

**AMENDED AND RESTATED MASTER TRUST AGREEMENT**

**MADE AS OF MAY 15, 2015**

**BETWEEN**

**RBC GLOBAL ASSET MANAGEMENT INC.**

**AND**

**RBC INVESTOR SERVICES TRUST**

**FOR THE**

**FUNDS**

**LISTED IN SCHEDULE “A”**

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## AMENDED AND RESTATED MASTER TRUST AGREEMENT

**THIS AMENDED AND RESTATED MASTER TRUST AGREEMENT** is made and entered into effective as of the 15th day of May, 2015.

**BETWEEN:**

**RBC GLOBAL ASSET MANAGEMENT INC.**, amalgamated under the federal laws of Canada, having its head office at Toronto, Ontario  
(the “**Manager**”)

**AND:**

**RBC INVESTOR SERVICES TRUST**, a trust company incorporated under the laws of Canada, having its head office at Toronto, Ontario  
(the “**Trustee**”)

**WITNESSES THAT:**

**WHEREAS**, pursuant to a master trust agreement dated as of December 29<sup>th</sup>, 2009 (the “**Existing Master Trust Agreement**”), Phillips, Hager & North Investment Management Ltd. (“**PH&N**”) and the Trustee agreed to act as the manager and trustee, respectively, of the Phillips, Hager & North Monthly Income Fund and Phillips, Hager & North Canadian Equity Value Fund (the “**Phillips, Hager & North Canadian Equity Value Fund**” having been identified in prior trust agreements as the “**Phillips, Hager & North Canadian Equity Fund**”) on and subject to the terms and conditions of the Existing Master Trust Agreement;

**AND WHEREAS**, pursuant to an amended and restated master trust agreement made as of November 1, 2009 (the “**Other Master Trust Agreement**”), PH&N and State Street Trust Company Canada acted as the manager and trustee, respectively, of certain investment fund trusts established by the Manager, as settlor (the “**PH&N Funds**”) on and subject to the terms and conditions of the Other Master Trust Agreement;

**AND WHEREAS**, PH&N and the Trustee amended and restated the Existing Master Trust Agreement to appoint the Trustee as trustee of the PH&N Funds and continue the PH&N Funds under that amended and restated Master Trust Agreement (the existing Master Trust Agreement as amended and restated, the “**April 2010 MTA**”);

**AND WHEREAS**, PH&N and the Trustee amended and restated the April 2010 MTA (the April 2010 MTA, as amended and restated, the “**June 2010 Agreement**”) to create the (i) Advisor Series Units of the PH&N Funds; (ii) Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund; and (iii) Series O Units of the Phillips, Hager & North Monthly Income Fund;

**AND WHEREAS**, effective November 1, 2010, PH&N and RBC Asset Management Inc. amalgamated to form RBC Global Asset Management Inc., the Manager, which has assumed all responsibilities and obligations of PH&N under the June 2010 Agreement and any amendments thereto;

**AND WHEREAS**, the Phillips, Hager & North Income Equity Pension Trust was closed effective November 30, 2010;

**AND WHEREAS**, the Manager and the Trustee amended the June 2010 Agreement (the June 2010 Agreement, as amended and restated, the “**January 2011 Agreement**”) to create the Phillips, Hager & North LifeTime 2015 Fund, Phillips, Hager & North LifeTime 2020 Fund, Phillips, Hager & North LifeTime 2025 Fund, Phillips, Hager & North LifeTime 2030 Fund, Phillips, Hager & North LifeTime 2035 Fund, Phillips, Hager & North LifeTime 2040 Fund, Phillips, Hager & North LifeTime 2045 Fund (together, the “Phillips, Hager & North LifeTime Funds”), Phillips, Hager & North Canadian Equity Underlying Fund, Phillips, Hager & North Short Inflation-linked Bond Fund and Phillips, Hager & North Long Inflation-linked Bond Fund and, to reflect the closure of the Phillips, Hager & North Income Equity Pension Trust effective November 30, 2010;

**AND WHEREAS**, the Manager and the Trustee amended the January 2011 Agreement to create the Phillips, Hager & North Institutional Gold and Precious Metals Fund effective February 15, 2011 (the January 2011 Agreement, as amended and restated, the “**February 2011 Agreement**”);

**AND WHEREAS**, the Manager and the Trustee amended the February 2011 Agreement to create Series D units of each of the Phillips, Hager & North LifeTime Funds effective June 24, 2011 (the February 2011 Agreement, as amended and restated, the “**June 2011 Agreement**”);

**AND WHEREAS**, the Manager and the Trustee amended the June 2011 Agreement (the June 2011 Agreement, as amended and restated, the “**October 2011 Agreement**”) to permit for the appointment of proxies by, in addition to instruments in writing, other means;

**AND WHEREAS**, the Manager and the Trustee amended the October 2011 Agreement to (i) create Series I and Series H units of each of the Phillips, Hager & North Short Term Bond & Mortgage Fund and the Phillips, Hager & North Monthly Income Fund as of June 26, 2012; and (ii) to redesignate Series B units as Series D units as of July 27, 2012 for each of the Phillips, Hager & North Canadian Money Market Fund, Phillips, Hager & North \$U.S. Money Market Fund, Phillips, Hager & North Short Term Bond & Mortgage Fund, Phillips, Hager & North Bond Fund, Phillips, Hager & North Community Values Bond Fund, Phillips, Hager & North Total Return Bond Fund, Phillips, Hager & North High Yield Bond Fund, Phillips, Hager & North Balanced Fund, Phillips, Hager & North Community Values Balanced Fund, Phillips, Hager & North Dividend Income Fund, Phillips, Hager & North Canadian Equity Fund, Phillips, Hager & North Community Values Canadian Equity Fund, Phillips, Hager & North Canadian Income Fund, Phillips, Hager & North U.S. Equity Fund, Phillips, Hager & North Currency-Hedged U.S. Equity Fund, Phillips, Hager & North Overseas Equity Fund, the Phillips, Hager & North Global Equity Fund and the BonaVista Global Balanced Fund (the October 2011 Agreement, as amended and restated, the “**June 2012 Agreement**”);

**AND WHEREAS**, the Manager and the Trustee amended the June 2012 Agreement on November 8, 2012: (a) to clarify that the Manager, or Trustee on Direction from the Manager, has the power to, on behalf of the Funds, (i) write, issue, purchase, hold, sell and exchange derivative products and contracts or otherwise enter into derivatives transactions, and (ii) enter into or participate in repurchase or reverse repurchase transactions or programs; (b) to expand the definition of Custodian to include any prime broker that provides custody services for assets or a portion of assets of a Fund pursuant to a prime brokerage agreement between the Fund and the prime broker; and (c) to make certain other administrative amendments (the June 2012 Agreement, as amended and restated, the “**November 2012 Agreement**”);

**AND WHEREAS**, the Manager and the Trustee amended the November 2012 Agreement on April 11, 2013 (the November 2012 Agreement, as amended and restated, the “**April 2013 Agreement**”) to: (a) create Series I and Series H units of the Phillips, Hager & North Total Return Bond Fund; and (b) to make certain other amendments related to the previous redesignation of Series B units to Series D units;

**AND WHEREAS**, the Manager and the Trustee amended and restated the April 2013 Agreement (the April 2013 Agreement, as amended and restated, the “**June 5, 2013 Agreement**”) to change the name of the Phillips, Hager & North Long Corporate Bond Pension Trust to the Phillips, Hager & North Long Investment Grade Corporate Bond Trust as of June 5, 2013;

**AND WHEREAS**, the Manager and the Trustee amended and restated the June 5, 2013 Agreement (the June 5, 2013 Agreement, as amended and restated, the “**June 24, 2013 Agreement**”) to create Series I and Series H units of the Phillips, Hager & North Canadian Equity Value Fund as of June 24, 2013;

**AND WHEREAS**, the Manager and the Trustee amended and restated the June 24, 2013 Trust Agreement (the June 24, 2013 Agreement, as amended and restated, the “**June 28, 2013 Agreement**”) to create Series Z units of certain Funds as of June 28, 2013;

**AND WHEREAS**, the Manager and the Trustee amended and restated the June 28, 2013 Agreement (the June 28, 2013 Agreement, as amended and restated, the “**November 2013 Agreement**”) to create Series N units of certain Funds, and to reflect the termination of the Phillips, Hager & North Enhanced Income Equity Pension Trust effective July 12, 2013, as of November 25, 2013;

**AND WHEREAS**, the Manager and the Trustee amended and restated the November 2013 Agreement (the November 2013 Agreement, as amended and restated, the “**June 2014 Agreement**”) to (a) make ancillary amendments relating to the timing of distributions to be made by the Funds during taxation years; (b) update the investment objectives of certain non prospectus-qualified Funds as set out in Schedule B; and (c) create the Phillips, Hager & North LifeTime 2050 Fund effective June 20, 2014;

**AND WHEREAS**, the Manager and the Trustee amended and restated the June 2014 Agreement (the June 2014 Agreement, as amended and restated, the “**July 2014 Agreement**”) to create the Phillips, Hager & North Canadian Equity Underlying Fund II effective July 31, 2014;

**AND WHEREAS**, the Manager and the Trustee amended and restated the July 2014 Agreement (the July 2014 Agreement, as amended and restated, the “**September 2014 Agreement**”) to create Series Z units of the Phillips, Hager & North Institutional S.T.I.F. effective September 22, 2014;

**AND WHEREAS**, the Manager and the Trustee wish to amend and restate the September 2014 Agreement (the September 2014 Agreement, as amended and restated, the “**Master Trust Agreement**”) to add the Phillips, Hager & North Conservative Equity Income Fund effective May 15, 2015 and to make certain other administrative amendments;

**AND WHEREAS**, this Master Trust Agreement may be amended further in the future to add or delete investment fund trusts or series of Units of investment fund trusts and for any other purpose permitted by the terms of this Master Trust Agreement, any such amendment to be evidenced by an amended and restated master trust agreement, by a separate amendment agreement or, in the case of

the addition or deletion of mutual fund trusts or series of Units of mutual fund trusts, by an amended and restated Schedule “A” to this Master Trust Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual obligations and agreements herein contained, the parties hereto covenant and agree to the provisions of this Master Trust Agreement as follows:

## **ARTICLE 1 - INTERPRETATION**

### **Section 1.1 Definitions**

In this Master Trust Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms have the meanings ascribed to them:

- (a) “**Advisor Series Units**” means in respect of a Fund, the Advisor Series Units of the Fund.
- (b) “**Agent Lender**” means RBC Investor Services Trust.
- (c) “**Applicable Laws**” means any statute of Canada or of a province of Canada or any rules or regulations made thereunder, or the orders or rulings of any securities commission or other statutory authority or agency, in each case as applicable in the context.
- (d) “**Business Day**” means any day on which the Toronto Stock Exchange is open for business.
- (e) “**Close of Business**” means 4:00 pm (Toronto time) or such other time as the Trustee deems appropriate.
- (f) “**Common Expenses**” means those Other Fund Costs of a Fund other than Other Fund Costs that are Series Expenses of the Fund.
- (g) “**Corporate Action**” means any conversion privileges, subscription rights, warrants or other rights or options available in connection with any securities forming part of the assets of a Fund, including those relating to the reorganization, recapitalization, takeover, consolidation, amalgamation, merger, liquidation, filing for or declaration of bankruptcy or plans of arrangement, of any corporation, association or other entity.
- (h) “**Custodian**” means, in respect of each Fund, a custodian of the assets or a portion of the assets of the Fund appointed in accordance with Section 7.2(q) hereof, and that provides custody services for assets of the Fund deposited in either a custody account or trading account of such Fund pursuant to the terms and conditions of the relevant agreement governing either such account.
- (i) “**Directions**” means all directions, notices, requests, instructions and any other communications given to the Trustee by an authorized officer, person or other representative of the Manager or any Investment Advisor in accordance with Article 18 and “**Direct**” means to give a Direction.
- (j) “**Disclosure Documents**” means any preliminary prospectus or prospectus, or any preliminary simplified prospectus or simplified prospectus, including the annual



information form and the annual and interim financial statements included or deemed to be included therein, any annual and interim management reports of fund performance, material change reports and any other documents which may from time to time be filed in connection with the distribution of Units of the Fund by the securities regulatory authorities in each of the jurisdictions in which Units of the Fund are qualified for distribution.

- (k) “**Distribution Dates**” means those dates described as Distribution Dates in Section 16.2.
- (l) “**Funds**” means the investment funds listed from time to time in **Schedule “A”**, and “**Fund**” means any one of them.
- (m) “**FundSERV**” means FundSERV Inc., a private company providing electronic clearing and settlement services to the Canadian investment fund industry.
- (n) “**Investment Advisor**” means an investment advisor appointed by the Manager.
- (o) “**Management Fee Distribution**” means a distribution pursuant to Section 16.11.
- (p) “**Manager**” means RBC Global Asset Management Inc. and its successors or assigns under the terms of this Master Trust Agreement.
- (q) “**Master Trust Agreement**” means this amended and restated master trust agreement made and entered into as of the day and year first above written, and any amendments hereto or restatements hereof.
- (r) “**Net Asset Value**” means the net asset value of a Fund determined in accordance with Section 3.4.
- (s) “**Net Change in Non Portfolio Assets**” for a Fund on a Valuation Day means:
  - (i) the aggregate of all income accrued by the Fund since the last Valuation Day, including cash dividends and distributions, interest and compensation; plus or minus
  - (ii) any change in the value of any non portfolio assets or liabilities stated in any foreign currency accrued since the last Valuation Day, including, without limitation, cash, accrued dividends or interest and any receivable or payables; plus or minus
  - (iii) any gain or loss resulting from transfers of currencies accrued since the last Valuation Day; plus or minus
  - (iv) any other item accrued since the last Valuation Day determined by the Manager or its agent to be relevant in determining Net Change in Non Portfolio Assets.
- (t) “**Other Fund Costs**” means the operating expenses of a Fund or a series of a Fund as applicable that are paid directly by the Fund or the series of the Fund as applicable, including costs and expenses related to the Independent Review Committee, the cost of any government or regulatory requirements introduced after July 1, 2009 and any borrowing costs.

