposes of convenience, unitholders of each Fund will vote separately on the matters to be decided upon by them. The quorum for each meeting of unitholders of a Fund is any two unitholders present in person or by proxy. If within one-half hour from the time appointed for the meeting of unitholders a quorum is not present, then the meeting shall stand adjourned without notice to December 24, 2007, at the same time and place. At such adjourned meeting, the unitholders present in person or by proxy shall constitute a quorum.

Each of the proposed Mergers is subject to unitholder approval. Unitholders of a Fund are entitled to one vote for each whole unit of the applicable Fund held and are not entitled to vote fractional units. A vote for the approval of a Merger of a Terminating Fund with the Continuing Fund will not be effective unless it is approved by two-thirds of the votes cast by unitholders of

the affected Terminating Fund. The Continuing Fund requires the approval of two-thirds of the votes cast by its unitholders to approve the Merger.

No sales charges, redemption fees or other fees or commissions will be payable by unitholders of the Funds in connection with the Mergers. **All costs and expenses associated with the Mergers will be borne by the Manager.**

### **SOLICITATION OF PROXIES**

**The information contained in this Information Circular is provided by the Board of Directors of the Manager, in its capacity as trustee and manager of the Funds in connection with the solicitation of proxies on behalf of the Manager to be used at the Meetings of the unitholders of the Funds.**

The Meetings are to be held concurrently at the offices of Acuity Funds Ltd., Scotia Plaza, 40 King Street West, 55<sup>th</sup> Floor, Toronto, Ontario, M5H 3Y2, on December 13, 2007 commencing at 3:30 p.m. (Toronto Time) for the purposes outlined in the Notice of Special Meetings of Unitholders attached to this Information Circular and under "Purpose of the Meetings" below.

This solicitation is made by the Manager. The Manager may retain a proxy solicitation agent for assistance in connection with the solicitation of proxies in Canada. As well as the solicitation of proxies by the mailing of this Information Circular, directors, officers or employees of the Manager may also solicit proxies by telephone, e-mail, internet, facsimile or other personal contact. **All the costs of the solicitation will be borne by the Manager.**

### **RECORD DATE**

The Board of Directors of the Manager has fixed the close of business on November 12, 2007 (the "**Record Date**") for the purpose of determining which unitholders are entitled to receive notice and vote at the Meetings. Holders of units of a Fund on the Record Date will be entitled to vote at the Meetings with respect to such Fund, except to the extent that such units are redeemed prior to a Meeting.

### **PURPOSE OF THE MEETINGS**

The purpose of the Meetings is:

- (a) for unitholders of each Fund to consider, and if deemed advisable, to authorize, by special resolution, the Merger of each Terminating Fund with the Continuing Fund;
- (b) for unitholders of the Continuing Fund to consider, and if deemed advisable, to authorize certain amendments to the Declaration of Trust of the Continuing Fund; and
- (c) for unitholders of each Fund to transact such other business as may properly come before the Meetings.

The full text of the resolutions to be considered at the Meetings are set out, with respect to the Merger, for Acuity All Cap & Income Trust, in Schedule “A” to the Information Circular, for Acuity Diversified Total Return Trust, in Schedule “B” to the Information Circular, for Acuity Multi-Cap Total Return Trust, in Schedule “C” to the Information Circular, for Acuity Growth & Income Trust in Schedule “D” to the Information Circular, and, with respect to the amendments to the Declaration of Trust of the Continuing Fund, in Schedules “E” through “J” to the Information Circular.

**The Manager recommends that unitholders of the Funds vote in favour of the Mergers and the unitholders of the Continuing Fund vote in favour of amending the Declaration of Trust of the Continuing Fund. If approved, the Mergers will become effective on or about December 28, 2007 (the “Effective Date”).**

## **MERGER**

### **Reasons For The Proposed Mergers**

The effect of the Mergers is that unitholders of each of the Terminating Funds would become unitholders of the Continuing Fund, which would then own directly all of the assets previously owned by each of the Terminating Funds, except for any cash required for a Terminating Fund to extinguish its liabilities. The Manager believes that the Mergers will be beneficial to unitholders of the Funds for the following reasons:

- unitholders of the Funds will enjoy increased economies of scale and lower fund operating expenses on a per unit basis (which are borne indirectly by unitholders) as part of the larger combined Continuing Fund;
- the Mergers will eliminate the administrative and regulatory costs of operating each Fund as a separate investment fund which costs are borne by such Fund and, therefore, indirectly by the unitholders;
- unitholders of the Funds will have greater liquidity for their units in the Continuing Fund on the Toronto Stock Exchange; and
- the Continuing Fund, as a result of its greater net asset value and market capitalization, will benefit from a higher profile in the marketplace than the Terminating Funds.

The Manager is proposing that the Diversified and Multi-Cap mergers be effected on a taxable basis, to allow unitholders of those funds to realize the accrued capital loss on their units. The income tax consequences of the Mergers to unitholders of a Terminating Fund are discussed under “Income Tax Consequences of the Merger”.

## Comparison of the Terminating Funds and the Continuing Fund

If a Merger is completed, a unitholder of a Terminating Fund will become a unitholder of a Continuing Fund. The following is a comparison of certain attributes of the Terminating Funds and the Continuing Fund, **assuming that the amendments to the Declaration of Trust of the Continuing Fund occur as proposed in the Information Circular.**

	<b>All Cap</b> <i>(Terminating Fund)</i>	<b>Diversified</b> <i>(Terminating Fund)</i>	<b>Multi-Cap</b> <i>(Terminating Fund)</i>	<b>Continuing Fund</b>
<i>Performance: (per NAV)</i>	1 Year: 8.5% 2 Year: 15.6%	1 Year: 0.5% 2 Year: n/a	1 Year: (14.4%) 2 Year: 0.1%	1 Year: 9.8% 2 Year: 17.8%
	Since Inception: 17.2%	Since Inception: 0.8%	Since Inception: 0.9%	Since Inception: 19.5%
<i>NAV per Unit as at October 31, 2007:</i>	\$11.60	\$8.39	\$8.18	\$13.18
<i>Current monthly distribution rate per Unit:</i>	\$0.0583	\$0.0583	\$0.0667	\$0.0583 <i>(\$0.08 commencing with the record date on December 31, 2007)</i>
<i>Investment Objectives:</i>	(i) to provide unitholders with monthly distributions;  (ii) to preserve capital throughout the life of the All-Cap; and  (iii) to enhance the long-term total return within the Portfolio.	(i) to provide unitholders with monthly distributions;  (ii) to enhance the long-term total return within the Portfolio; and  (iii) to return to unitholders upon termination of the Diversified at least the original issue price (\$10.00 per unit) of the units.	(i) to provide unitholders with monthly distributions;  (ii) to enhance the long-term total return within the Portfolio; and  (iii) to return to unitholders upon termination of the Multi-Cap at least the original issue price (\$10.00 per unit) of the units.	(i) to provide unitholders with monthly distributions;  (ii) to preserve capital throughout the life of the Continuing Fund; and  (iii) to enhance the long-term total return within the Portfolio.
<i>Investment Strategies:</i>	The investment advisor employs an “asset allocation” investment approach coupled with a multiple market capitalization strategy, whereby the investment advisor diversifies the All Cap’s investments within the various asset classes and market capitalizations.  Various asset classes which may comprise	The investment advisor employs an “asset allocation” investment approach, whereby the investment advisor diversifies the Diversified’s investments within the various asset classes.  Various asset classes which may comprise	The investment advisor employs a multiple market capitalization strategy, whereby the investment advisor diversifies the Multi-Cap’s investments across various market capitalizations.  Various asset classes and market	The investment advisor employs an “asset allocation” investment approach, whereby the investment advisor diversifies the Continuing Fund’s investments within the various asset classes.  Various asset classes which may comprise

