



Re: Pooled Income Trust Fund and Pooled Growth & Income Fund

It has been widely reported that the Canadian income trust industry is undergoing fundamental changes as a result of tax law changes which, purportedly, were enacted to “level the taxation playing field” between the income trust model and the corporate model. Generally, beginning in 2011, certain income earned by affected income trusts will be subject to tax in a manner similar to income earned by a corporation, and distributions from the trust will be taxed in the hands of unitholders in a manner similar to dividends from taxable Canadian corporations. Accordingly, some Canadian operating entities currently using the income trust model have converted, or are taking steps to convert, to the corporate model prior to 2011. Furthermore, there appears to be no new Canadian income trusts being introduced into the marketplace.

Faced with a diminishing pool of income trust investment opportunities, Acuity Investment Management Inc. (“Acuity”), is responding by making changes to two Acuity pooled funds that will be affected by this on-going evolution in the Canadian income trust market - the Pooled Income Trust Fund and the Pooled Growth and Income Fund. Accordingly, Acuity is providing you with notice of these changes (as more fully described below) that will be made, effective August 31, 2009, to the investment objective and investment strategies of the Pooled Income Trust Fund and to the Pooled Growth and Income Fund:

1. Pooled Income Trust Fund (*to be re-named Pooled Diversified Income Fund*)

Acuity will expand and diversify Pooled Income Trust Fund's permitted investments to include other income producing securities such as dividend-paying equity securities, and other types of equity and/or debt securities including high yield, corporate, convertible and government bonds. Acuity will also be increasing the permitted foreign property investment threshold from 49% to 100%.

Therefore, the new investment objective and strategies of Pooled Income Trust Fund (to be renamed Pooled Diversified Income Fund) will be:

“Investment Objective

The Pooled Diversified Income Fund invests primarily in a diversified portfolio of income, dividend and/or distribution paying Canadian securities, including common shares, income trusts and other types of equity and/or fixed income securities.

Investment Strategies

The Fund invests primarily in high-quality Canadian income trust funds and other income producing securities such as dividend-paying equity securities, other types of equity and/or debt securities including high yield, corporate and convertible securities, government bonds, including real return bonds, and money market instruments. Acuity looks for securities with a history of steady interest, dividend or distribution payouts and whether such securities have the ability to sustain payouts for a reasonable period of time and are favourably priced with respect to these payout expectations. The Fund may invest up to 100% of its assets (at market value at the time of purchase) in foreign (non-Canadian) securities.

In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities.”



2. Pooled Growth and Income Fund

Acuity will expand and diversify Pooled Growth and Income Fund's permitted investments to include corporate debt.

Therefore, the new investment objective and strategies of Pooled Growth and Income Fund will be:

"Investment Objective

The Pooled Growth and Income Fund seeks a balance of current income and long-term capital appreciation by investing primarily in a diversified portfolio of dividend-paying and/or distribution-paying Canadian equity and income securities including income trusts, common and preferred shares and corporate debt.

Investment Strategies

The Fund invests in a diversified portfolio of dividend-paying and/or distribution-paying Canadian equity securities and may also invest in corporate debt securities of any grade, including high yield bonds. Acuity looks for securities with a history of steady interest, dividend or distribution payouts and whether such securities have the ability to sustain payouts for a reasonable period of time and are favourably priced with respect to these payout expectations. The Fund may invest up to approximately 49% of its assets (at market value at time of purchase) in foreign (non-Canadian) securities.

In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities."

As always, it remains a great honour to manage your funds. We thank you for your ongoing trust and look forward to the future with optimism and confidence.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ian Ihnatowycz", with a stylized flourish at the end.

Ian Ihnatowycz
President, C.E.O. and Chief Investment Officer