- (u) **“Period of Emergency”** means, with respect to any Fund, any period when normal trading is suspended on any stock or options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which permitted derivatives are traded, which represented more than 50% by value or underlying market exposure of the total assets of the applicable Fund without allowing for liabilities, or, subject to the consent of the appropriate regulatory authorities, for any period during which the Manager determines that conditions exist as a result of which disposal of the assets owned by a Fund is not reasonably practicable or as a result of which it is not reasonably practicable to determine fairly the value of the assets of that Fund.
- (v) **“Prospectus”** means, at any time, the then-current simplified prospectus and annual information form of the Fund filed with and receipted by one or more Canadian securities regulatory authorities, if any.
- (w) **“PH&N Funds”** has the definition set out in the recitals and includes the new funds.
- (x) **“RBC IST”** means RBC Investor Services Trust in its separate capacity as service provider for valuation, recordkeeping, custody or other Fund related services.
- (y) **“Series A Units”** means in respect of a Fund, the Series A Units of that Fund.
- (z) **“Series B Units”** means in respect of a Fund, the Series B Units of that Fund.
- (aa) **“Series C Units”** means in respect of a Fund, the Series C Units of that Fund.
- (bb) **“Series D Units”** means in respect of a Fund, the Series D Units of that Fund.
- (cc) **“Series F Units”** means in respect of a Fund, the Series F Units of that Fund.
- (dd) **“Series H Units”** means in respect of a Fund, the Series H Units of that Fund.
- (ee) **“Series I Units”** means in respect of a Fund, the Series I Units of that Fund.
- (ff) **“Series N Units”** means in respect of a Fund, the Series N Units of that Fund.
- (gg) **“Series O Units”** means in respect of a Fund, the Series O Units of that Fund.
- (hh) **“Series Z Units”** means in respect of a Fund, the Series Z Units of that Fund.
- (ii) **“Series Expenses”** means in respect of any particular series of Units of a Fund the fees and Other Fund Costs that are charged specifically to that series that relate only to that series.
- (jj) **“Series Net Asset Value”** means in respect of any particular series of Units of a Fund, the portion of the Net Asset Value of the Fund attributed to such series determined in accordance with Section 3.4.
- (kk) **“Series Net Asset Value per Unit”** means in respect of any particular series of Units of a Fund, the portion of the Net Asset Value of the Fund attributed to each Unit of such series determined in accordance with Section 3.4.
- (ll) **“Tax Act”** means the *Income Tax Act* (Canada) as amended from time to time.
- (mm) **“Termination Date”** means the date defined in Section 20.1 as the Termination Date.

- (nn) **“Trustee”** means RBC Investor Services Trust and its successors or assigns under the terms of this Master Trust Agreement.
- (oo) **“Units”** means units in the Funds issued or to be issued hereunder and for the time being outstanding, including the Series A Units, Series B Units, Series C Units, Series D Units, Series F Units, Series H Units, Series I Units, Series N Units, Series O Units, Series Z Units and Advisor Series Units.
- (pp) **“Unitholder”** means a holder of Units and fractions thereof.
- (qq) **“Unitholders of Record”**, for a distribution pursuant to Section 16.8 or 16.9, means the Unitholders determined pursuant to Section 16.7 for the purposes of the distribution, and for all other purposes, means the persons recorded by the registrar as the holders of Units.
- (rr) **“Valuation Day”** means each day on which the Toronto Stock Exchange is open for business and/or any other day or days as determined from time to time by the Manager.
- (ss) **“Valuation Time”** means 4:00 p.m., Eastern time, on each Valuation Day or such other time as determined from time to time by the Manager.
- (tt) **“Voting Materials”** means all proxies, proxy solicitation materials and other communications received by the Trustee relating to the securities forming part of the assets of a Fund that call for voting.

## **Section 1.2 Article and Section Headings**

Article and Section headings have been inserted for convenience only and are not a part of this Master Trust Agreement.

## **Section 1.3 Statute References**

Any reference herein to a statute, regulations or rules promulgated thereunder shall be deemed to be a reference to such statute, regulations or rules as amended, re-enacted or replaced from time to time and references to specific parts, paragraphs or sections thereof shall include all amendments, re-enactments or replacements thereof.

## **Section 1.4 Gender and Number**

Words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

## **Section 1.5 Entire Agreement**

This Master Trust Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between such parties with respect to such subject matter.

# **ARTICLE 2 - ESTABLISHMENT OF FUNDS**

**Section 2.1 Establishment of Trust** The Manager confirms that to constitute and settle the trusts established hereunder it has given or caused to be given to the Trustee or a prior trustee of the

trusts an initial investment in respect of each of the Funds and has established for the benefit of the holders of Units in such Funds from time to time, the trusts under the names of the Funds set forth in **Schedule “A”** from time to time. **Schedule “B”** to this Master Trust Agreement sets out the investment objectives and restrictions of each Fund, or gives direction as to where such investment objectives and restrictions can be found. Both **Schedule “A”** and **Schedule “B”**, as amended from time to time, form part of this Master Trust Agreement. The Manager may establish one or more new fund(s), from time to time, by giving or causing to be given a further initial investment in respect of each such fund to constitute and settle the trust for the fund and by amending **Schedule “A”** to incorporate the name of the new fund(s) and by amending **Schedule “B”** to update where appropriate the investment objectives and restrictions. Upon the effective date of such amendments, such new fund shall constitute a Fund for purposes of this Master Trust Agreement.

## **Section 2.2 Appointment of Trustee**

The Manager hereby appoints the Trustee, and the Trustee hereby accepts such appointment and agrees to act as the trustee of the Funds and shall hold the same upon and subject to the provisions of this Master Trust Agreement.

## **Section 2.3 Constituency of Fund**

The Funds shall consist of the assets of such Funds contributed by investors and received by the Trustee or a Custodian, together with the investments of the Funds (including substitutions or additions thereto) made from time to time by the Manager or any Investment Advisor on behalf of a Fund.

## **Section 2.4 Head Office; Situs**

The head office and the principal office and situs of the administration of the Funds shall be in Vancouver, British Columbia, at the address of the Manager or at such other location as shall be designated by the Manager, but may be changed to another location in British Columbia designated by the Manager.

## **Section 2.5 Term**

This Master Trust Agreement shall continue in force unless otherwise terminated in accordance with its provisions.

# **ARTICLE 3 - STRUCTURE OF FUNDS**

## **Section 3.1 Division of Funds into Units**

The beneficial interest in a Fund shall be divided into interests of one or more series and of equal value as all other interests of that series, referred to as “**Units**”. Units and fractions thereof shall be issued only as fully paid and non-assessable. There shall be no limit to the number of Units of a Fund that may be issued, subject to any determination to the contrary made by the Manager in its sole discretion and no Unit of a Fund or fraction thereof shall have any rights, preferences or priorities over any other Unit of the same series of that Fund, except that no holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or to vote at, meetings of Unitholders. The Trustee and the Manager may be Unitholders of the Funds.

The Manager shall have sole discretion in determining whether the capital of a Fund is divided into one or more series of Units and the attributes which shall attach to each series of Units. Unless otherwise determined by the Manager and notified in writing to the Trustee, there shall be authorized 11 series of Units, designated as Series A Units, Series B Units, Series C Units, Series D Units, Series F Units, Series H Units, Series I Units, Series N Units, Series O Units, Series Z Units and Advisor Series Units with the attributes of each such series identical except that (a) the Manager shall not be entitled to receive a management fee from any Fund with respect to Series N Units, Series O Units or Series Z Units, and (b) Unitholders of Series N Units of a Fund shall not, as such, have any voting rights and shall not be entitled to receive notice of, or to attend any meeting of Unitholders of the Fund, except at meetings where only holders of Series N Units are entitled to vote.

### **Section 3.2 Voting**

Except as specified in Section 3.1 in relation to Series N Units, each Unitholder of a Fund shall be entitled to one vote for each whole Unit held by him at any meeting of Unitholders of that Fund; and in the case of a holder of a Unit of a particular series, each Unitholder of that series shall be entitled to one vote for each whole Unit of that series held by him at meetings of Unitholders of the Fund where all series of Units vote together and at meetings where that particular series of Unitholders vote separately as a series.

### **Section 3.3 Consolidation, Subdivision and Redesignation**

Units of any series of Units of a Fund may be consolidated or subdivided by the Manager upon the Manager giving at least 21 days' prior written notice of its determination to do so to the Trustee and to each Unitholder holding Units of that series of that Fund.

Notwithstanding the foregoing, after Units of a series (the "New Units") are issued pursuant to Article 16, the Manager may, by giving written notice to the Trustee (without the requirement to provide 21 days' prior written notice), consolidate outstanding Units of the series so as to reduce the number of Units of the series to the number that would be outstanding if the New Units had not been issued. The consolidation is effective at the later of the time specified in the notice and the date of issuance of the New Units.

Units of any series may at any time, without notice to Unitholders but upon two days' prior written notice to the Trustee, be redesignated by the Manager as Units of a different series of the same Fund based on the applicable series Net Asset Value per Unit for the two series of Units on the date of the redesignation, provided that no such redesignation shall be made which in the opinion of the Manager adversely affects the pecuniary value of the interest of the holder of such Units.

### **Section 3.4 Computation of Net Asset Value**

The Manager acknowledges and agrees with the Trustee that the Manager reserves and retains the power and authority to value the assets of the Funds either directly or through an agent appointed by the Manager, including the determination of the Series Net Asset Value of the Fund, Series Net Asset Value per Unit and the computation of Net Income and Net Realized Capital Gains for distribution purposes for each of the Funds in accordance with Applicable Laws. The Manager, in its discretion, may appoint a service provider, including RBC IST or an affiliate of the Manager, to provide the foregoing valuation services for the Manager on behalf of the Funds.

- (a) The Series Net Asset Value of each Fund and the Series Net Asset Value per Unit of each Fund shall be computed or caused to be computed by the Manager or by the Manager's duly appointed agent. The Manager may appoint or employ agents for the purposes of discharging any of its duties under this Section 3.4.
- (b) The Net Asset Value of a Fund as at any particular time on a Valuation Day shall be the then fair market value of the assets of that Fund at the time the calculation is made less the amount of its liabilities at that time.
- (c) The Series Net Asset Value for a series of Units of a Fund as at any particular time on a Valuation Day is determined in accordance with the following calculation:
  - (i) the Series Net Asset Value last calculated for that series; plus
  - (ii) the increase in the assets attributable to that series as a result of the issue of Units of that series or the redesignation of Units as that series since the last calculation; minus
  - (iii) the decrease in the assets attributable to that series as a result of the redemption of Units of that series or the redesignation of Units out of that series since the last calculation; plus or minus
  - (iv) the share of the Net Change in Non Portfolio Assets on the Valuation Day attributable to that series since the last calculation; plus or minus
  - (v) the share of market appreciation or depreciation of the portfolio assets since the last calculation attributable to that series; minus
  - (vi) the share of Common Expenses allocated to that series since the last calculation; minus
  - (vii) any Series Expenses attributable to that series since the last calculation.

In addition, in calculating the Series Net Asset Value the following principles shall apply:

- (i) a Unit of a series of a Fund being issued or a Unit that has been redesignated as a series shall be deemed to become outstanding as of the next calculation of the applicable Series Net Asset Value following the time at which the applicable Series Net Asset Value per Unit that is the issue price or the redesignation basis of such Unit is determined and the issue price received or receivable for the issue of the Unit shall then be deemed to be an asset of the Fund attributable to the applicable series; and
- (ii) a Unit of a series of a Fund being redeemed or a Unit that has been redesignated as a Unit of a different series shall be deemed to remain outstanding until immediately before the next calculation of the applicable Series Net Asset Value following the receipt by or on behalf of the Manager of a redemption or redesignation request therefor in the manner provided in the relevant Disclosure Documents and the determination of the applicable Series Net Asset Value per Unit that is the redemption price or redemption basis of such Unit; thereafter, until paid, the redemption price of such Unit shall be deemed to be a liability of the Fund attributable to the applicable series.

- (d) The Series Net Asset Value per Unit of a series of Units of a Fund as at any particular time is the quotient obtained by dividing the applicable Series Net Asset Value as at such time by the total number of Units of that series outstanding at such time. This calculation shall be made without taking into account any issuance, redesignation or redemption of Units of that series to be processed by the Fund immediately after the time of such calculation on that Valuation Day. The Series Net Asset Value per Unit for each series of Units of a Fund for the purpose of the issue, redesignation or redemption of Units shall be calculated on each Valuation Day by or under the authority of the Manager as at such time on every Valuation Day as shall be fixed by the Manager from time to time and the Series Net Asset Value per Unit so determined for each series shall remain in effect until the time as of which the Series Net Asset Value per Unit for that series is next determined.
- (e) In determining Net Asset Value, Series Net Asset Value or Series Net Asset Value per Unit of a Fund, the fair market value of the assets and the amount of the liabilities of each Fund shall be calculated in such manner as the Manager or its agent, if applicable, in its sole discretion shall determine from time to time, subject to the following and the other provisions of this Section 3.4:
- (i) the value of any cash on hand, on deposit or on call, accounts receivable, prepaid expenses, demand notes, distributions receivable and interest accrued and not yet received, shall be valued at their full amount unless the Manager or its agent determines that the cash or other asset is not worth the that amount, in which event the value thereof shall be deemed to be such value as the Manager or its agent determines, to be the reasonable value thereof;
  - (ii) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the latest available bid and ask prices at the Valuation Time;
  - (iii) short-term investments including notes and money market instruments shall be valued at their current market value at the Valuation Time. This value may be determined based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital;
  - (iv) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall generally be determined by taking its latest available sale price of a board lot on the principal stock exchange on which it is listed. However, the following exceptions apply: (A) where such sales or records are not available, or if the last such sale is not within the latest available bid and ask quotations on the valuation day, the fair value of the listed security will be determined based on market quotations which are believed to most closely reflect the fair value of the investment; (B) in calculating the value of inter-listed investments, over-the-counter (“OTC”) rather than stock exchange quotations may be used when they appear to reflect more closely the fair value of any particular investment; but if such stock exchange or OTC quotations do not properly reflect the prices which would be received by the Fund upon the disposal

of such investments, values may be placed upon such investments which appear to it to reflect most closely the fair value of such investments; and (C) in calculating the value of foreign securities listed or dealt in exchanges outside North America, values will be placed upon such securities which appear to reflect most closely the fair value of such securities;

- (v) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same series, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- (vi) purchased or written clearing corporation options, options on futures, over the counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- (vii) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be valued as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, options on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;
- (viii) the value of a futures contract, or a forward contract or swap, shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract or swap, as the case may be, were to be closed out unless "daily limits" are in effect in which case fair value shall be based on the current market value of the underlying interest;
- (ix) margin paid or deposited in respect of a futures contract and a forward contract shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (x) all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager or its agent including, but not limited to, the Trustee or any of its affiliates;
- (xi) the value of any security or property to which, in the opinion of the Manager or its agents, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) is determined at the most recently available sale price on a Valuation Day, or if such sale price is not available, at a sale price based on relevant market and/or



company data that is believed to most closely reflect the fair value of the investment; and

- (xii) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis.