	<b>All Cap (Terminating Fund)</b>	<b>Diversified (Terminating Fund)</b>	<b>Multi-Cap (Terminating Fund)</b>	<b>Continuing Fund</b>																																														
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<i>Annual Redemption Date:</i>	Last business day of May.	Last business day of August.	Last business day of April.	Last business day of November.																																														
<i>Termination Dates:</i>	May 31, 2014.	August 31, 2016.	April 30, 2016.	No fixed termination date.																																														
<i>Registered Plan Eligibility:</i>	Units are qualified investments under the <i>Income Tax Act</i> (Canada) for registered plans such as registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans.	Same as Acuity All Cap.	Same as Acuity All Cap.	Same as Acuity All Cap.																																														

	<b>All Cap</b> <i>(Terminating Fund)</i>	<b>Diversified</b> <i>(Terminating Fund)</i>	<b>Multi-Cap</b> <i>(Terminating Fund)</i>	<b>Continuing Fund</b>
<i>Annual Management Fees:</i>	Manager receives 1.10% of the net asset value of the Trust, plus an amount equal to the Service Fee (0.40% of the net asset value per unit) payable to the registered dealers, plus applicable taxes.	Same as Acuity All Cap.	Same as Acuity All Cap.	Same as Acuity All Cap.
<i>Manager and Trustee:</i>	Acuity Funds Ltd.	Acuity Funds Ltd.	Acuity Funds Ltd.	Acuity Funds Ltd.

### **Procedures For The Mergers**

Each of the proposed Mergers of the Terminating Funds into the Continuing Fund will be completed as follows.

The Terminating Fund will transfer all of its assets except such cash as is required to extinguish the liabilities of the Terminating Fund to the Continuing Fund in exchange for units of the Continuing Fund. The units of the Continuing Fund received by the Terminating Fund will have an aggregate net asset value equal to the net asset value of the Terminating Fund and will be issued at the net asset value per unit of the Continuing Fund in each case as of the close of business on the Effective Date if the Merger is approved by the unitholders.

Immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund in proportion to the number of units held in the Terminating Fund. Each unitholder will receive units of the Continuing Fund having the same aggregate net asset value per unit as their units of the Terminating Fund as of the close of business on the Effective Date if the Merger is approved by the unitholders.

Subsequent to the passing of the resolution approving the Merger, no further action will be required by a unitholder to participate in the Merger. No fractional units of the Continuing Fund will be issued under the Merger. The Continuing Fund will issue to CDS cash in lieu of fractional units of the Continuing Fund. Allocation of cash to unitholders will be made through CDS.

As soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

The Manager will issue a press release forthwith after the Merger is completed announcing the completion of the Merger and the ratio by which units of each Terminating Fund were exchanged for units of the Continuing Fund. The records of the broker or other intermediary through whom a unitholder holds his or her units should reflect the Merger within four business days after the Merger.

## **Regulatory Approval**

A condition precedent to each Merger becoming effective will be that all required regulatory and third party approvals are obtained prior to the Effective Date. Such regulatory approvals may include, without limitation, the approval of the TSX.

## **Risk Factors**

The risk factors which unitholders should be aware of relating to an investment in the Continuing Fund are set out at pages 40 to 43 of the prospectus of the Continuing Fund dated November 27, 2003 which is incorporated by reference herein. In addition, if the matters in this Information Circular are approved, the unitholders should consider the following risk factor relating to owning units of the Continuing Fund.

### *SIFT Rules*

The Manager has advised counsel that the total fair market value of all properties held by each of the Terminating Funds and the Continuing Fund that are “Canadian real, immovable or resource properties” as defined under the provisions of the *Income Tax Act (Canada)* (the “**Tax Act**”) providing for a tax on certain income earned by a specified investment flow through trust or partnership which provisions were introduced as Bill C-52 and became law on June 22, 2007 (the “**SIFT Rules**”) will, at the time of the Merger likely be greater than 50% of the equity value of each such Fund and could be expected to be so from time to time in the future. Consequently, the Continuing Fund would be considered a SIFT trust and potentially subject to taxation under the SIFT Rules in 2011 and subsequent years. With respect to the 2007 to 2010 taxation years, the Continuing Fund would not be subject to the new distribution tax under the SIFT Rules provided that future issuances of new equity by the Continuing Fund do not exceed the growth guidelines released by the Minister of Finance on December 15, 2006 (the “**Growth Guidelines**”) during that period of time. The issue of new units by the Continuing Fund in connection with the Mergers, will not be considered the issue of new equity under the Growth Guidelines. The Growth Guidelines provide that the merger of two or more SIFT trusts, each of which was publicly traded on October 31, 2006, will not be considered growth to the extent there is no net addition to equity as the result of the merger.

## **AMENDMENTS TO THE DECLARATION OF TRUST OF THE CONTINUING FUND**

### *A. Investment Strategy*

The unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust to permit the Continuing Fund to change the investment strategy of the Continuing Fund.

Currently, the Continuing Fund employs an “asset allocation” investment approach to diversify its investments within the various asset classes. Permitted ranges have been established for each asset class within the Portfolio. At the present time the various asset classes which may comprise the Portfolio and the permitted ranges of each such asset class is as set forth in the table below.