## **ARTICLE 4 - SALE OF UNITS**

### **Section 4.1 Subscription for Units**

Subscribers may purchase Units of a Fund by delivering to the Manager or any distributor of such Units appointed by the Manager a completed and executed subscription form or other documentation acceptable to the Manager accompanied by a cheque for the full dollar amount of the Units subscribed for. All subscriptions will be subject to acceptance by the Manager. Subject to the terms of any current Prospectus of like document of the Fund, the Manager, in its discretion, may prescribe any acquisition charges, redemption charges, minimum initial subscription amounts, minimum subsequent subscription amounts and minimum aggregate Series Net Asset Value balances to be maintained by Unitholders, and may, in its discretion prescribe any procedures in connection therewith (including a procedure whereby a Unitholder is required to redeem his Units in a Fund) and the Manager, in its discretion, may prescribe the maximum number of Units or maximum dollar amount of Units that may be sold in a Fund or in a particular series; provided no such charges, amounts or balances may be prescribed by the Manager and no procedures in connection therewith may be prescribed by the Manager except as provided in any current Prospectus or like document of the Fund.

### **Section 4.2 Price of Units**

Upon the establishment of a Fund and its division into Units and series of Units, the Manager will determine the price of the original Units of that Fund. Thereafter, the subscription price per Unit of Units of a Fund purchased pursuant to a subscription will be the Series Net Asset Value per Unit of that series of Unit of that Fund determined on the Valuation Day on which the subscription is accepted, provided it is accepted before the Close of Business on such Valuation Day, or the Valuation Day next following the acceptance of the subscription.

### **Section 4.3 Confirmation of Sale**

The Manager upon receipt of a subscription shall accept or reject such subscription within one Business Day (or, for Funds that are not subject to National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”), such other time as the Manager may determine) of such receipt; upon such acceptance or rejection and following the valuation made on the then next Valuation Day, the Manager will, in the case of rejection, forthwith return the subscription and the cheque accompanying the subscription without interest thereon; and, in the case of acceptance, the Manager will forthwith forward a notice to the subscriber indicating the number of Units of the Fund and fractions thereof, if any, purchased by such subscriber.

#### **Section 4.4 Record of Transaction**

The Manager shall also, concurrently with the Manager's notification to the subscriber of the number of Units and fractions thereof, if any, purchased by such subscriber, record, or have recorded such transaction in the record of Unitholders for that Fund referred to in Section 14.2.

#### **Section 4.5 Issuance of Certificates**

No certificates evidencing ownership of Units of any Fund will be issued to a Unitholder.

### **ARTICLE 5 - REDEMPTION AND TRANSFER OF UNITS**

#### **Section 5.1 Right to Redeem**

A Unitholder shall be entitled, subject as hereinafter provided, to require payment of the Series Net Asset Value per Unit of all or any of his Units of a Fund by giving written notice to the Manager, in such form as the Manager, from time-to-time, may prescribe, which notice shall contain a clear request by the Unitholder or its agent that a specified number and series, if applicable, of Units of that Fund be redeemed or the dollar amount which the Unitholder requires to be paid, and shall, subject to any rights of withdrawal provided for in this Section 5, be irrevocable. The requirement for a written request for redemption may be waived by the Manager in which event a verbal request for redemption to the Manager shall be sufficient for the purposes of this Article. A redemption request, properly completed, must reach the Manager at its offices not later than 1:00 p.m. Vancouver time on the Valuation Day in order to receive that day's Series Net Asset Value. All Units which a Fund is required to redeem shall be deemed to be outstanding until payment therefor is made in accordance with this Article 5.

The Manager, acting in its sole discretion, may effect the compulsory redemption of all or some of the Units registered in the name of a Unitholder.

#### **Section 5.2 Redemption Price and Payment**

The proceeds per Unit payable on redemption determined on the applicable Valuation Day will equal the Series Net Asset Value per Unit on the Valuation Day as determined above. No fee or other charge shall be deducted by the Manager, the Trustee, in its capacity as such, or such Fund in respect of such payment. The proceeds will become due on the Valuation Day except that, if payment of the proceeds is suspended under Section 5.3, the proceeds will cease to be due and will become due on the Valuation Day established pursuant to Section 5.3 (or on the termination of the suspension if the suspension lasts for less than 48 hours). As directed by the Manager, the Trustee shall, within three Business Days after the Valuation Date as of which the valuation is made, or such later date that may apply under the provisions of Section 5.3, arrange for the payment of the value of the Units being redeemed by the mailing or delivery of a cheque or by such other method of payment as the Manager may determine in its discretion including electronic funds transfer and payment in kind in the relevant amount in Canadian funds determined in accordance with Section 5.1 (less any amount required to be withheld) to the Unitholder at his last address as shown in the record of Unitholders of such Fund or to such other payee or address as the Unitholder may in writing direct. Neither the Trustee nor the Manager shall have any obligation to advance or loan funds or otherwise extend credit to the Fund for any purpose, including for the making of a

redemption payment. Any cheque so delivered or mailed, unless not honoured, and any such payment shall on presentation, discharge the applicable Fund, the Trustee and the Manager from all liability to the Unitholder in respect of the amount thereof plus any amount withheld in respect of the Units redeemed.

For greater certainty, where a Unitholder is or becomes a citizen or resident of the United States or a resident of any other foreign country, the Manager shall be entitled, at any time and from time to time, at its discretion, to compulsorily cause to be withdrawn all or any part of the Units held by any such Unitholder if such holding has the potential to cause adverse regulatory or tax consequences for a Fund or other Unitholders of a Fund, on such terms and conditions as the Manager may, from time to time, determine, at its discretion, for an amount in Canadian funds equal to the aggregate Series Net Asset Value per Unit of the Units withdrawn determined as of the Valuation Day of withdrawal, and, if all of a Unitholder's Units of the Fund are compulsorily withdrawn, all undistributed net income and net realized capital gains of the Fund credited or made payable in respect of such Units prior to the Valuation Day of withdrawal and any other unpaid distributions which have been credited or made payable thereon prior to the Valuation Day of withdrawal. For greater certainty, any amount required to be paid to a Unitholder pursuant to this Section 5.2 shall be considered to have been fully paid to a Unitholder where the Manager has paid the Unitholder such amount net of taxes or other amounts required to be withheld under the laws of the United States or any other foreign country. The Manager shall direct the Trustee as necessary to effect the foregoing in connection with compulsory redemption.

### **Section 5.3 Suspension of Redemption Right**

Notwithstanding the provisions of Section 5.1, the Manager may, during any Period of Emergency, suspend the right of Unitholders to require the applicable Fund to redeem its Units (including Units of any particular series) and, as a result, the payment for Units of that Fund tendered for redemption. The Manager will immediately advise the Trustee of any such suspension.

The suspension may, at the discretion of the Manager, apply to all requests for redemption of Units of that Fund received prior to the suspension but as to which payment has not been made in accordance with Sections 5.1 and 5.2, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be advised by the Manager of the suspension and that the redemption will be effected on the basis of the Series Net Asset Value Per Unit of that Fund determined on the first Valuation Day following the termination of the suspension

All such Unitholders shall have and shall (unless the suspension lasts for less than 48 hours) be advised by the Manager that they have the right to withdraw their requests for redemption.

The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has, in the determination of the Manager, ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over that Fund, any declaration or suspension made by the Manager shall be conclusive.

### **Section 5.4 Bankruptcy or Insolvency of a Unitholder**

None of the Funds, the Trustee or the Manager shall be affected by any notice of bankruptcy, insolvency or other event affecting a Unitholder but they may nonetheless upon becoming aware of

any such event take such action as they may deem appropriate to ensure compliance with Applicable Laws and they shall not become liable to a Unitholder for so doing. Any person becoming entitled to any Units in consequence of the bankruptcy or insolvency of any Unitholder, or otherwise by operation of law, shall be recorded by the registrar as the holder of such Units upon production to the registrar of the proper evidence thereof. Until such production is made, the Unitholder of Record shall be deemed to be the holder of such Units for all purposes hereof and the Trustee and the Manager shall not be affected by any notice of such bankruptcy, insolvency or other event, and in particular shall not be affected by reason that the Series Net Asset Value per Unit of the Units for the purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of bankruptcy, insolvency or other event is received by the Trustee and the Manager. Notwithstanding the foregoing, upon receipt from a Unitholder of notice that his Units have been pledged or otherwise encumbered, the Manager and the registrar may, but need not place such restrictions on transfer of the affected Units as may seem appropriate to the Manager in its discretion.

### **Section 5.5 Death of a Unitholder**

Notwithstanding Section 5.1, in the event of the death of a Unitholder, the Units of such deceased Unitholder shall, upon the Manager being advised in writing of the death of such Unitholder, not be dealt with until directions to redeem or transfer, which directions must be satisfactory in form to the Manager and which are in accordance with instructions received from time to time as to payment of any applicable taxes (or a release therefrom), are received from the executor, administrator, survivor, successor or personal representative, as the case may be, of such Unitholder, whereupon such Units will be processed through the Manager. Notwithstanding the foregoing, until such directions are received, the Unitholders of Record shall be deemed to be the holder of such Units for all purposes hereof and the Manager and the Trustee shall incur no liability to any person of any nature whatsoever by reason only that such Units shall not be redeemed until such directions are so received, and in particular, by reason that the Series Net Asset Value per Unit of the Units for purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of death was received by the Manager. The death of a Unitholder during the continuance of the applicable Fund or Funds shall not terminate this Master Trust Agreement nor give any such deceased Unitholder's legal representatives a right to an accounting or to take any action in the courts of otherwise against other Unitholders or the Trustee or the Manager, or the securities, monies or other property of the applicable Fund or Funds, but shall simply entitle the legal representatives of any such deceased Unitholder to succeed to all rights of the deceased Unitholder under this Master Trust Agreement.

### **Section 5.6 Non-Transfer of Units**

Units of the Funds shall be transferable as provided in this Article or with the consent of the Manager.

## **ARTICLE 6 - POWERS AND DUTIES OF TRUSTEE**

### **Section 6.1 General Powers**

The Trustee, subject only to the specific limitations contained in this Master Trust Agreement (including, without limitation, the reservation by the Manager of certain powers as provided in

Section 7.1), shall have full, absolute, and exclusive power, control and authority over the assets of the Funds and over the business and affairs of the Funds to the same extent as if the Trustee was the sole owner thereof in its own right, to do all such acts and things as in its sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Funds or the conducting of the business of the Funds. In construing the provisions of this Master Trust Agreement, presumption shall be in favour of the granted powers and authority to the Trustee.

Except as specifically required by any law or by the express provisions hereof, the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

## **Section 6.2 Specific Powers**

The enumeration of specific powers and authorities in this Section 6.2 are in addition to the general powers granted in Section 6.1 or by statute, and except to the extent that any specific power is subject to receipt by the Trustee of the written instructions of the Manager or is otherwise expressly restricted in this Section 6.2, shall not be construed as limiting the general powers or authority or any other specific power or authority conferred herein on the Trustee.

The Trustee without any action or consent by the Unitholders of the Funds shall have and may exercise, at any time and from time to time, the powers and authorities set out in Sections 6.3, 6.4 and 6.5 below.

## **Section 6.3 Powers Exercisable Only on Prior Agreement with the Manager**

The Trustee may pursuant to a separate written agreement between the Manager and the Agent Lender, participate in a securities lending program (which shall qualify as a “securities lending arrangement” as defined in the Tax Act) sponsored and administered by the Agent Lender (collectively, the “Program”) and, in connection therewith, the Trustee is authorized to release and deliver securities and return collateral received for loaned securities in accordance with the provisions of the Program. With respect to the Funds other than the Phillips, Hager & North Monthly Income Fund, Phillips, Hager & North Canadian Equity Value Fund, Phillips, Hager & North Overseas Equity Fund, Phillips, Hager & North Overseas Equity Pension Trust, Phillips, Hager & North Global Equity Fund, Phillips, Hager & North Community Values Global Equity Fund, Phillips, Hager & North Community Values Balanced Fund, Phillips, Hager & North Foreign Bond Fund, Phillips, Hager & North Long Mortgage Pension Trust, Phillips, Hager & North Mortgage Pension Trust, Phillips, Hager & North PRisM Balanced Fund, Phillips, Hager & North LifeTime 2015 Fund, Phillips, Hager & North LifeTime 2020 Fund, Phillips, Hager & North LifeTime 2025 Fund, Phillips, Hager & North LifeTime 2030 Fund, Phillips, Hager & North LifeTime 2035 Fund, Phillips, Hager & North LifeTime 2040 Fund, Phillips, Hager & North LifeTime 2045 Fund, Phillips, Hager & North LifeTime 2050 Fund, Phillips, Hager & North Canadian Equity Underlying Fund, Phillips, Hager & North Canadian Equity Underlying Fund II, Phillips, Hager & North Short Inflation-linked Bond Fund, Phillips, Hager & North Long Inflation-linked Bond Fund, Phillips, Hager & North PRisM – Mid, Phillips, Hager & North PRisM – Short, Phillips, Hager & North PRisM – Long, Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund, Phillips, Hager & North Inflation-Linked Fund and Phillips, Hager & North Institutional Gold & Precious Metals Fund, the Manager shall not implement a Program for a Fund until after the Manager has provided all unitholders of the Fund six months prior written notice of its intention to

implement a Program. The requirement to provide notice to unitholders does not apply in respect of a Fund that discloses its intention to participate in a Program from the Fund's inception.

#### **Section 6.4 Powers Exercisable on Direction from the Manager or Investment Advisor**

The Trustee may, on Direction from the Manager or an Investment Advisor:

- (a) with any cash held by it, purchase, or otherwise acquire, any securities, currencies or other property of a kind permitted as aforesaid and to purchase, hold and retain the same in trust hereunder;
- (b) enter into and settle foreign exchange transactions on behalf of the Funds with such counterparts as the Trustee may choose in its sole discretion including its affiliates;
- (c) sell, convey, exchange for other securities or other property, convert, transfer, assign, pledge, encumber or otherwise dispose of any assets held by it at any time, by any means considered reasonable by the Trustee, and to receive the consideration and grant discharges therefor;
- (d) lend money whether secured or unsecured;
- (e) engage in activities specified in Section 7.2(b) to (e);
- (f) to commence, defend, adjust or settle suits or legal proceedings in connection with the Funds and to represent the Funds in any such suits or legal proceedings and to keep the Manager informed thereof; provided, however, that the Trustee shall not be obliged or required to do so unless it has been indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by the Trustee by reason thereof;
- (g) complete and process such Voting Materials and process Corporate Actions, provided that the Manager or Investment Advisor has provided Directions to the Trustee within the time frames specified by the Trustee in its notice relating to such Voting Materials or Corporate Actions. Where Directions have not been provided by the Manager or Investment Advisor within such time frames, the Trustee will take no action except only in the case of Corporate Actions and where a default exists, a Fund will receive such default option as outlined in the notice. In the event that Directions have been provided after such time frames, the Trustee shall use reasonable efforts to process such Voting Materials or Corporate Actions but the Trustee shall have no liability for failure to process such Voting Materials or Corporate Actions;
- (h) renew or extend or participate in the renewal or extension of any securities or other property, upon such terms as it may deem advisable, and to agree to a reduction in the rate of interest on any security or other property or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable; to waive any default whether in the performance of any covenant or condition of any security or other property, or in the performance of any guarantee, or to enforce rights in respect of any such default in such manner and to such extent as it may deem advisable; to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure with or without paying a consideration therefor and in connection therewith to release the obligation on the covenant secured by such security and to exercise and enforce in any action, suit or

proceeding at law or in equity any rights or remedies in respect of any such security or guarantee pertaining thereto;

- (i) make, execute, acknowledge and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other documents of transfer and any and all other instruments in writing that may be necessary or proper for the accomplishment of any of the powers herein granted, whether for a term extending beyond the office of the Trustee or beyond the possible termination of any Fund or for a lesser term;
- (j) hold such portion of the property of the Funds in cash as the Manager, from time to time, may deem to be in the best interests of the applicable Fund and to retain the cash balances on deposit with the Trustee or any of its affiliates or with a chartered bank or other depository, in such account or accounts as the Trustee in its sole discretion determines, whether or not such deposits will draw interest, or to invest such cash balances in the guaranteed investment certificates of the Trustee or any of its affiliates or to invest such cash balances in units of such short term investment funds as may be established by the Trustee or its affiliates by declaration of trust or otherwise provided a copy of the applicable declaration of trust or other documentation is provided to the Manager;
- (k) subject to section 9.2(k), purchase, hold and sell gold, silver and other precious metals; and,
- (l) borrow securities on behalf of a Fund pursuant to an agreement with a financial institution, including the Trustee, and in connection therewith to accept securities and deliver collateral in accordance with such agreement.

### **Section 6.5 Powers Exercisable at the Discretion of the Trustee**

The Trustee, in its own discretion, may:

- (a) commence, defend, adjust or settle suits or legal proceedings in connection with the Funds and to represent the Funds in any such suits or legal proceedings and to keep the Manager informed thereof;
- (b) incur and pay out the property of the Funds any charges or expenses and disburse any funds of the Funds, which charges, expenses or disbursements are, in the opinion of the Trustee, necessary or incidental to or desirable for the carrying out of any of the purposes of the Fund or conducting the business of the applicable Fund including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustee in connection with the applicable Fund or the property of the applicable Fund or upon or against the property of the applicable Fund or any part thereof and for any of the purposes herein;
- (c) deposit any property forming part of the Funds, including securities and documents of title held by it hereunder, with any bank branch or other depository, including the Trustee or any of its affiliates;
- (d) borrow (including the right to borrow from itself or any of its affiliates) money against the assets of the Funds, on such terms and conditions as the Trustee may determine, provided that the principal of and interest charged on such borrowing shall be paid out of the applicable Funds and shall constitute a charge against the applicable Funds;

- (e) employ such counsel, auditors, advisors, agents or other persons as the Trustee may deem necessary from time to time for the purpose of discharging its duties hereunder and to pay out of the applicable Fund or Funds their reasonable expenses and compensation;
- (f) delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors or other persons without liability to the Manager or the Funds except as provided in this Master Trust Agreement;
- (g) hold, in trust, any securities, currencies or other assets that it may acquire hereunder, and generally, exercise, either personally or by general or limited power of attorney, any of the powers of an owner with respect to such securities or other assets held in a Fund;
- (h) do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee, may deem necessary to administer the Funds, and to carry out the purposes of this trust.

Without limiting the foregoing, subject to meeting its standard of care as described in Section 9.1, the Trustee may rely and act upon any statement, report or opinion prepared by or any advice received from the Auditor, solicitors or other professional advisors of each of the Funds and shall not be responsible nor held liable for any loss or damage resulting from so relying or acting if the advice was within the area of professional competence of the person from whom it was received, the Trustee acted in good faith in relying thereon and the professional advisor was aware that the Trustee was receiving the advice in its capacity as trustee of the Funds.

#### **Section 6.6 Powers Inexhaustible**

The exercise of any one or more of the foregoing powers or any combination thereof from time to time shall not be deemed to exhaust the rights of the Trustee to exercise such power or powers or combination of them thereafter from time to time.

#### **Section 6.7 Dealing with Others and Self**

Subject to Section 6.2 and the standard of care set out in Section 9.1, the Trustee may, and is hereby expressly authorized from time to time in its discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate including, without limitation, itself and any partnership, trust, trust branch or body corporate with which it may be directly or indirectly affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise) without being liable to account therefore and without being in breach of this Master Trust Agreement.

Without limiting the generality of the foregoing, the Manager hereby authorizes the Trustee to act hereunder notwithstanding that the Trustee or any of its divisions or branches may:

- (a) have a material interest in the transaction or that circumstances are such that the Trustee may have a potential conflict of duty or interest including the fact that the Trustee or any of its affiliates may:
  - (i) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same series and nature as may be held by the Funds, whether on the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise);



- (ii) act as a market maker in the securities that form part of the Fund assets to which Directions relate;
  - (iii) provide brokerage services to other clients;
  - (iv) act as financial adviser to the issuer of such securities;
  - (v) act in the same transaction as agent for more than one client;
  - (vi) have a material interest in the issue of securities that form part of the Fund assets;
  - (vii) use in other capacities knowledge gained in its capacity as the Trustee hereunder; provided that such use does not adversely affect the interests of the Funds and provided further that the Trustee may not make use of any specific confidential information for its own benefit or advantage that, if generally known, might be expected to affect materially the value of the securities or other property of the Funds;
- (b) earn profits from any of the activities listed herein, without being liable to account therefore and without being in breach of the trust established hereunder.

#### **Section 6.8 Trustee May Sell Assets to Meet Fund Obligations**

Notwithstanding any other provision of this Master Trust Agreement, other than Section 9.1, the Trustee may dispose of any property of the Funds on such terms as the Trustee may in its sole discretion determine for the purpose of paying any obligations imposed on the applicable Funds or for repaying any loan hereby authorized.

### **ARTICLE 7 - POWERS AND DUTIES OF MANAGER**

#### **Section 7.1 Power and Appointment of Manager**

The Manager reserves and retains full authority and responsibility and the exclusive power to manage the business and affairs of the Funds, including without limitation to provide to the Funds all necessary investment management, including but not limited to directing the investment of the Fund assets, and all clerical, administrative, and operational services as set forth in this Article 7 or elsewhere in this Master Trust Agreement.

For greater certainty, it is hereby confirmed that the Trustee in any capacity hereunder shall have no responsibility for investment management of the securities or other assets of the Funds or for any investment decisions, initiating any trades in respect of any Fund assets, or for providing any Fund valuation or recordkeeping services, save and except for carrying out the instructions given to it pursuant to this Master Trust Agreement and for decisions made by the Trustee, other than on the written instructions of the Manager, in the exercise of the specific powers and authorities provided to the Trustee in Section 6.5. Without limitation, the Trustee in any capacity hereunder shall have no responsibility or liability whatsoever for the monitoring of any investment objectives or restrictions of the Funds.

## Section 7.2 Duties of Manager

Except as otherwise expressly provided herein, the Manager has and reserves to itself the following duties:

- (a) to determine the investment policies, practices and objectives applicable to each of the Funds including any restrictions on investments which it deems advisable and to implement or ensure that any Investment Advisor implements such policies, practices and objectives, provided that the Manager shall ensure that such investment policies, practices and objectives and investment restrictions applicable to each of the Funds shall concur with those set forth in any current Prospectus or like document of such Funds or in any amendment thereto;
- (b) to write, issue, purchase, hold, sell and exchange derivative products on behalf of each Fund, including without limitation:
  - (i) rate swap transactions, swap options, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, credit protection transactions, credit swaps, credit default swaps, credit default options, total return swaps, credit spread transactions (including any options with respect to any of these transactions and any combination of these transactions);
  - (ii) repurchase transactions, reverse repurchase transactions or buy/sell back transactions;
  - (iii) forward contracts;
  - (iv) financial and/or stock index futures contracts;
  - (v) contracts under which the rights and/or liabilities of the parties are determined by reference to a financial and/or stock index or securities or commodities;
  - (vi) contracts or other instruments or strategies the value of which is based upon the market price, value or level of an index or the market price or value of a security, commodity, economic indicator or financial instrument or bench mark, or the value of a specified account in which securities, commodities and/or derivative transactions or any combination of such transactions may be carried out;
  - (vii) put and call options on securities, contracts, instruments, or derivative products; and
  - (viii) any transaction similar to any of those described in sub-paragraphs (i) to (vii) above that is a forward, swap, future or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or debt instruments, or economic indices or measures of economic risk or value,

whether or not such derivative products, contracts or transactions or any underlying interest are traded over-the-counter or on an exchange;

- (c) to assign, convey, mortgage, pledge, hypothecate and charge in favour of, and grant a security interest in all of the Fund's right, title and interest in and to the Fund assets to another party, whether in connection with the posting of margin or collateral, derivatives products, contracts, including contracts with a Custodian, transactions or otherwise;
- (d) to participate, on behalf of each Fund, in repurchase or reverse repurchase programs administered by an agent (each, a "**Repo Program**");
- (e) to release and deliver securities and return collateral received, whether in connection with margin or collateral requirements, derivatives products, contracts or transactions, Repo Programs or otherwise;
- (f) to receive all subscriptions for Units in the Funds, approve or reject subscriptions, complete all necessary forms, if any, required under the relevant Canadian securities laws and regulations, and submit such subscriptions and associated forms to the Trustee for processing, provide subscription funds to the applicable Custodian and file any associated forms with the appropriate Canadian securities regulatory authorities. Without limitation, the Trustee shall have no responsibility or liability whatsoever for reviewing, accepting or rejecting any subscriptions or notices of redemption or transfer and the Manager shall be solely responsible for reviewing all subscriptions and notices of redemption or transfer and for ensuring that all subscriptions and notices of redemption or transfer are accepted prior to the Valuation Time;
- (g) to offer Units of the Funds for sale to prospective purchasers including the power and authority to enter into arrangements regarding the distribution and sale of Units, including the right to charge acquisition charges and redemption fees. Any such fees may be deducted from the amount of a subscription, redemption proceeds or a distribution if not paid separately;
- (h) to appoint the auditors of the Funds and, subject to the consent of Unitholders of the applicable Funds, to change the auditors of the Funds;
- (i) to appoint the bankers of the Funds and establish banking procedures to be implemented by the Trustee;
- (j) to establish general matters of policy subject, where specifically provided in this Master Trust Agreement, to the approval of the Trustee;
- (k) to appoint an independent review committee for a Fund or request an independent review committee to review certain transactions involving a Fund, in the Manager's sole discretion;
- (l) except as may otherwise be provided for in this Master Trust Agreement, to authorize, make, enter into, execute, acknowledge and deliver any and all agreements including indemnities or other documents on behalf of the Funds that it deems necessary or useful in connection with the business and affairs of the Funds, provided that the Manager shall cause to be inserted in any written agreement, undertaking or obligation made or issued on behalf of the Funds a statement that the Trustee has no personal liability with respect to such agreement, undertaking or obligation;
- (m) to appoint a registrar for each Fund in the Manager's sole discretion;

- (n) to prescribe any minimum initial and/or subsequent subscription amounts and minimum aggregate Series Net Asset Value balances of any Funds and to prescribe any procedures in connection therewith;
- (o) to prepare, certify, execute and file with the appropriate authorities, all such documents as may be necessary or desirable in connection with the issue, sale and distribution of Units, including subscription agreements, any Prospectus or like document of the Funds (and, in that regard, to sign any certificates contained in such Prospectus or like document on behalf of the Trustee), Form T2217 under the Tax Act, and any other applicable disclosure documents;
- (p) to keep proper records relating to the performance of its duties as Manager hereunder, which records shall be accessible for inspection by the Trustee, its agents, or the auditors of the Funds, at any time, upon reasonable notice, during ordinary business hours;
- (q) to appoint one or more Custodians (including one or more prime brokers for each Fund or RBC IST, acting in its separate capacity as custodian) on such terms and conditions (including the appointment of sub-custodians) as the Manager in its discretion may determine, subject to compliance with applicable securities laws. For greater certainty, the custodial and related responsibilities in respect of such Fund may include acting as the prime broker for such Fund. A Custodian may be, or be an affiliate of, the Trustee, but if it is not, the Manager shall direct such Custodian to provide such information and assistance to the Trustee as may be necessary or desirable to permit the Trustee to fulfill its obligations to the Funds under this Master Trust Agreement or any related agreement or agreements. A Custodian may be an affiliate of the Manager. The Manager shall have authority to appoint a new custodian of the assets or a portion of the assets of any or all Funds and to make contractual arrangements for that purpose. Not less than 90 days' prior notice shall be provided to the Trustee by the Manager of any appointment or replacement of the Custodian for a Fund (other than a Custodian that is a prime broker, in which case not less than 30 days' prior notice shall be provided), or such less notice as the Trustee may accept, acting reasonably; however, the Trustee may, in its discretion, waive this notice period;
- (r) the Manager may appoint one or more Investment Advisors in respect of a Fund to determine, in its discretion which securities shall be purchased, held or sold for the Fund and, if the Manager and such Investment Advisor agree, to execute or cause the execution of purchase and sale orders in respect of such determinations. If the Manager appoints an Investment Advisor, the Manager will enter into an investment management agreement (the "**Investment Management Agreement**") with any such Investment Advisor to act for all or part of the assets of any of the Funds and shall advise the Trustee of such appointment. The appointment of any such Investment Advisor shall be deemed to be effective upon the later of the date of receipt by the Trustee of a direction notifying the Trustee of such appointment or the effective date specified therein and such appointment shall continue in force until receipt by the Trustee of a direction containing notice to the contrary. Any instructions from an Investment Advisor shall be deemed to be instructions of the Manager pursuant to the provisions hereof. The Trustee shall also be entitled to rely conclusively on and shall be fully protected in acting in accordance with the directions of the Investment Advisor in the exercise of powers conferred by this Master Trust Agreement. The Investment Advisor will be a person or entity, or persons

or entities who, if required by Applicable Laws, will be duly registered and qualified as an investment advisor under applicable securities laws and the regulations thereunder and will determine in its discretion which securities shall be purchased, held or sold and shall execute or cause the execution of purchase and sale orders in respect such determinations.