<b>Asset Class</b>	<b>Permitted Ranges</b>
Income Funds	25-90%
Dividend Paying Common Shares	10-75%
Common Shares	0-25%
Other Securities	0-20%
Cash	0-50%

The Manager proposes to change the permitted ranges from as set out above to the following:

<b>Asset Class</b>	<b>Permitted Ranges</b>
Income Funds	0-50%
Dividend Paying Common Shares	10-75%
Common Shares	0-50%
Other Securities	0-20%
Cash	0-50%

The Manager believes that it is in the best interests of the Continuing Fund unitholders to vary the permitted ranges of the Continuing Fund for the following reasons. As a result of the announcement on October 31, 2006 by the Minister of Finance (Canada) regarding the proposed measures to tax certain distributions from publicly-traded income trusts and partnerships, the Manager believes that the Continuing Fund would benefit from having the flexibility to reduce its holdings in publicly-traded income trusts and partnerships. Further, varying the permitted ranges grants the Continuing Fund the ability to consummate the Merger, and the flexibility to achieve its investment objectives. Finally, the amended ranges allow the Continuing Fund to diversify its Portfolio (as defined in the Declaration of Trust of the Continuing Fund) to ensure that the Manager has the ability to invest in Portfolio Securities (as defined in the Declaration of Trust of the Continuing Fund) which it believes present the greatest opportunity to maximize returns for unitholders.

As announced on November 15, 2007, if the proposed Merger is successful, it is expected that the indicative distribution amount for the Continuing Fund will be revised to \$0.96 per unit per annum, starting with the record date on December 31, 2007 which will be paid on January 15, 2008. As a result of the changes to the permitted ranges, the return on the Portfolio may be less than the amount necessary to fund the monthly distributions and the Manager may return a portion of the capital of the Fund to unitholders to ensure that the distribution is paid and, accordingly, NAV per unit will be reduced.

Accordingly, the Continuing Fund is requesting that its unitholders approve the following changes:

**Replace the following portion of Section 2.4 of the Declaration of Trust:**

<u>Asset Class</u>	<u>Expected Ranges</u>	<u>Permitted Ranges</u>
Income Funds	50-80%	25-90%
Dividend Paying Common Shares	15-50%	10-75%
Common Shares	0-10%	0-25%
Other Securities	0-5%	0-20%
Cash	0-5%	0-50%

**With the following:**

<u>Asset Class</u>	<u>Permitted Ranges</u>
Income Funds	0-50%
Dividend Paying Common Shares	10-75%
Common Shares	0-50%
Other Securities	0-20%
Cash	0-50%

However, notwithstanding the foregoing, the Trust shall not have to comply with these permitted ranges during the period of 90 days before the termination date of the Fund.”

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule “E” to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust will not be implemented.

*B. Permitted Merger*

The unitholders are being asked to pass a resolution to amend the Declaration of Trust to allow the Continuing Fund to merge or combine or consolidate the Continuing Fund with any one or more other investment funds.

Currently, unitholder approval given by a two-thirds majority vote is required for the following:

- (i) a reorganization with, or transfer of assets to, a mutual fund trust, if

- (a) the Fund ceases to continue after the reorganization or transfer of assets; and
  - (b) the transaction results in Unitholders becoming securityholders in the mutual fund trust; or
- (ii) a reorganization with, or acquisition of assets of, a mutual fund trust, if
- (a) the Fund continues after the reorganization or acquisition of assets;
  - (b) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the Fund; and
  - (c) the transaction would be a significant change to the Fund.

The Manager believes that it would be in the best interest of the unitholders to allow the Continuing Fund to engage in certain mergers without having to seek the approval of unitholders prior thereto. The Manager believes that allowing the Continuing Fund the flexibility to merge or otherwise combine or consolidate the Continuing Fund with any one or more other investment funds with similar investment objectives administered by the Manager or the investment advisor of the Continuing Fund or an affiliate of the Manager or the investment advisor of the Continuing Fund or their respective successors is in the best interests of the unitholders. The Manager believes that for greater efficiency and in order to avoid the expense associated with holding meetings, the best interest of the unitholders would be to allow such mergers without unitholder approval. Accordingly, the Continuing Fund is requesting that unitholders approve the following changes to the Declaration of Trust:

**Add the following definition at Section 1.1 of the Declaration of Trust:**

**“Permitted Merger”** means a merger or other combination or consolidation of the Trust with any one or more other investment funds with similar investment objectives administered by the Manager or the Investment Advisor or an affiliate of the Manager or the Investment Advisor or their respective successors provided that (i) the merger is done on a relative Net Asset Value Per Unit basis and (ii) Unitholders are permitted to redeem their Units at a redemption price equal to the Net Asset Value, less any costs of funding such redemptions, prior to the effective date of the merger.”

**And, add to the end of Subsection 7.2 of the Declaration of Trust the following:**

“(t) to effect a Permitted Merger.”

**And, replace Subsections 16.3(vi) and (vii) of the Declaration of Trust with the following:**

“(vi) a reorganization (other than a Permitted Merger) with, or transfer of assets to, a mutual fund trust, if

- (A) the Trust ceases to continue after the reorganization or transfer of assets; and
- (B) the transaction results in Unitholders becoming securityholders in the mutual fund trust;

(vii) a reorganization (other than a Permitted Merger) with, or acquisition of assets of, a mutual fund trust, if

- (A) the Trust continues after the reorganization or acquisition of assets;
- (B) the transaction results in the securityholders of the mutual fund trust becoming Unitholders; and
- (C) the transaction would be a material change to the Trust;”

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule “F” to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub> % of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust will not be implemented.

### *C. Financial Statements*

The unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust to permit the Continuing Fund to make financial statements and other documents available to the unitholders in accordance with NI 81-106.

Currently, the Declaration of Trust provides that the Continuing Fund must send or arrange to have sent by the transfer agent to each unitholder reports containing such information and at such time as the Manager may reasonably determine or as may be required under applicable law or policies of applicable securities regulatory authorities, including unaudited semi-annual financial statements and audited annual financial statements. In order to reduce expenses associated with the preparation and mailing of such financial statements, and to bring the Declaration of Trust of the Continuing Fund into conformity with the current disclosure requirements for investment funds, the Manager believes that it is in the best interest of the unitholders to pass a resolution amending the Declaration of Trust so that the Continuing Fund will only be required to provide unitholders with such financial statements and other continuous disclosure documents as may be required by applicable law. Accordingly, the Continuing Fund is requesting that the unitholders approve the following changes:

**Replace Section 14.1 of the Declaration of Trust with the following:**

“Within 90 days after the end of each taxation year of the Trust (or such shorter time as may be required by the Tax Act), the Trustee or, if applicable, the Transfer Agent shall provide to CDS for delivery to CDS Participants all forms required under the Tax Act, or such information as may permit CDS Participants to prepare such forms, with respect to amounts paid or payable by the Trust to the Unitholder in the taxation year and containing such other information as may be required under the Tax Act. The Trust will make available to Unitholders unaudited semi-annual and audited financial statements of the Trust and other documents in accordance with NI 81-106. No Unitholder shall be entitled to any other accounting with respect to the Trust or his holding of Units, except as may be required by applicable laws, regulations or governmental policies.”

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule “G” to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust of the Continuing Fund will not be implemented.