The Manager shall ensure that any Investment Advisor appointed hereunder is properly registered under Applicable Laws to carry out its responsibilities to the applicable Funds and acts in accordance with:

- (i) the investment objectives, policies, practices and restrictions of the applicable Funds; and
- (ii) the provisions of Applicable Laws.

In addition to the foregoing, the Manager shall ensure that the Investment Management Agreement provides for the Investment Advisor to have responsibility for the investment management of all or part of the property of the applicable Funds, as the case may be, including but not limited to the following duties:

- (i) to meet the objectives of the applicable Funds; and
- (ii) to ensure that the property of the applicable Funds is invested and reinvested in such investments as are permitted by the applicable Funds' investment objectives and restrictions.

Any Investment Advisor of a Fund shall have the right to resign as Investment Advisor of that Fund by giving notice in writing to the Manager not less than 30 days prior to the date on which such resignation is to take effect. The Manager may at any time terminate the appointment of any Investment Advisor by giving notice in writing to the Trustee and the Investment Advisor not less than 30 days prior to the date on which such resignation is to take effect. The Manager may appoint a successor Investment Advisor of that Fund. If prior to the effective date of the Investment Advisor's resignation, a successor is not appointed, the Manager shall assume the duties and responsibilities of such Investment Advisor until such time as a successor shall be appointed and/or approved, as the case may be;

- (s) to provide or arrange to provide all Fund valuation and record keeping services for the Funds;
- (t) to determine the Series Net Asset Value per Unit and to compute the Net Income and Net Realized Capital Gains for distribution purposes for the Funds as set out in Article 3 hereof;
- (u) to establish and maintain the Registers and related ledgers, records and information relative to the Units of the Funds held by all Unitholders in accordance with Article 14 hereof;
- (v) as soon as reasonably practicable following the end of each calendar year, to provide the Trustee with a certificate of compliance ("**Certificate of Compliance**") substantially in the form attached as **Schedule "C"** hereto;

- (w) to keep proper records relating to the performance of its duties as Manager hereunder, which records shall be accessible for inspection by the Trustee, its agents, or the Manager or its agents, including the Auditors, at any time, upon reasonable notice, during ordinary business hours; and
- (x) do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the business of the Funds, to promote any of the purposes for which the Funds are formed and to carry out the provisions of this Master Trust Agreement.

## **ARTICLE 8 - FEES, COMPENSATION AND EXPENSES**

### **Section 8.1 Trustee's Fee**

For its services hereunder, the Trustee shall receive an annual fee which shall be paid from each Fund or the Manager on behalf of the Fund as described in Section 8.3. The amount and frequency of such payment of this annual fee shall be settled by agreement between the Trustee and Manager from time to time, but not less than annually. Unless other arrangements are agreed upon by the Manager, the Trustee shall receive no other compensation for its services as trustee hereunder but nothing herein shall prevent the Trustee from receiving additional compensation in connection with the services that may be performed by the Trustee, including services performed for and dealings with the Funds by the Trustee other than in capacity of Trustee. The Trustees annual fee and reimbursement for expenses and disbursements shall be charged to and paid out of the Funds unless prior payment is made by the Manager.

### **Section 8.2 Manager's Fee**

The Manager shall be entitled to receive from each Fund for its overall direction a management fee equal to or up to the annual percentage rate set out opposite the name of that Fund in **Schedule "A"** hereto of the Series Net Asset Value of the applicable series of Units of the Fund at the end of the relevant period or of the average of such Series Net Asset Value during the relevant period, calculated and paid either monthly or quarterly or at such other times as the Manager and the Trustee may agree upon, from time to time, unless the fee is billed by the Manager directly to the Unitholder. However, no management fee shall be payable, and the Manager shall ensure that it does not charge a management fee, in respect of a Fund on that portion of that Fund's net assets that are invested in units or shares of another mutual fund in which a fee is paid to the Manager.

The Manager may from time to time waive any portion of the fees otherwise payable to it hereunder, but no such waiver shall affect its right to receive fees subsequently accruing hereunder.

### **Section 8.3 Fund Administration Fee and Other Fund Costs**

As of each business day, the Manager shall be entitled to an administration fee in respect of each series of a Fund payable by the Fund, equal to a percentage of the Series Net Asset Value, on such day as determined in accordance with the terms of Section 3.4, before taking into account the administration fee for such day. The applicable percentage (which may be zero) shall be set out in the Prospectus or like document of each Fund. If a day is not also a Valuation Day, the Series Net Asset Value as of the most recent Valuation Day shall be used for the purposes of calculating the

daily administration fee on such day. The administration fee for a day for each series of the a Fund shall be paid from the assets of the applicable Fund on a Valuation Date not later than five (5) Business Days following the end of the calendar quarter which includes such day or such other date as determined by the Manager in its sole discretion from time to time.

The Manager shall pay certain of the operating expenses of a Fund in return for the fixed administration fee described above. Such expenses shall include regulatory filing fees, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications but shall not include Other Fund Costs.

Subject to Applicable Laws, the Manager may increase the rate of its administration fee in respect of a series of a Fund, as set out in the Prospectus or like document pertaining to the Fund, by giving to each Unitholder of Record in that series notice of its intention to do so by ordinary mail, and each such increase shall have effect on a Valuation Day not less than 60 days after such notice has been given.

The Manager may, in its discretion from time to time, reimburse a Fund or a series of a Fund, for all or part of the administration fee that would otherwise be paid by the a Fund or series of the Fund pursuant to this Section 8.3.

Other Fund Costs incurred in the administration of a Fund or a series of a Fund shall be charged to the Fund or the relevant series. The Manager in its sole discretion shall determine whether Other Fund Costs are Series Expenses or Common Expenses and which expenses are attributable to which series. The Manager shall be entitled to be reimbursed out of the property of a Fund in respect of any Other Fund Costs paid by it in the administration of the Fund.

The Other Fund Costs relating to the operation of a Fund shall be allocated by the Manager to the series of the Fund as follows:

- (a) all Series Expenses shall be allocated only to the series in respect of which Series Expenses were incurred; and
- (b) each type of Common Expenses shall be allocated among each of the series based on:
  - (i) the relative Series Net Asset Value of each series outstanding;
  - (ii) the amount of the Common Expenses determined by the Manager in its sole discretion to have been actually incurred by the Fund in respect of each series; or
  - (iii) such other method of allocation as the Manager in its sole discretion considers equitable in the circumstances.

Without limiting the generality of the foregoing, a Fund shall be responsible for the payment of all Other Fund Costs, including Common Expenses and all Series Expenses of the Fund.

The Manager may, in its sole discretion from time to time, pay for or reimburse a Fund for all or part of the Other Fund Costs that would otherwise be borne by the Fund or a specific series pursuant to this Section 8.3.

Where the Manager in its sole discretion reasonably determines that certain expenses incurred by or expected to be incurred by a Fund are solely or primarily referable to certain Unitholders or certain

persons becoming Unitholders, the Manager, if not prohibited from doing so under applicable law and by securities authorities, may require that such Unitholders or persons on becoming Unitholders, reimburse the Fund for such expenses or a reasonable estimate thereof on such basis and terms as the Manager in its sole discretion may from time to time determine.

All fees paid to any investment counsel, portfolio manager or other investment advisor to a Fund, by the Manager in respect of the management of the investment portfolio of the Fund, shall be borne by the Manager and not charged to the fund.

#### **Section 8.4 Claim Against Property for Amounts Owing**

Notwithstanding any other provision of this Master Trust Agreement, the Trustee, acting reasonably, shall not be obliged to act upon Directions (including the delivery of any Fund assets to any person) until all the amounts due and owing to the Trustee under this Master Trust Agreement have been paid in full. The Trustee shall give the Manager and/or any Investment Advisor notice of its decision pursuant to the foregoing sentence not to act as soon as practicable thereafter.

Without prejudice to any power or right that the Trustee may otherwise have under any Applicable Laws, the Trustee may, in its discretion (upon reasonable prior written notice in the circumstances to the Manager), unless prior payment has been made by the Manager:

- (a) deduct from the assets of the Fund (which, for the purposes of this Section shall include any account with any third party with whom cash has been deposited by the Trustee on behalf of the Fund) any amounts due and owing to the Trustee under this Master Trust Agreement in respect of the Trustee's fees, expenses and disbursements; and/or
- (b) sell, as agent for the Fund, any assets of the Fund on such terms as it thinks fit in its discretion and set-off against and deduct from such proceeds of sale any obligations due and owing to the Trustee under this Master Trust Agreement in respect of the Trustee's fees, expenses and disbursements, and credit any surplus remaining thereafter to the relevant Fund.

### **ARTICLE 9 - TRUSTEE LIABILITY**

#### **Section 9.1 Standard of Care**

The Trustee shall exercise the powers and discharge the duties of its office honestly and in good faith and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances.

#### **Section 9.2 General Disclaimer of Liability**

The Trustee shall not be liable to the Funds or to any Unitholder or annuitant for any loss or damage relating to any matter regarding the Funds, including any loss or diminution in the value of the Funds or its assets, except to the extent that such loss or damage results from a breach by the Trustee of its standard of care set out in Section 9.1. In no event shall the Trustee be liable for any consequential or special damages, including but not limited to loss of reputation, goodwill or business.



Except to the extent that the Trustee has breached its standard of care as described in Section 9.1, without limitation, the Trustee, shall not be liable to any of the Funds or to any Unitholder for:

- (a) acting or failing to act or for acting pursuant to or in reliance on instructions of the Manager, any Investment Advisor, any Custodian (if not the Trustee), record keeper (if not the Trustee), registrar or transfer agent of the Funds (unless the same be the Trustee), or any person or organization whom it did not engage, appoint or employ and to whom its responsibilities are delegated as permitted hereunder;
- (b) any act or omission required or demanded by any governmental, taxing, regulatory or other competent authority in any country in which all or part of the Fund property is held or which has jurisdiction over the Trustee or the Manager;
- (c) the acts, omissions, receipts, neglects or defaults of any person, firm or corporation employed or engaged by it as permitted hereunder;
- (d) any loss, damage or expense caused to any of the Funds through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to any of the Funds shall be paid out or invested;
- (e) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or to which any monies or Fund property shall be lodged or deposited;
- (f) loss or damage of any nature whatsoever resulting from official action, war or threat of war, insurrection or civil disturbances, interruptions in postal, telephone, telegraph, telex or other electromechanical communication systems or power supply, the failure of any third party to fulfill its obligations under any agreement with the Fund or the Manager, or any other factor beyond the Trustee's control which obstructs, affects, prohibits or delays the Trustee, its directors, officers, employees or agents in carrying out the responsibilities provided for herein, in whole or in part;
- (g) any other loss, damage or misfortune which may happen in the execution by the Trustee of its duties hereunder;
- (h) the proper application by any Unitholder of a Fund of any part of its interests in that Fund if payments are made in accordance with written directions of such Unitholder as herein provided;
- (i) the adequacy of any of the Funds to meet and discharge any and all payments and liabilities in respect of a Unitholder;
- (j) the compliance by any Unitholder with the rules under the Tax Act or any other Applicable Laws;
- (k) the authenticity of any physically held commodities (including without limitation, the amount, weight, purity, contents or any assaying thereof) including, but not limited to, precious metals, the validity of title to any Fund property which the Trustee did not arrange itself to have appropriately registered, or any liabilities, including but not limited to environmental liabilities, associated with any investment of a Fund in any interest in real property, including but not limited to mortgages; or

- (l) any Fund property which it does not hold or which is not directly controlled by it, its affiliates or its appointed agents (including subcustodians).

Without limiting the generality of the foregoing, the Trustee shall be under no obligation to supervise and shall have no responsibility or liability whatsoever for any acts of omission or commission of any Custodian appointed by the Manager, whether acting in the capacity of custodian or prime broker or otherwise, unless such Custodian is RBC IST acting in its capacity as custodian or a sub-custodian appointed by RBC IST, and the Trustee shall not be liable for any loss or damage of any nature whatsoever sustained or incurred and however caused in respect of any Fund assets held by any such third party Custodian or its sub-custodians, if any. The Trustee shall be under no obligation to ensure that any third party Custodian so appointed (or its sub-custodians, if any) meets or follows the requirements of applicable securities laws.