*D. Issue of Units*

The unitholders are being asked to pass a resolution to amend the Declaration of Trust of the Continuing Fund to allow the Continuing Fund greater flexibility to issue units, including new classes or series of units, and other securities, such as rights, warrants and options, of the Continuing Fund.

Currently, the Continuing Fund is permitted to issue units or other securities of the Continuing Fund only:

- (i) at a price not less than the net asset value per unit;
- (ii) by way of the Fund’s DRIP;
- (iii) by way of an offering of rights, to existing unitholders subject to section 3.2 of the Declaration of Trust of the Continuing Fund;
- (iv) by way of unit distributions to existing unitholders; or
- (v) with the approval of unitholders.

Further, the Declaration of Trust states that the beneficial interest in the Fund shall be divided into interests of one class of units. The Manager believes that it would be in the best

interest of the unitholders to amend the Declaration of Trust to allow the Continuing Fund greater flexibility to issue new classes or series of units, and other securities, such as rights, warrants and options, of the Continuing Fund.

Accordingly, the Continuing Fund is requesting that unitholders approve the following changes:

**Replace the following portion from Section 3.3 of the Declaration of Trust:**

“Subsequent to the issue of Units pursuant to the Public Offering, Units or other securities of the Trust shall be issued only:

- (i) at a price not less than the Net Asset Value Per Unit;
- (ii) by way of the Trust’s DRIP;
- (iii) by way of an offering of rights, to existing Unitholders subject to section 3.2;
- (iv) by way of Unit distributions to existing Unitholders; or
- (v) with the approval of Unitholders.

Subject to the limitations set forth herein, such additional Units may be allotted and issued at such times, to such Persons, at such subscription prices and on such other terms and conditions as the Manager in its sole discretion shall determine.”

**With the following:**

“Additional securities, including new classes or series of units, and other securities may be allotted and issued at such times, to such Persons, at such subscription prices and on such other terms and conditions as the Manager in its sole discretion shall determine.”

**Replace the following portion of Section 3.1 of the Declaration of Trust:**

“The beneficial interest in the Trust shall be divided into interests of one class and of equal value, referred to as “Units”, which includes fractions thereof.”

**With the following:**

“The beneficial interest in the Trust shall be divided into interests of one or more classes or series referred to as “Units” for the purposes of this Declaration of Trust, which includes fractions thereof.”

**And add the following to the end of Section 16.1 of the Declaration of Trust:**

“(vi) make any necessary alterations or changes to this Declaration of Trust with respect to the designation, rights, privileges, restrictions and conditions attaching to any additional securities that may be issued by the Trust from time to time.”

**And, delete the following subsection of Section 16.3:**

“(x) in certain circumstances described in Section 3.3, the issuance of additional Units;”

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule “H” to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub>% of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust will not be implemented.

*E. Rights, Warrants and Options*

The unitholders are being asked to pass a resolution to amend the Declaration of Trust to allow the Continuing Fund greater flexibility to create and issue other securities including rights, warrants, options or convertible debentures (collectively, “**Other Securities**”) of the Continuing Fund.

Presently, the Continuing Fund is permitted to create and issue Other Securities subject to compliance with the requirements of applicable securities regulatory authorities provided that, if the issue of such securities could result, by their terms, in the issuance of units, the net proceeds per unit issued taking into account both the price paid for such securities and the amount to be paid pursuant to the exercise, conversion or exchange of such securities, may not be less than the most recently calculated net asset value per unit prior to the pricing of such securities. The Manager believes that it would be in the best interests of the unitholders to permit the Continuing Fund to create and issue Other Securities without the requirement for the proceeds thereof to meet or exceed the most recently calculated net asset value per unit prior to the pricing of such securities for the following reasons: (i) it is common that the market value per unit may be less than that of the net asset value per unit, accordingly, there would be no market for units priced above the price at which investors may purchase the units on the secondary market; (ii) there are commonly commissions payable to agents upon the placing of units with investors, the requirement for net proceeds to exceed the net asset value per unit further inhibits the potential to market securities, and (iii) the greater flexibility granted to the Manager by removing the requirement to secure a certain level of proceeds allows the Manager to respond to market

conditions to act in a manner that is in the best interest of the unitholders. Accordingly, the Continuing Fund is requesting that unitholders approve the following changes:

**Replace Section 3.2 of the Declaration of Trust with the following:**

“The Trust may create and issue other securities including rights, warrants, options or convertible debentures, at such time or times and on such terms and conditions as the Manager may determine, subject to compliance with the requirements of applicable securities regulatory authorities.”

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule “I” to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub> % of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust will not be implemented.

*F. Termination Date*

The unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust of the Continuing Fund so that the Continuing Fund has no fixed termination date.

Currently, the Declaration of Trust provides that the Continuing Fund shall terminate on November 30, 2013. The Manager believes that amending the Declaration of Trust of the Continuing Fund so that the Continuing Fund has no fixed termination date would permit the Continuing Fund to invest in portfolio securities with a view towards longer term investment objectives. The Manager also believes that the amendment of the termination date results in greater liquidity for the units of the Continuing Fund. By extending the term of the Fund, unitholders will have greater flexibility over the timing of any potential exit from their investment in the Continuing Fund. Accordingly, the Continuing Fund is requesting that unitholders approve the following changes to the Declaration of Trust of the Continuing Fund:

**Replace Section 17.1 of the Declaration of Trust with the following:**

“The Trust does not have a fixed termination date but may be terminated at any time upon not less than 90 days' written notice to the Trustee from the Manager with the prior approval of Unitholders by a resolution passed by holders of more than 50% of the Units voting thereon at a meeting duly convened for the consideration of such termination, provided that Unitholders holding at least 10% of the Units outstanding on the record date for voting at the meeting vote in favour of such resolution.

In addition, the Manager may, in its discretion, terminate the Trust without the approval of Unitholders if it believes it is no longer economically

practical to continue the Trust or the Manager determines that it would be in the best interest of Unitholders to terminate the Trust, or to terminate the Trust in connection with a Permitted Merger.

Any such event is referred to as the "Termination Date". The Manager may, in its discretion and upon not less than 30 days prior written notice to Unitholders, extend the Termination Date by a maximum of 180 days if the Manager would be unable to convert all the assets of the Trust to cash and the Manager determines that it would be in the best interests of the Unitholders to do so."

**And, replace the following portion of Section 16.3 of the Declaration of Trust:**

"None of the following may be effected without the consent of Unitholders given by a two-thirds majority vote (other than items (ix), (x) and (xii) which require approval of a simple majority vote) at a meeting duly called and held for such purpose:"

**With the following:**

"None of the following may be effected without the consent of Unitholders given by a two-thirds majority vote (other than items (viii) which requires approval of a simple majority vote, provided that the Unitholders holding at least 10% of the Units outstanding on the record date for the meeting vote in favour of such matter and item (x)) at a meeting duly called and held for such purpose:"

**And, replace Subsections 16.3(viii) and (ix) of the Declaration of Trust with the following:**

"except in certain circumstances as set forth under Section 11.8 and the second paragraph of Section 17.1, the termination of the Trust;"

In order to implement the foregoing amendment, unitholders are being asked to pass the resolution attached as Schedule "J" to this Information Circular. In order to pass the resolution, at least 66<sup>2</sup>/<sub>3</sub> % of the votes cast at the meeting of holders of units of the Continuing Fund must be voted in favour of such resolution. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event unitholder approval is not given, the proposed amendments to the Declaration of Trust will not be implemented.

## INFORMATION REGARDING THE FUNDS

Additional information about each of the Funds is included in documents filed by the Funds with securities commissions or similar authorities in Canada. Copies of these documents are available on the System for Electronic Disclosure and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) and the Manager's website at [www.acuityfunds.com](http://www.acuityfunds.com) and may be obtained upon request without charge by calling the Manager's toll free telephone number at 1-800-461-4570 or writing Acuity Funds Ltd., 40 King Street West, Toronto, Ontario M5H 3Y2.

The following documents filed with the securities commissions or similar authorities in Canada are specifically incorporated by reference into and form an integral part of this Information Circular:

### *The Funds*

- Annual Financial Statements of the Funds for the year ended December 31, 2006 as filed March 22, 2007;
- Interim Financial Statements of the Funds for the six months ended June 30, 2007 as filed August 28, 2007;
- Press Release announcing particulars of Merger dated November 15, 2007;

### *Acuity All Cap & Income Trust*

- Annual Management Report of Fund Performance for the year ended December 31, 2006 as filed March 22, 2007;
- Annual Information Form for the year ended December 31, 2006 as filed March 28, 2007;
- Interim Management Report of Fund Performance for the six months ended June 30, 2007 as filed August 28, 2007;

### *Acuity Diversified Total Return Trust*

- Annual Management Report of Fund Performance for the year ended December 31, 2006 as filed March 22, 2007;
- Annual Information Form for the year ended December 31, 2006 as filed March 28, 2007;
- Interim Management Report of Fund Performance for the six months ended June 30, 2007 as filed August 28, 2007;

### *Acuity Multi-Cap Total Return Trust*

- Annual Management Report of Fund Performance for the year ended December 31, 2006 as filed March 22, 2007;
- Annual Information Form for the year ended December 31, 2006 as filed March 28, 2007;
- Interim Management Report of Fund Performance for the six months ended June 30, 2007 as filed August 28, 2007;

*Acuity Growth & Income Trust*

- Annual Management Report of Fund Performance for the year ended December 31, 2006 as filed March 22, 2007;
- Annual Information Form for the year ended December 31, 2006 as filed March 28, 2007;
- Interim Management Report of Fund Performance for the six months ended June 30, 2007 as filed August 28, 2007; and
- “Risk Factors” as set out at pages 40 to 43 of the Prospectus dated November 27, 2003.

Any of the documents of the type referred to above and any material change reports (excluding confidential material change reports) subsequently filed by any Fund with the securities commissions and any similar authority in Canada after the date of this Information Circular and prior to the Meetings shall be deemed to be incorporated by reference into this Information Circular.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Information Circular to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statements. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Circular. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

## **MANAGEMENT OF THE FUNDS**

Pursuant to the Declaration of Trust of each Fund, Acuity is the manager of such Fund. The following is a description of the management arrangements for each Fund which are substantially the same for each.

Acuity is responsible for providing or arranging for required administrative services to the Fund including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements and financial and accounting information as required by the Fund; ensuring that financial statements and other reports are available to unitholders as are required by applicable law from time to time; ensuring that the Fund complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Fund’s reports to unitholders and the Canadian securities regulatory authorities; determining the amount of distributions to be made by the Fund; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, auditors and printers.

Acuity is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

Acuity may resign as manager of the Fund upon 60 days' notice to the unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of same has been given to the Manager, the unitholders may remove the Manager and appoint a successor manager.

Acuity is entitled to fees for its services under the Declaration of Trust as described under "Management Fees" and will be reimbursed for all reasonable costs and expenses incurred by Acuity on behalf of the Fund. In addition, Acuity and each of its directors, officers, employees and agents will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Acuity or any of its officers, directors, employees or agents in the exercise of its duties as manager, if they do not result from Acuity's wilful misconduct, bad faith, negligence or breach of its obligations under the Declaration of Trust and the Fund has reasonable grounds to believe that the action or inaction that gave rise to the claim was in the best interests of the Fund.

The name and municipality of residence of each of the directors and officers of the Manager is as follows:

Name and Municipality of Residence	Office
IAN O. IHNATOWYCZ Toronto, Ontario	President, Chief Executive Officer and Director
GEORGE HENRY Toronto, Ontario	Chief Financial Officer
N. WILLIAM C. ROSS Toronto, Ontario	Secretary and Director
WAYNE T. EGAN Toronto, Ontario	Director
ROBERT MITCHELL Oakville, Ontario	Director
ALAN HUBBS Colborne, Ontario	Director

## INCOME TAX CONSEQUENCES OF THE MERGERS

This is a general summary of the principal Canadian federal income tax consequences of the Mergers relevant to a unitholder of a Terminating Fund who is an individual (other than a trust) resident in Canada who deals with the Terminating Fund at arm's length and who holds securities of the Terminating Fund as capital property. This description is based on the current provisions of the Tax Act and the regulations thereunder (the "**Tax Regulations**"), all specific

proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and current administrative practices and assessing policies published by the Canada Revenue Agency (“CRA”). The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative practices of the CRA, nor does it consider provincial, territorial or foreign income tax consequences.

**The summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder. Accordingly, unitholders should consult with their own tax advisors for advice with respect to the tax consequences of the Mergers having regard to their own particular circumstances.**

### **Redemption of Securities Prior to Merger**

A unitholder who redeems securities of a Fund on or before the date of the Merger will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the aggregate of the unitholder’s adjusted cost base of the securities redeemed and any reasonable costs of disposition. A unitholder who is not exempt from tax must include one-half of a capital gain (a “**taxable capital gain**”) in income. One-half of a capital loss (an “**allowable capital loss**”) realized by a unitholder in a year will be deductible against taxable capital gains realized by the unitholder in that year. Allowable capital losses in excess of taxable capital gains realized in any year may, subject to certain limitations under the Tax Act, be carried-back three years or forward indefinitely for deduction against taxable capital gains realized in those years.

### **Tax Implications of the Mergers**

The Manager is proposing that the Diversified and Multi-Cap mergers occur on a taxable basis (“**Type 1 Merger**”) and the All Cap merger occurs on a non-taxable basis (“**Type 2 Merger**”).