### **Section 9.3 Indemnification of Trustee**

The Trustee, its affiliates and agents and each of their respective directors, officers and employees shall at all times be indemnified and saved harmless by each of the Funds from and against:

- (a) all claims whatsoever (including costs, judgments charges and expenses including legal fees in connection therewith) brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Trustee;
- (b) all claims whatsoever (including costs, judgments, charges, expenses and liabilities and fees of counsel in connection therewith) proposed, brought, commenced or prosecuted against any such person for or in respect of any act, deed, matter or thing whatsoever made, done, or omitted to be done by any Custodian (if other than the Trustee) in or about or in relation to the Funds and the custodial and prime brokerage responsibilities of such Custodian therefor; and
- (c) all other liabilities, costs, charges and expenses which it sustains or incurs in or about or in relation to the affairs of the Funds,

except to the extent that any such claim, liability, cost, charge or expense has been caused by the Trustee failing to meet the standard of care set out in Section 9.1.

## **ARTICLE 10 - MANAGER LIABILITY**

### **Section 10.1 Standard of Care**

The Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Funds and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable prudent investment management company would exercise in comparable circumstances.

### **Section 10.2 General Disclaimer of Liability**

The Manager shall not be liable to the Funds, to any Unitholder or to the Trustee for any loss, damage, cost, charge or expense (including reasonable legal costs) resulting from any act or omission in connection with its duties and obligations under this Master Trust Agreement except to

the extent such loss, damage, cost charge or expense is caused by its failure to comply with its standard of care as set forth in Section 10.1.

### **Section 10.3 Reliance**

The Manager may employ or engage, and rely and act on information or advice received from, distributors, brokers, depositories, custodians, electronic data processors, auditors, advisers, lawyers and others and shall not be responsible or liable for the acts or omissions of such person or for any other matter, including any loss or depreciation in value of the assets of the Funds.

### **Section 10.4 Engaging in Competition**

In the event that the Manager, its shareholders and associates or any of them now or hereafter carry on activities competitive with those of the Funds or buy, sell or trade in assets and portfolio securities of the Funds or of other investment funds, none of them shall be under any liability to the Funds or the Unitholders for so acting.

### **Section 10.5 Indemnification of Manager**

The Manager and its affiliates, subsidiaries and agents, and their directors, officers and employees and any other person who has undertaken or is about to undertake any action on behalf of any of the Funds (each a “**Manager Indemnified Party**”) shall from time to time be indemnified and saved harmless by that Fund from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by it in connection with its services provided hereunder, provided that such Manager Indemnified Party shall not be indemnified by any of the Funds and their assets in respect of any liability, costs, charges or expenses that such Manager Indemnified Party sustained in or about any action, suit or other proceeding if the Manager Indemnified Party has failed to fulfill its standard of care or obligations as set forth in this Master Trust Agreement and the fees, judgments or amounts are incurred as a result of or in relation to that failure, unless in an action brought against such persons or companies they have achieved complete or substantial success as a defendant.

## **ARTICLE 11 - CHANGE OF TRUSTEE**

### **Section 11.1 Resignation of Trustee**

The Trustee or any successor trustee may resign from the trusts created or continued by this Master Trust Agreement by giving notice to the Unitholders and to the Manager, not less than 90 days prior to the date when such resignation shall take effect.

Such resignation shall take effect on the date specified in such notice, unless at or prior to such date a successor trustee shall be appointed by the Manager in which case such resignation shall take effect immediately upon the appointment of such successor trustee.

### **Section 11.2 Removal of Trustee**

The Trustee may be removed by the Manager at any time by notice to the Trustee not less than 90 days prior to the date that such removal is to take effect provided a successor trustee is appointed or the Funds are terminated in accordance with Article 20.

### **Section 11.3 Appointment of Successor**

In the event that the Trustee resigns or is removed or becomes incapable of acting or if for any cause a vacancy shall occur in the office of trustee, a successor trustee shall forthwith be appointed by the Manager to fill such vacancy. Forthwith following such appointment of a successor trustee, the Trustee shall execute and deliver such documents as the Manager may require for the conveyance of any property of the Funds held in the Trustee's name, shall account to the Manager for all property of the Funds which the Trustee holds as trustee and shall thereupon be discharged as trustee.

Notwithstanding the foregoing, any trust company resulting from the merger or amalgamation of the Trustee with one or more trust companies and any trust company which succeeds to substantially all of the business of the Trustee shall thereupon become the successor to the Trustee hereunder without further act or formality with like effect as if such successor had originally been named trustee herein.

### **Section 11.4 Termination Upon Failure to Appoint Successor**

In the event that the Manager shall fail to appoint a successor to the Trustee, this Master Trust Agreement shall be terminated upon the effective date of the resignation or removal of the Trustee under Sections 11.1 and 11.2, as the case may be, and the assets of Funds shall be distributed in accordance with the termination provisions set out in Article 20 and the Trustee shall continue to act as trustee of the Funds until all of the assets of Funds have been so distributed. Fees and expenses of the Trustee shall, to the extent permitted by law, be a charge on the assets of the applicable Funds or the interests of the Unitholders of those Funds to secure payment thereof.

## **ARTICLE 12 - TERMINATION OF MANAGER**

### **Section 12.1 Resignation, Insolvency or Bankruptcy of Manager**

The Manager shall have the right to resign as Manager of all or any of the Funds by giving notice in writing to the Trustee and the Unitholders not less than 90 days prior to the date on which such resignation is to take effect. Such resignation shall take effect on the date specified in such notice. The Manager shall appoint a successor Manager of the Fund or Funds, and, unless the successor Manager is an affiliate of the Manager, such appointment must be approved by a majority of the Unitholders of the applicable Funds. If, prior to the effective date of the Manager's resignation, a successor Manager is not appointed or the Unitholders of the applicable Funds do not approve of the appointment of the successor Manager as required hereunder, this Master Trust Agreement shall be terminated with respect to the applicable Funds upon the effective date of resignation of the Manager and the assets of the applicable Funds shall be distributed in accordance with the provisions of Article 20 and the Trustee shall continue to act as trustee of the applicable Funds until all of the assets of the Funds have been so distributed.

This Master Trust Agreement shall be terminated immediately following the occurrence of a Termination Event. On such termination, the assets of the Funds shall be distributed in accordance with the provisions of Section 20.2. For the purposes of this Article 12, each of the following events shall be a "**Termination Event**":

- (a) the Manager is, in the opinion of the Trustee, in material default of its obligations under this Master Trust Agreement and such default continues for 120 days from the date that the Manager receives written notice of such material default from the Trustee;
- (b) the Manager 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 reconstruction);
- (c) the Manager makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or
- (d) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

### **Section 12.2 Successor Manager**

Any successor Manager, by accepting its appointment as such, shall automatically become a party to this Master Trust Agreement and be bound by the terms hereof as if the successor Manager had been an original signatory thereof; provided that such successor Manager shall not be responsible or liable for any act or omission of the Manager preceding its appointment as successor Manager.

## **ARTICLE 13 - CONCERNING THE UNITHOLDERS**

### **Section 13.1 Status of Unitholders**

The ownership of all property of each Fund of every description and subject to the terms of this Master Trust Agreement, the right to conduct the affairs of each Fund, is vested exclusively in the Trustee and the Manager and the Unitholders of that Fund shall have no interest other than the beneficial interest provided for herein in this Master Trust Agreement, and Unitholders shall have no right to call for any partition or division of any portion of the property of that Fund nor shall they be called upon to share or assume any losses of that Fund or suffer any assessment or further payments to that Fund or the Trustee of any kind by virtue of their ownership of Units of that Fund.

Each Fund is an open-ended unincorporated trust. The Funds are not and are not intended to be, shall not be deemed to be, and shall not be treated as general partnerships, limited partnerships, syndicates, associations, joint ventures, companies, corporations or joint stock companies nor shall the Trustee, the Manager or the Unitholders or any of them for any purpose be, or be deemed to be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustee nor the Manager shall be, or be deemed to be an agent of the Unitholders of any of the Funds. The relationship of the Unitholders to the Trustee shall be solely that of beneficiaries of the applicable Funds and their rights shall be limited to those conferred upon them by this Master Trust Agreement.

Further, the Manager shall cause the operations of the PH&N Funds to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, as far as possible, any material risk of liability on the Unitholders of the PH&N Funds for claims against a PH&N Fund and shall, to the extent it determines to be possible and reasonable, including the cost of premiums, cause the PH&N Funds to carry insurance for the benefit of the Unitholders of the PH&N Funds

and annuitants in such amounts as it considers adequate to cover any such foreseeable non-contractual or non-excluded contractual liability.

The PH&N Funds shall be indemnified and saved harmless by the Manager against any costs, charges, claims, expenses, actions, suits or proceedings arising as a result of any misrepresentation contained in any current Prospectus or like document of the PH&N Funds distributed in connection with the issue of Units of the PH&N Funds and the Manager has granted a contractual right of action or the Applicable Laws contain a statutory right of action in respect of any such Prospectus or like document of the PH&N Funds.

### **Section 13.2 Liability of Unitholders**

No Unitholder or annuitant shall be held to have any personal liability as such and no resort shall be had to his private property for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Funds, the Manager or the Trustee or any obligation which a Unitholder or annuitant would otherwise have to indemnify the Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Funds only are intended to be liable and subject to levy or execution for such satisfaction. If any Fund acquires any investments subject to existing contractual obligations, the Manager or the Trustee on direction of the Manager, as the case may be shall use its best efforts to have any such obligations modified so as to achieve disavowal of contractual liability contemplated herein.

### **Section 13.3 Unitholder Meetings**

(1) The Manager or the Trustee may, or the Trustee shall, upon the written request of the Manager, call and hold a Unitholders' meeting of any Fund and/or series within a Fund at any time and notice of such meeting shall be given by the Manager to the Unitholders of that Fund and/or series in such manner as it may determine provided that all Unitholders of that Fund entitled to vote at such meeting shall receive at least 21 days' notice in writing of any such meeting.

(2) Subject to compliance with Applicable Laws, the Manager may fix in advance a time and date, preceding the date of any meeting of Unitholders, as the record date for the determination of the Unitholders entitled to notice of the meeting. If no record date is fixed by the Manager, the record date for notice shall be at the close of business on the second Business Day immediately preceding the day on which notice of the meeting is given to Unitholders.

(3) The Manager may fix in advance a time and date, preceding the date of any meeting of Unitholders, as the record date for determination of the Unitholders entitled to vote at the meeting. If a record date for voting is fixed by the Manager, such date shall be specified in the notice calling the meeting. If no record date for voting is fixed by the Manager, the record date for voting shall be 4:00 p.m., Eastern Time, on the last Business Day before the meeting.

(4) A quorum for a meeting of Unitholders shall be a nominee of the Manager and at least two Unitholders of that Fund entitled to vote at such meeting present in person or by proxy.

(5) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place

and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

(6) An officer, director or nominee of the Manager shall be the chairman of the meeting.

(7) If required by applicable legislation or if the Manager determines that any matter would affect Unitholders of one or more particular series of Units of a Fund in a manner materially different from the Unitholders as a whole of that Fund or as a series of that Fund, as the case may be, the Manager shall convene separate meetings of Unitholders of those series of Units of the Fund. The meetings may be held concurrently and the Unitholders shall be entitled to vote separately as a series with respect to any of these matters. In addition, unless otherwise required by applicable legislation, holders of a series of Units of a Fund shall not be entitled to vote at any meeting of Unitholders of that Fund on matters which do not affect such holders of Units of that series.

### **Section 13.4 Consent of Unitholders**

(1) Provided always that the Manager has consented in writing and subject to Section 3.1, the Unitholders of a Fund may pass resolutions at any meeting of that Fund relating to, amending, supplementing, or dealing with this Master Trust Agreement but only as it relates to that Fund, and a resolution shall pass if it is consented to by Unitholders holding at least 51% of the Units of that Fund entitled to vote and that are represented at the meeting.

(2) At any such meeting the Unitholders of that Fund shall be entitled on a show of hands or upon a poll, if demanded, to one vote for each Unit held by him. The vote may be given in person or by proxy and a proxy need not be a Unitholder of that Fund.

(3) All powers exercisable by resolution at a meeting of the Unitholders of a Fund may also be exercised at any time (provided the Manager has consented in writing) by the consent in writing of Unitholders of that Fund representing 60% of all Units of that Fund or, in the case of a separate meeting of a particular series, of that series of Units of that Fund, then issued and not redeemed.

(4) Any resolution passed at a meeting of Unitholders of a Fund duly convened and any assent given in the manner set forth in the two immediately preceding subsections shall be binding upon all the Unitholders of that Fund or series, in the case of a separate series meeting, whether or not present at any such meeting or giving or joining in such assent, as the case may be, and as if those not voting had consented thereto.

(5) The accidental omission to give notice of a meeting to any Unitholder shall not invalidate any resolution passed at any such meeting.

(6) A Unitholder of a Fund may appoint any person as his proxy, to vote and act for him and on his behalf at any meeting of Unitholders of that Fund or adjournment thereof at which such Unitholder is entitled to vote. The instrument appointing a proxy may be in any general or usual form and must be deposited with the Manager at any time prior to the meeting or adjournment thereof.

## **ARTICLE 14 - SPECIAL FUNCTIONS**

### **Section 14.1 Registrar**

The Manager acknowledges and agrees with the Trustee that the Manager reserves and retains the power and authority as registrar for the Funds to provide the services as more fully set out under this Article 14, at its principal administrative office in Vancouver, British Columbia or such other office as designated by the Manager. The Manager, in its discretion, may appoint a service provider, including but not limited to an affiliate of the Manager or RBC IST to provide the recordkeeping and related services set out under this Article 14, upon such terms and conditions as the Manager shall determine. The functions of the registrar shall include maintaining a record of Unitholders as provided for in Section 14.2.

### **Section 14.2 Unit Register**

The registrar appointed herein under Section 14.1 shall maintain records of the name and address of each Unitholder of each Fund and the number of Units of that Fund from time to time held by him and such records shall be available at the offices of the registrar in Vancouver, British Columbia or in such other office in Canada as may seem appropriate to the Trustee with the consent of the Manager.

The registrar shall maintain participation records for each Fund, showing with respect to each Unitholder in that Fund:

- (a) the series and date of each issue of Units of that Fund to such Unitholder, the number of such Units issued and the amount for which each such Unit is issued;
- (b) the date of each withdrawal of Units of that Fund, the number of such Units withdrawn and the Series Net Asset Value per Unit at which each such Unit is withdrawn;
- (c) the number of Units of that Fund held immediately after any subdivision or consolidation of Units of that Fund;
- (d) the number of Units of that Fund currently held; and
- (e) the date and details of each distribution of that Fund to such Unitholder.

The Funds, the Trustee (in its capacity as such, regardless of the fact that the Trustee may be or may have been such record keeper) and the Manager shall at all times be entitled to rely entirely upon the records maintained by the record keeper as a record of ownership and the registered owners of Units shall be deemed to be the true owners thereof for all purposes hereof.

### **Section 14.3 Fund Auditors**

The Manager hereby confirms that Deloitte & Touche LLP, Chartered Accountants, are hereby appointed the auditors of the Funds. The Manager may from time to time, subject to 60 days prior written notice to the Trustee or such other notice as is agreed to by the Manager and the Trustee, appoint another firm of chartered accountants qualified to practice in the Province of British Columbia to act as the auditors of the Funds. The auditors of the Funds shall make a report to the Trustee and the Unitholders on the annual financial statements of each Fund and fulfill such other responsibilities as they may properly be called upon to assume. Any such report shall be reviewed



by the Manager, and if acceptable to the Manager shall be approved by the Manager (and if required, shall be signed by the Manager to evidence such approval) on behalf of each of the Funds. The auditors shall have access to all records relating to the affairs of the Funds including the relevant records of the Manager, the Trustee and any custodian and registrar.

## **ARTICLE 15 - INVESTMENT**

### **Section 15.1 Investment by the Funds**

It shall be the responsibility of the Manager to ensure that investments of the assets of the Funds are made in such a way as to comply with the investment objectives, policies, practices and restrictions of the Funds. On Direction of the Manager or any Investment Advisor, the Trustee shall sell any or all of such investments and reinvest the proceeds thereof or exchange any or all of such investment for other investments. The Trustee, the Funds and the Manager shall not, in carrying out investment activities be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees but shall be limited by any investment restrictions contained herein and the appropriate regulatory authorities and Applicable Laws to which the Funds are subject.

## **ARTICLE 16 - DISTRIBUTIONS**

### **Section 16.1 Distribution Policy**

It is intended that there be sufficient distributions from each Fund with respect to each of the Fund's taxation years so that the Fund is not liable for any non-refundable tax under the Tax Act. The provisions of this Article shall be interpreted so as to give effect to this intention.

### **Section 16.2 Distribution Dates**

For each Fund, except a Fund that is a "money market fund" within the meaning of NI 81-102 (whether or not such Fund is offered pursuant to a simplified prospectus), or a fund that distributes income on a basis that is similar to a "money market fund" each of which is referred to in this Article 16 as a "Money Market Fund") the Distribution Dates are:

- (a) if the Manager has determined to make monthly distributions, the second-last Valuation Day of each calendar month, other than the last month of each year;
- (b) if the Manager has determined to make quarterly distributions, the second-last Valuation Day of each calendar quarter, other than the last quarter of each year;
- (c) if taxation years of the Fund end on December 31, the last Valuation Day of the last quarter of each year;
- (d) if taxation years of the Fund end on December 15, each Distribution Date determined in accordance with Section 16.15(b); and

- (e) if the taxation year is deemed under the Tax Act to end on a day other than December 15 or December 31, the Valuation Day on or immediately preceding the date of the deemed taxation year end,

except that the Distribution Date for a distribution by a Fund pursuant to Section 16.11 (Management Fee Distribution) is the date on which the Fund receives a reimbursement in respect of a fee it has paid to the Manager.

The Manager shall notify the Trustee, in accordance with Section 18 of this Master Trust Agreement, upon the Manager becoming aware of the occurrence of a Fund taxation year end which results from the deemed taxation year end rules under the Tax Act (a “Deemed Taxation Year End”).

For greater certainty, the Trustee shall have no responsibility to monitor the occurrence of any Deemed Taxation Year End, determine whether a Deemed Taxation Year End has occurred for a Fund, or alert the Manager that a Deemed Taxation Year End has occurred. Notwithstanding any other term of this Master Trust Agreement, the Trustee shall not be responsible or liable whatsoever, in its capacity as Trustee, to the Manager or a Fund for any losses, damages, costs, claims, penalties or expenses relating to the failure by the Manager to notify the Trustee of a Deemed Taxation Year End and any resulting adjustments that are required to be made to a Fund, including without limitation, adjustments made to its register or its Net Asset Value.

For the Money Market Funds, the Distribution Dates are the last Valuation Day of each calendar month, except that the Distribution Date for a distribution by a Money Market Fund of capital gains or capital pursuant to Section 16.8 is the date on which the Manager determines that such distributions shall occur and the Distribution Date for a distribution by a Money Market Fund pursuant to Section 16.11 (Management Fee Distribution) is the date on which the Fund receives a reimbursement in respect of a fee it has paid to the Manager.

The method for determining the portion of a Money Market Fund’s net income for a year that is allocable to each series of Units shall also be used for determining the allocation of daily accruing income under Section 16.8.

### **Section 16.3 Determination of Net Income**

For the purposes of this Article, and subject to any modification made pursuant to Section 16.5, the net income of a Fund for a taxation year is equal to:

- (a) the Fund’s income for the taxation year that would be determined under the Tax Act if
  - (i) no amount were included or deducted in respect of capital gains and capital losses,
  - (ii) there were no gross-up in respect of taxable dividends from corporations resident in Canada, and
  - (iii) no amount were deducted in respect of amounts that became payable to Unitholders

minus

- (b) the amount that may be deducted, in computing the Fund's taxable income for the taxation year, in respect of the Fund's non-capital losses for prior taxation years.

#### **Section 16.4 Determination of Net Realized Taxable Capital Gains**

For the purposes of this Article, and subject to any modification made pursuant to Section 16.5, the net realized capital gains of a Fund for a taxation year are equal to two times the amount, if any, by which the Fund's taxable capital gains for the year exceed the sum of:

- (a) the Fund's allowable capital losses for the taxation year;
- (b) the amount that would be the Fund's non-capital loss for the taxation year if it had no taxable capital gains for the taxation year;
- (c) the maximum amount of the Fund's taxable capital gains for the taxation year determined so that, if the taxable capital gains are not payable to Unitholders of the Fund, the Fund is entitled to recover, as a capital gains refund for the taxation year, the tax payable by the Fund in respect of the taxable capital gains; and
- (d) the Fund's net capital losses for prior taxation years which the Fund is permitted to deduct in computing its taxable income for the taxation year.

If there is a change to the fraction of capital gains required by the Tax Act to be included in income, the factor of two will thereafter equal the reciprocal of the new fraction, and other amounts referred to in this Section will be adjusted to the extent necessary.

#### **Section 16.5 Determination of Amounts**

The Manager shall determine the amount of each Fund's net income and net realized capital gains for each taxation year. In so doing, the Manager may modify the method specified in Section 16.3 or 16.4, where the modification is, in the Manager's opinion, necessary or desirable so as to obtain more favourable results under the Tax Act for a Fund or its Unitholders. For greater certainty, such modifications may involve the deduction of expenses in computing net realized capital gains rather than their deduction in computing net income, or the deduction of non-capital losses for prior taxation years in computing net realized capital gains. A decision by the Manager to modify the method for determining a Fund's net income or net realized capital gains for a taxation year shall be effective only if made before the end of the taxation year (or, where the taxation year ends on December 15, before the end of the calendar year that includes the end of the taxation year).

Amounts referred to in Sections 16.3 and 16.4 that are defined in the Tax Act are to be determined in accordance with the Tax Act.

#### **Section 16.6 Income and Gains Allocable to Series of Units**

For the purpose of Section 16.9, the Manager shall determine the portion of a Fund's net income and net realized capital gains for a taxation year that is allocable to each series of Units of the Fund. The Manager shall make the determination in a reasonable manner having regard, among other things, to (i) the Series Expenses for each series of Units, (ii) the way in which Common Expenses of the Fund, the Fund's investment income, and changes in the value of Fund assets are allocated among series of Units in determining the Series Net Asset Value for each series, and (iii) the redesignation of Units during the taxation year. The method applicable for a taxation year shall be

determined before the end of the taxation year (or, where the taxation year ends on December 15, before the end of the calendar year that includes the end of the taxation year).

The method for determining the portion of a Money Market Fund's net income for a taxation year that is allocable to each series of Units shall also be used for determining the allocation of daily accruing income under Section 16.8.

### **Section 16.7 Unitholders and Number of Units**

Before the Distribution Date for a distribution under Section 16.8 or Section 16.9, the Manager may fix a date and method for determining the Unitholders to whom the distribution will be made and the number of Units of each series of the Fund held by each Unitholder. If the Manager does not fix a date and method, the distribution shall be made to those who are Unitholders of the Fund at the end of the Distribution Date, and shall be based on the number of Units of each series of the Fund held by each Unitholder at that time (other than Units acquired as a result of the reinvestment of a distribution on the Distribution Date). For this purpose, all purchases and redemptions of Units for which the Series Net Asset Value Per Unit on the Distribution Date or a previous day applies shall be considered to have been completed before the end of the Distribution Date.

For the purposes of Section 16.8 as it applies with respect to a Money Market Fund, the Manager may use any reasonable method for determining the Unitholders of the Fund and the number of Units of each series of the Fund held on a particular day. If the Manager does not adopt another method, the determination shall be made on the basis that (i) all purchases and redemptions of Units which are processed with effect on a particular day (other than the purchase of Units as a result of the reinvestment of a distribution) are treated as being effective at the beginning of the Business Day next following the particular day, and (ii) Units acquired as a result of the reinvestment of a distribution are acquired at the beginning of the day following the relevant Distribution Date.

### **Section 16.8 Distributions During Year**

For each Fund except the Money Market Funds, such amount as is determined by the Manager in its absolute discretion shall, on each Distribution Date in a taxation year (other than the last Distribution Date), become payable as a distribution of the Fund's net income or net realized capital gains for the year to Unitholders of Record for the distribution in respect of their Units of a particular series of the Fund. The Manager may estimate the Fund's net income or net realized capital gains for this purpose. An amount that becomes payable to Unitholders of a particular series of Units of a Fund pursuant to this Section shall be allocated among the Unitholders pro rata based on the number of Units of that series held by each Unitholder.

For each Money Market Fund, the Manager shall determine the amount of the Fund's net income for a calendar year that accrues each day in the year (excluding net income that becomes payable to Unitholders pursuant to Section 16.11 (Management Fee Distribution)), and the portion of the net income accruing each day that is allocable to each series of Units of the Fund. The amount so determined for a day in respect of a particular series of Units of the Fund shall be allocated among the Unitholders of the Fund at the beginning of that day pro rata based on the number of Units of that series held by each Unitholder at that time. The net income allocated to a Unitholder of a Money Market Fund in a calendar month shall be payable to the Unitholder on the last Valuation Day of the month unless payable earlier pursuant to Section 16.10. For each Money Market Fund, the Manager shall have the absolute discretion to make distributions out of the net realized capital gains or capital of the Fund at any time during the year in such amounts as the Manager determines.

## **Section 16.9 Distribution at Year End**

On the last Distribution Date of a Fund in a taxation year (or, where the taxation year of a Fund ends on December 15, on the last Distribution Date of the Fund in the calendar year that includes the end of the taxation year; or, where the taxation year of a Fund is deemed under the Tax Act to end on a day other than December 15 or December 31, on the last Business Day in that taxation year), the following amounts shall, without any further action, become payable to Unitholders of Record for the distribution in respect of their Units of a particular series of the Fund:

- (a) the net income of the Fund for the taxation year allocable to that series of Units less the portion of such net income that has otherwise become payable to Unitholders on or before the Distribution Date in respect of Units of that series; and
- (b) the net realized capital gains of the Fund for the taxation year allocable to that series of Units less the portion of such gains that have otherwise become payable to Unitholders on or before the Distribution Date in respect of Units of that series and, with respect to the Phillips, Hager & North \$U.S. Money Market Fund, less the portion of such gains as is determined by the Manager.

An amount that becomes payable to Unitholders of a particular series of Units of a Fund pursuant to this Section shall be allocated among the Unitholders pro rata based on the number of Units of that series held by each Unitholder.

All amounts payable pursuant to this Section 16.9 in respect of a Deemed Taxation Year End will be automatically reinvested in additional Units of the same series of the Fund on which the amount was considered payable and immediately following this reinvestment the number of Units of the relevant series outstanding shall, notwithstanding Section 3.3, be automatically consolidated so that the net asset value of each unit of such series after the reinvestment is the same as it was immediately before the amount was considered to have been declared due and payable by the Fund.

## **Section 16.10 Distribution on Redemption of Units**

The Manager may determine that all or any portion of the proceeds that become payable in a year on the redemption of Units of a series of the Fund are a distribution of the Fund's net income or net realized capital gains for the year allocable to that series of Units.

If all the Unitholder's Units in a Money Market Fund are redeemed, the proceeds payable on the redemption shall include the net income that has been allocated to the Unitholder pursuant to Section 16.8 but not distributed to the Unitholder.

## **Section 16.11 Management Fee Distribution**

The Manager may reimburse all or a portion of a fee paid by a Fund to the Manager pursuant to Section 8.2. At the time of reimbursement, the Manager may direct that an amount, not in excess of the reimbursed fee, be paid from the Fund to Unitholders of the Fund in respect of such Units and in such proportions as the Manager determines, and such amount shall become payable at that time. An amount payable in a year by a Fund pursuant to this Section in respect of a series of Units of the Fund shall be considered a distribution of the Fund's net income for the year allocable to that series of Units, except to the extent that the Manager has determined the amount to be a distribution of the

Fund's net realized capital gains for the year allocable to that series of Units or a distribution of an amount other than the Fund's net income or net realized capital gains for the year.

### **Section 16.12 Distribution of Capital**

The Manager may determine that all or a portion of the amounts that become payable pursuant to this Article in respect of the Units of a particular series of a Fund are not a distribution of the Fund's net income for the year or the Fund's net realized capital gains, where the determination is made so that the total distributions with respect to the taxation year in respect of that series of Units from the Fund's net income and net realized capital gains for the taxation year does not exceed the sum of the Fund's net income for the taxation year allocable to that series of Units and the Fund's net realized capital gains for the taxation year allocable to that series of Units.