#### *Type 1 Merger and Type 2 Merger*

The Tax Act provides for certain mutual fund mergers to be effected on a tax deferred basis for the merging funds and their unitholders if the merger satisfies certain conditions and the merging funds make an election to have the qualifying exchange rules apply. However, in a qualifying exchange, realized and unrealized net capital and non-capital losses of the merging funds cannot be deducted by the funds after the merger. An election to have the qualifying exchange rules apply will be made in respect of the Type 2 Merger. In the case of the Type 1 Mergers, while an election could be made to treat each such merger as a qualifying exchange, unitholders of the Terminating Fund who have significant accrued capital losses in respect of their units of the Terminating Funds would not realize such losses if an election was filed. The Type 1 Mergers will involve Diversified and Multi-Cap as the Terminating Funds. The Type 2 Merger will involve All Cap as the Terminating Fund.

*Type 1 Merger – Taxable*

Each of the Terminating Funds will dispose of all their assets to the Continuing Fund and will realize for tax purposes a taxable gain or loss on the disposition of such assets. It is anticipated that the Terminating Funds will have sufficient tax losses to offset against any taxable gains so they will not realize any taxable income as a result of such disposition. To the extent that the Terminating Funds have any remaining tax losses, these losses cannot be used to shelter future taxable income or gains once the Terminating Funds are wound-up.

The expiry of any unused tax losses will not affect the net asset values or unit values of either of the Terminating Funds. Such tax losses would expire in any event, once the Type 2 Merger is completed.

Immediately after the time of transfer of each Terminating Fund's assets to the Continuing Fund, the Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains to unitholders of the Terminating Fund to ensure that the Terminating Fund will not be subject to tax under Part I of the Tax Act in respect of the period ending on the date of the Merger.

The distribution by each Terminating Fund of units of the Continuing Fund upon the redemption of all of the Terminating Fund's outstanding units will not result in any further capital gain or loss for the Terminating Fund. A unitholder of the Terminating Fund will realize a capital gain (or loss) to the extent that the fair market value of the units of the Continuing Fund received on the redemption exceeds (or is exceeded by) the adjusted cost base for his or her units of the Terminating Fund. The cost to such unitholders of units in the Continuing Fund will be equal to the fair market value of those units on the date of the Merger, subject to adjusted cost base averaging rules that will apply if the unitholder otherwise holds units of the Continuing Fund.

*Type 2 Merger – Non Taxable*

The Terminating Fund and the Continuing Fund will jointly elect for their Merger to be completed as a qualifying exchange in accordance with the mutual fund merger rules in the Tax Act so that the Merger will occur on tax-deferred basis for both the Terminating Fund and the Continuing Fund and their unitholders. The Terminating Fund will transfer assets to the Continuing Fund in exchange for units of the Continuing Fund. For income tax purposes, a transferred asset of a Terminating Fund will be deemed to be disposed of for: (i) its fair market value, where there is an accrued loss on the asset; or (ii) an amount, elected by the Terminating Fund and the Continuing Fund, between the Terminating Fund's adjusted cost base and the fair market value of the asset, where the asset has accrued gain. The Terminating Fund intends to elect at an amount to realize gains (to the extent possible) on the transferred assets described in (ii) to offset any losses realized on the transfer of the assets described in (i) above and any existing losses in the Terminating Fund.

The Continuing Fund will be deemed for tax purposes to dispose of and reacquire all of its assets on the date of the Fund mergers (other than those acquired from the Terminating Fund), subject to the same restrictions described above relating to the Terminating Fund. As a result,

the Continuing Fund will realize all of its accrued capital losses and, to the extent it elects, accrued capital gains.

Non-capital losses and net capital losses of the Terminating Fund and the Continuing Fund realized in taxation years ending on or before the date of the Fund mergers cannot be deducted by either of those Funds in taxation years beginning after the Effective Date of the Fund.

The Type 2 Merger will result in a taxation year end for the Terminating Fund and the Continuing Fund. As a result, immediately after the time of transfer of the Terminating Fund's assets to the Continuing Fund, each Fund will distribute a sufficient amount of its net income and net realized capital gains to ensure that it will not be subject to tax under Part I of the Tax Act for the taxation year ending on the date of the Fund mergers. Generally, the distributions paid to unitholders must be included in the unitholder's income for the taxation year in which the merger occurs.

The redemption of units of a Terminating Fund and the distribution of units of a Continuing Fund in exchange for the units of the Terminating Fund as part of a Fund merger will not result in the realization of a capital gain or capital loss to the Terminating Fund or to the unitholders of the Terminating Fund. The units of the Continuing Fund received by a unitholder will have an aggregate adjusted cost base equal to the aggregate adjusted cost base of the unitholder's units of the Terminating Fund so redeemed, subject to adjusted cost base averaging rules that will apply if the unitholder otherwise holds units of the Continuing Fund.

### **Tax Consequences of Investing in the Continuing Fund**

Please refer to the Annual Information Form for the year ended December 31, 2006 of the Continuing Fund for a description of the income tax consequences of acquiring, holding and disposing of securities of the Continuing Fund.

The Manager has advised counsel that the total fair market value of all properties held by each of the Terminating Funds and the Continuing Fund that are "Canadian real, immovable or resource properties" as defined under the provisions of the Tax Act providing for a tax on certain income earned by a specified investment flow through trust or partnership which provisions were introduced as Bill C-52 and became law on June 22, 2007 (the "**SIFT Rules**") will, at the time of the Merger likely be greater than 50% of the equity value of each such Fund and could be expected to be so from time to time in the future. Consequently, the Continuing Fund would be considered a SIFT trust and potentially subject to taxation under the SIFT Rules in 2011 and subsequent years. With respect to the 2007 to 2010 taxation years, the Continuing Fund would not be subject to the new distribution tax under the SIFT Rules provided that future issuances of new equity by the Continuing Fund do not exceed the growth guidelines released by the Minister of Finance on December 15, 2006 (the "**Growth Guidelines**") during that period of time. The issue of new units by the Continuing Fund in connection with the Mergers, will not be considered the issue of new equity under the Growth Guidelines. The Growth Guidelines provide that the merger of two or more SIFT trusts, each of which was publicly traded on October 31, 2006, will not be considered growth to the extent there is no net addition to equity as the result of the merger.

## **Qualification for Investment**

Provided that the Continuing Fund qualifies at all times as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans.

## **OTHER BUSINESS**

Management knows of no other business to be presented at the Meeting. If any additional matters should be properly presented, it is intended that the enclosed Proxy will be voted in accordance with the judgment of the persons named in the Proxy.

## **APPOINTMENT OF PROXIES**

**The persons named in the proxy accompanying this Information Circular are representatives of the management of the Funds. A unitholder has the right to appoint a person other than the persons specified in proxy to attend and act on behalf of such unitholder at the Meeting. Such right may be exercised by striking out the names of the persons specified in the proxy, inserting the name of the person to be appointed in the blank space so provided, signing the proxy and returning it in the reply envelope or by facsimile.**

## **REVOCABILITY OF PROXIES**

A unitholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. **If you are a Beneficial Unitholder (defined below) and wish to revoke your proxy, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

## **VOTING OF PROXIES**

Units represented by properly executed proxies in favour of the persons designated by management will be voted at the Meetings in accordance with the instructions contained therein and, in the absence of such instructions, will be voted **IN FAVOUR OF** the matters referred to in the proxy.

The enclosed proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Special Meetings of Unitholders and with respect to other matters which may properly come before the Meetings in respect of which the proxy is granted or any adjournments of such Meetings. As of the date hereof, the Manager of the Funds knows of no such amendments, variations or other matters to come before the Meetings.

## **VOTING OF UNITS — ADVICE TO BENEFICIAL HOLDERS OF UNITS**

**The information set forth in this section is of significant importance to all beneficial unitholders, as the issued and outstanding units of the Funds are not registered in the names of such holders (the “Beneficial Unitholders”).**

Beneficial Unitholders should note that only proxies deposited by unitholders of the Funds whose names are on the records of the applicable Fund as the registered holders of units of such Fund can be recognized and acted upon at the Meetings. All units of the Funds are registered under the name CDS & CO. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Units held by CDS & CO. for brokers or their nominees can only be voted at the Meetings upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers or their nominees are prohibited from voting units on behalf of their clients. The Manager and Trustee of the Funds do not know for whose benefit the units of the Funds registered in the name of CDS & CO. are held; therefore, except as set forth below, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their units in person or by way of proxy.

Applicable regulatory policy requires intermediaries, brokers and their nominees to seek voting instructions from Beneficial Unitholders in advance of the Meetings. Every intermediary, broker and nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their units can be voted at the Meetings. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada (“**Broadridge**”). Broadridge prepares voting instruction forms (“**VIFs**”), mails those VIFs to the Beneficial Unitholders and asks Beneficial Unitholders to return the VIFs to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions for the voting of Units to be represented at the Meeting. A Beneficial Unitholder receiving a VIF cannot use that VIF to vote units directly at the Meetings. The proxy must be returned to Broadridge well in advance of the Meetings in order to have the units voted.

**IF YOU ARE A BENEFICIAL UNITHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, COMPLETE THE APPOINTEE SECTION OF THE VIF OR REQUEST A LEGAL PROXY TO BE ISSUED BY COMPLETING THE LEGAL PROXY SECTION ON YOUR VIF.**

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at November 15, 2007 the issued and outstanding units of the Funds were as set out below. To the knowledge of the directors and senior officers of the Manager, as of the close of business on November 15, 2007 no person or company beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting rights attached to the units of any Fund entitled to be voted at the Meetings except as follows:

<b>Fund</b>	<b>Holders Of Securities</b>	<b>Number Held</b>	<b>Percentage of Total</b>
All Cap	CDS & CO.	2,754,872	100%
Diversified	CDS & CO.	4,147,749	100%
Multi-Cap	CDS & CO.	6,892,722	100%
Continuing Fund	CDS & CO.	4,410,877	100%

Units of the Funds that are held by other investment funds managed by the Manager will not be voted at the Meetings.

As at the close of business on November 15, 2007 the directors and senior officers of the Manager owned less than 10% of the units of any Fund.

**CERTIFICATE**

The contents of this Information Circular and its distribution to unitholders of the Funds has been approved by the Board of Directors of the Manager.

**ACUITY FUNDS LTD.,  
AS MANAGER OF THE FUNDS**

By: (signed) "Ian O. Ihnatowycz"  
Ian O. Ihnatowycz  
President and Chief Executive Officer

**SCHEDULE A**  
**RESOLUTION OF**  
**ACUITY ALL CAP & INCOME TRUST**  
**TO MERGE WITH ACUITY GROWTH & INCOME TRUST**

**WHEREAS** it is desirable and in the interests of Acuity All Cap & Income Trust (“**All Cap**”) that All Cap reorganize with Acuity Growth & Income Trust (the “**Continuing Fund**”);

**AND WHEREAS** terms that are defined in the Joint Management Information Circular dated November 15, 2007 (the “**Circular**”) are used in this Resolution with the meaning attributed to them in the Circular;

**RESOLVED THAT**

1. The Merger of All Cap with the Continuing Fund (the “**Merger**”) as described in the Circular be and the same is hereby authorized and approved;
2. Acuity Funds Ltd., as Manager and Trustee of All Cap is hereby authorized to:
  - (a) transfer substantially all of the assets of All Cap to the Continuing Fund in exchange for units of the Continuing Fund;
  - (b) ensure that the units of the Continuing Fund received by All Cap will have an aggregate net asset value equal to the net asset value of All Cap and will be issued at the net asset value per unit of the Continuing Fund in each case determined as of the close of business on or about December 28, 2007;
  - (c) distribute the units of the Continuing Fund received by All Cap to unitholders of All Cap in proportion to the number of units held in All Cap in exchange for their units in All Cap; and
  - (d) as soon as reasonably possible following the Merger, terminate All Cap.
3. The Manager and/or Trustee of All Cap is authorized to make such amendments to the Declaration of Trust of All Cap as may be necessary or desirable to implement this Resolution;
4. Any officer or director of the Manager and/or Trustee is hereby authorized and directed on behalf of All Cap to execute and deliver all such documents and do all such acts and things (including the filing of any applications for regulatory relief as may be necessary or desirable to implement this Resolution) including without limitation the execution of any amendments to the Declaration of Trust of All Cap; and

5. The Manager and/or Trustee shall have the right to revoke or delay the implementation of this Resolution for any reason whatsoever in its sole and absolute discretion without further approval of the unitholders of All Cap if it considers such course of action to be in the best interests of All Cap and its unitholders.

**SCHEDULE B**  
**RESOLUTION OF**  
**ACUITY DIVERSIFIED TOTAL RETURN TRUST**  
**TO REORGANIZE WITH ACUITY GROWTH & INCOME TRUST**

**WHEREAS** it is desirable and in the interests of Acuity Diversified Total Return Trust (“**Diversified**”) that Diversified reorganize with Acuity Growth & Income Trust (the “**Continuing Fund**”);

**AND WHEREAS** terms that are defined in the Joint Management Information Circular dated November 15, 2007 (the “**Circular**”) are used in this Resolution with the meaning attributed to them in the Circular;

**RESOLVED THAT**

1. The Merger of Diversified with the Continuing Fund (the “**Merger**”) as described in the Circular be and the same is hereby authorized and approved;
2. Acuity Funds Ltd., as Manager and Trustee of Diversified is hereby authorized to:
  - (a) transfer substantially all the assets of Diversified to the Continuing Fund in exchange for units of the Continuing Fund;
  - (b) ensure that the units of the Continuing Fund received by Diversified will have an aggregate net asset value equal to the net asset value of Diversified and will be issued at the net asset value per unit of the Continuing Fund in each case determined as of the close of business on or about December 28, 2007;
  - (c) distribute the units of the Continuing Fund received by Diversified to unitholders of Diversified in proportion to the number of units held in Diversified in exchange for their units in Diversified; and
  - (d) as soon as reasonably possible following the Merger, terminate Diversified.
3. The Manager and/or Trustee of Diversified is authorized to make such additional amendments to the Declaration of Trust of Diversified as may be necessary or desirable to implement this Resolution;
4. Any officer or director of the Manager and/or Trustee is hereby authorized and directed on behalf of Diversified to execute and deliver all such documents and do all such acts and things (including the filing of any applications for regulatory relief as may be necessary or desirable to implement this Resolution, including without limitation the execution of any amendments to the Declaration of Trust of Diversified; and

5. The Manager and/or Trustee shall have the right to revoke or delay the implementation of this Resolution for any reason whatsoever in its sole and absolute discretion without further approval of the unitholders of Diversified if it considers such course of action to be in the best interests of Diversified and its unitholders.

**SCHEDULE C**  
**RESOLUTION OF**  
**ACUITY MULTI-CAP TOTAL RETURN TRUST**  
**TO REORGANIZE WITH ACUITY GROWTH & INCOME TRUST**

**WHEREAS** it is desirable and in the interests of Acuity Multi-Cap Total Return Trust (“**Multi-Cap**”) that Multi-Cap reorganize with Acuity Growth & Income Trust (the “**Continuing Fund**”);

**AND WHEREAS** terms that are defined in the Joint Management Information Circular dated November 15, 2007 (the “**Circular**”) are used in this Resolution with the meaning attributed to them in the Circular;

**RESOLVED THAT**

1. The Merger of Multi-Cap with the Continuing Fund (the “**Merger**”) as described in the Circular be and the same is hereby authorized and approved;
2. Acuity Funds Ltd., as Manager and Trustee of Multi-Cap is hereby authorized to:
  - (a) transfer substantially all the assets of Multi-Cap to the Continuing Fund in exchange for units of the Continuing Fund;
  - (b) ensure that the units of the Continuing Fund received by Multi-Cap will have an aggregate net asset value equal to the net asset value of Multi-Cap and will be issued at the net asset value per unit of the Continuing Fund in each case determined as of the close of business on or about December 28, 2007;
  - (c) distribute the units of the Continuing Fund received by Multi-Cap to unitholders of Multi-Cap in proportion to the number of units held in Multi-Cap in exchange for their units in Multi-Cap; and
  - (d) as soon as reasonably possible following the Merger, terminate Multi-Cap.
3. The Manager and/or Trustee of Multi-Cap is authorized to make such additional amendments to the Declaration of Trust of Multi-Cap as may be necessary or desirable to implement this Resolution;
4. Any officer or director of the Manager and/or Trustee is hereby authorized and directed on behalf of Multi-Cap to execute and deliver all such documents and do all such acts and things (including the filing of any applications for regulatory relief as may be necessary or desirable to implement this Resolution, including without limitation the execution of any amendments to the Declaration of Trust of Multi-Cap; and

5. The Manager and/or Trustee shall have the right to revoke or delay the implementation of this Resolution for any reason whatsoever in its sole and absolute discretion without further approval of the unitholders of Multi-Cap if it considers such course of action to be in the best interests of Diversified and its unitholders.

**SCHEDULE D**

**RESOLUTION OF**

**ACUITY GROWTH & INCOME TRUST**

**to merge with**

**ACUITY ALL CAP & INCOME TRUST  
ACUITY DIVERSIFIED TOTAL RETURN TRUST  
ACUITY MULTI-CAP TOTAL RETURN TRUST**

**WHEREAS** it is desirable and in the interests of Acuity Growth & Income Trust (the “**Continuing Fund**”) that Acuity All Cap & Income Trust, Acuity Diversified Total Return Trust, and Acuity Multi-Cap Total Return Trust (the “**Funds**”) reorganize with the Continuing Fund;

**AND WHEREAS** terms that are defined in the Joint Management Information Circular dated November 15, 2007 (the “**Circular**”) are used in this Resolution with the meaning attributed to them in the Circular;

**RESOLVED THAT**

1. The Merger of the Funds with the Continuing Fund (the “**Merger**”) as described in the Circular be and the same is hereby authorized and approved;
2. Acuity Funds Ltd., as Manager and Trustee of the Continuing Fund are hereby authorized to:
  - (a) issue units of the Continuing Fund to each Fund and pay cash, in an amount sufficient to enable each Fund to meet its liabilities, in exchange for substantially all the assets of the Funds; and
  - (b) ensure that the units of the Continuing Fund issued to each Fund will have an aggregate net asset value equal to the net asset value of the unit of each Fund and will be issued at the net asset value per unit of the Continuing Fund in each case determined as of the close of business on or about December 28, 2007;
3. The Manager and/or Trustee of the Continuing Fund is authorized to make such additional amendments to the Declaration of Trust of Continuing Fund as may be necessary or desirable to implement this Resolution;
4. Any officer or director of the Manager and/or Trustee is hereby authorized and directed on behalf of Continuing Fund to execute and deliver all such documents and do all such acts and things (including the filing of any applications for regulatory relief as may be

necessary or desirable to implement this Resolution, including without limitation the execution of any amendments to the Declaration of Trust of Continuing Fund; and

5. The Manager and/or Trustee shall have the right to revoke or delay the implementation of this Resolution for any reason whatsoever in its sole and absolute discretion without further approval of the unitholders of Continuing Fund if it considers such course of action to be in the best interests of Continuing Fund and its unitholders.

**SCHEDULE E**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Investment Strategy” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.

**SCHEDULE F**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Permitted Merger” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.

**SCHEDULE G**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Financial Statements” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.

**SCHEDULE H**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Issue of Units” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.

**SCHEDULE I**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Rights, Warrants and Options” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.

**SCHEDULE J**  
**SPECIAL RESOLUTION**  
**OF**  
**ACUITY GROWTH & INCOME TRUST**  
**(the “Trust”)**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The amended and restated declaration of trust governing the Trust and incorporating the amendments described under the heading “Amendments to the Declaration of Trust of the Continuing Fund – Termination Date” in the Information Circular of the Trust dated November 15, 2007 is hereby approved and authorized; and
2. Any officer or director of the Manager or any director or officer of the Trustee is hereby authorized and directed to do and perform all such acts and things and to execute and deliver and to file or cause to be executed, delivered or filed all such documents as such director or officer shall deem necessary or proper to give effect to the foregoing resolution.