### **Section 16.13 Amounts Payable**

Where an amount becomes payable to a Unitholder of a Fund pursuant to Section 16.8, 16.9 or 16.11, or is allocated to a Unitholder of a Money Market Fund pursuant to Section 16.8, the amount is a liability of the Fund until it is paid or reinvested in Units of the Fund. An amount that becomes payable pursuant to Section 16.8 by a Fund other than a Money Market Fund, or pursuant to Section 16.9 by any Fund shall not be deducted in determining the Net Asset Value of the Fund or the Series Net Asset Value of a series of Units of the Fund, on the relevant Distribution Date.

Where an amount becomes payable to a Unitholder of a Fund pursuant to this Article, the Unitholder is entitled from the time the amount becomes payable to enforce payment of the amount.

### **Section 16.14 Manner of Payment**

Each amount that becomes payable on a Distribution Date to a Unitholder in respect of a series of Units of a Fund in accordance with Section 16.8, 16.9 or 16.11 shall be paid in the following manner:

- (a) such portion of the amount as is agreed between the Unitholder and the Manager shall be applied to the payment of any fees or charges payable by the Unitholder;
- (b) all or a portion of the remaining amount shall, on the written direction of the Unitholder, be paid by cheque to the Unitholder; and
- (c) the remainder shall be reinvested in additional Units (including a fraction of a Unit) of the same series of the Fund having a value equal to the amount so reinvested, without the payment of any sales charge or commission.

### **Section 16.15 December 15 Taxation Year End**

The Manager may make an election under the Tax Act to have a Fund's taxation year end on December 15, if the Fund is not a Money Market Fund and is eligible for the election. Where such an election has been made with respect to a Fund, the following provisions apply, for the purposes of this Article, with respect to each calendar year in which the Fund's taxation year ends on December 15 (and paragraph (a) applies for the first subsequent year, if any, in which the Fund's taxation year ends on December 31):

- (a) the net income, net realized capital gains and each other amount of the Fund for a calendar year shall be computed for the taxation year of the Fund ending in the calendar year;
- (b) for the purposes of sections 16.8 and 16.9, the last Distribution Date for the Fund in a calendar year is the Valuation Day determined by the Manager, which Valuation Day shall be no earlier than December 15, if that day is a Valuation Day, and otherwise the most recent Valuation Day before December 15. In the absence of a determination by the Manager, the Distribution Date is the earliest day that could be determined by the Manager to be the Distribution Date;
- (c) the Manager may determine that all or any portion of the proceeds that become payable after December 15 in a calendar year on the redemption of Units of a series of the Fund are a distribution of the Fund's net income or net realized capital gains for the year allocable to that series of Units, to the extent that the proceeds will be so considered for purposes of the Tax Act; and
- (d) the Manager may estimate amounts that are required by the Tax Act to be included, or taken into account, in computing the Fund's income for a taxation year that ends on a December 15 where such amounts cannot be determined until after that date. The estimated amounts shall be included in computing the Fund's net income or net realized capital gains for the year.

#### **Section 16.16 Statements as to Distributions**

Any distributions to Unitholders of a Fund shall be accompanied by a statement prepared by the Manager advising the Unitholders of the source of the funds so distributed so that distributions of ordinary income, dividends, return of capital and capital gains will be clearly distinguished, or, if the source of funds so distributed has not been determined, the communication shall so state, in which event the statement of the source of funds shall be forwarded by the Manager to the Unitholders promptly after the end of the year in which the distribution was made.

#### **Section 16.17 Income Tax Statements**

On or before March 31 in each year, the Manager will provide the Unitholders of each Fund with all information regarding the Fund for the prior year which they require for income tax purposes.

#### **Section 16.18 Agent of Manager**

The Manager may appoint or employ agents for the purposes of discharging its duties and exercising its discretionary powers under this Article.

### **ARTICLE 17 - REPORTS AND EXECUTION OF DOCUMENTS**

#### **Section 17.1 Material to be Furnished to Trustee**

The Manager will cause to be furnished to the Trustee from time to time, in addition to any other documents required to be furnished hereunder:

- (a) as soon as possible after the same becomes available, a copy of each audited financial statement of the Funds, together with the report of the auditors thereon and each unaudited interim financial statements of the Funds;
- (b) copies of the forms of subscription agreements or like documents for investment in Units;
- (c) copies of the Prospectus or like offering document;
- (d) copies of all material agreements of the Funds; and,
- (e) a Certificate of Compliance with respect to each of the Funds following the end of each calendar year.

### **Section 17.2 Documents Requiring Trustee's Consent**

The Manager will provide to the Trustee for its prior written consent, draft copies of all agreements, literature, advertisements, printed matter and other like material which contain any reference to the Trustee or which relate to the functions being performed hereunder or which may affect the Trustee, except material which is circulated among or sent to employees, Unitholders and correspondence in the ordinary course of business and which merely reflects in accurate terms, information contained in the then current Prospectus or like offering document of a Fund.

### **Section 17.3 Execution of Documents**

The Trustee and in furtherance of its powers under this Master Trust Agreement, the Manager shall have authority to sign on behalf of the Fund all documents in writing and any documents in writing so signed shall be binding upon the applicable Funds without any further authorization or formality provided that the Manager shall ensure that any such documentation shall state that the Trustee is solely acting in its capacity as trustee of the Funds and is without personal liability. The Trustee, and in furtherance of its powers under this Master Trust Agreement, the Manager shall have power from time to time to appoint any person or persons on behalf of the Funds either to sign documents generally or to sign specific documents provided that the Manager shall ensure that any such documentation shall state that the Trustee is solely acting in its capacity as trustee of the Funds and is without personal liability.

### **Section 17.4 Execution of Documents by Manager**

Any approval, consent, direction, order or request required or permitted by this Master Trust Agreement to be given or made by the Manager, including but not limited to the signing of any Prospectus or like offering document of a Fund, shall (except where otherwise expressly provided herein) be sufficiently given or made if expressed in writing signed in the name of the

Manager by its duly authorized representative designated from time to time in writing. If at any time, the Manager shall fail to give or make any such approval, consent, direction, order or request as required by this Master Trust Agreement and no express provision is made for the action to be taken by the Trustee in such event, the Trustee may act herein without any such approval, consent, direction, order or request, in its own discretion.



## ARTICLE 18 - COMMUNICATIONS

### Section 18.1 Notice to Unitholders

Any notice to be given or any document or instrument in writing to be sent to a Unitholder may be effectively given or sent by mailing it to him by ordinary post addressed to him at his address appearing on the record of Unitholders referred to in Section 14.2 and shall be conclusively deemed to have been received by the Unitholder on the fifth day after it was so mailed; provided that the accidental failure to give notice to any Unitholder shall not affect any action taken pursuant to such notice.

### Section 18.2 Directions

All Directions shall be given in one of the methods authorized by Section 18.4 below and shall be given by an authorized officer, person or other representative of the Manager or the Investment Advisor, as the case may be.

The Manager and each Investment Advisor shall, from time to time, provide to the Trustee a certificate, substantially in the form set out in **Schedule "D"** hereto, signed by the President, a Vice-President or the Secretary of the Manager or the Investment Advisor, as the case may be, stating the name(s) and title(s) of the authorized officer(s), person(s) or representative(s) authorized to act on behalf of the Manager or the Investment Advisor, as the case may be, together with specimen signatures of all such authorized officers, persons or representatives. The Manager and each Investment Advisor shall keep the Trustee informed as to any changes in its authorized signatories, and the Trustee shall be entitled to rely upon the identification of such persons as specified in each such certificate as the persons entitled to act on behalf of the Manager, and such Investment Advisor for the purposes of this Master Trust Agreement until a later certificate respecting the same is delivered to the Trustee.

- (a) Without limiting the foregoing, in the case of Directions sent through one of the Trustee's secured access channels, including ViewFinder, or sent directly between electromechanical or electronic terminals (including, subject to Section 18.8, the internet or unsecured lines of communication), the parties acknowledge that it may not be possible for such Directions to be signed, however the Trustee shall nevertheless be protected in relying on such Directions as if they were written Directions from the Manager or the Investment Advisor, as the case may be, executed by an authorized signatory of the Manager or the Investment Advisor, as the case may be. The Trustee shall be entitled, without further inquiry or investigation, to assume that such Directions have been duly and properly issued by the Manager or the Investment Advisor, as the case may be, and that the sender(s) is/are duly authorized to act, and to provide Directions, on behalf of the Manager and the Investment Advisor, as case may be.
- (b) Without limitation, the Trustee shall:
  - (i) be fully protected in acting upon any Direction believed by it, acting reasonably, to be genuine and presented by the proper person(s); and
  - (ii) be under no duty to make any investigation or inquiry as to any statement contained in any such Direction but may accept such statement as conclusive evidence of the truth and accuracy of such statement.

### **Section 18.3 Limitations in Respect of Directions**

The Trustee shall act in accordance with Directions, and shall be fully protected and absolved from any liability arising therefrom. Further, notwithstanding anything else in this Master Trust Agreement, the Trustee shall not be required to comply with Directions to settle the purchase of any securities on behalf of the Fund unless there is sufficient cash in the Fund at the time, nor shall the Trustee be required to comply with Directions to settle the sale of any securities on behalf of the Fund unless such securities are in deliverable form. If the Trustee is not provided with Directions when required hereunder, then the Trustee shall be fully protected and absolved from any liability arising from the failure to act in the absence of Directions.

### **Section 18.4 Methods of Communication**

All communications hereunder (including, for greater certainty, Directions) must be given by one of the following methods of communication:

- personal or courier delivery;
- prepaid ordinary mail;
- authenticated telex;
- facsimile;
- S.W.I.F.T.;
- one of the Trustee's secured client access channels, including ViewFinder;
- directly between electromechanical or electronic terminals (including, subject to Section 18.8, the internet or unsecured lines of communication); or
- telephone (subject to Section 18.6).

Communications should be addressed, as applicable, as follows:

- (a) in the case of the Trustee:

RBC Investor Services Trust  
155 Wellington Street West, 2nd Floor  
P.O. Box 7500, Station "A"  
Toronto, Ontario  
M5V 3L3  
Attention: Director or Senior Manager, Client Management - Funds  
Facsimile: (416) 955-8571

- (b) in the case of the Manager:

RBC Global Asset Management Inc.  
Phillips, Hager & North Investment Management  
Main Operating Office  
Waterfront Centre, 20th Floor  
200 Burrard Street, Vancouver, B.C.  
V6C 3N5  
Attention: Chief Administration Officer  
Telephone: (604) 408-6000  
Facsimile: (604) 685-5712

or at such other address and number as the party to whom such communication is to be given shall have last notified to the party giving the same in the manner provided in this Section.

### **Section 18.5 Deemed Delivery**

Any communication delivered personally shall be deemed to have been given and received on the day it is so delivered (or if that day is not a Business Day, on the next succeeding Business Day). Subject to disruptions in the postal service, any communication sent by prepaid ordinary mail shall be deemed to have been given and received on the fifth Business Day following the date of mailing. Any communication given by authenticated telex, facsimile, S.W.I.F.T., one of the Trustee's secured client access channels or directly between electromechanical or electronic terminals (including, subject to Section 18.8, the internet or unsecured lines of communication) shall be deemed to have been given and received on the Business Day it is transmitted provided that it was received before 3:00 p.m. (Toronto time), and, if received after 3:00 p.m. (Toronto time), it shall be deemed to have been given and received on the Business Day following the day of transmission provided in each case that confirmation of transmission is available from the party giving the communication.

Nothing in this Master Trust Agreement shall create an obligation for the Trustee to constantly monitor its electronic communication equipment, provided that regular monitoring is performed within business hours of the Trustee where communications are sent and the Trustee will not be held liable for an omission to act from not receiving electronically transmitted communications (including, without limitation, Directions). In the event of any disagreement as to whether electronic communications (including, without limitation, Directions) have been received by the Trustee, the sender will have the onus of proving that such electronic communications have been so received.

### **Section 18.6 Telephone Directions**

With respect to telephone Directions, the Manager shall endeavor to forward written Directions confirming such telephone Directions on the same day that such verbal Directions are given to the Trustee. The fact that such confirming written Directions are not received or that contrary Directions are received by the Trustee shall in no way affect the validity of any transactions effected by the Trustee on the basis of the telephone Directions.

### **Section 18.7 Recording of Telephone Communications**

The Manager acknowledges and agrees that some or all telephone communications between the parties, including, without limitation, Directions, may be recorded by the Trustee. In the event of any disagreement as to the content of any communication given by telephone, the Trustee's recording will be conclusive and determinative of the contents of such communication.

### **Section 18.8 Internet**

The Manager agrees and confirms, in connection with the services provided by the Trustee to the Funds listed in **Schedule "A"** attached hereto, that the Trustee may forward reports and information to the Manager and/or to the Manager's authorized agents, and may receive and act upon communications and instructions (including without limitation, Directions) received from the Manager and/or the Manager's authorized agents, through use of the internet or any other electronic means of communication which is not secure.

The Manager agrees and acknowledges that the internet is not a secure or confidential means of communication, and that accordingly, there are certain risks inherent in its use. The Manager therefore agrees that the Trustee shall bear no responsibility or liability whatsoever for any errors and omissions, or direct, indirect or consequential losses or damages that are directly attributable to the use of the internet as a means of communication, including any losses or damages arising from viruses or worms, or the interception, tampering or breach of confidentiality of data or information transmitted which is not encrypted and authenticated in accordance with the Trustee's encryption standards.

Without limiting the provisions of this Master Trust Agreement, the Manager also agrees that the Trustee may rely and act upon any email instructions or Directions received via the internet from the Manager without the Trustee having to take any further actions of any kind to verify or otherwise ascertain the validity of such instructions or Directions, and any such instructions or Directions shall be binding on the Manager on whose behalf the e-mail instructions or Directions shall have been given and that the Manager shall not make any claim or take any action or proceedings against the Trustee for any losses or damages whatsoever suffered by reason of the Trustee accepting and acting upon such instructions or Directions so received.

### **Section 18.9 Directions Through FundSERV**

In all circumstances, if applicable, where the Trustee is required to process trades in Units of the Fund through and in accordance with information and/or directions received only through FundSERV, the Manager hereby authorizes and directs the Trustee to act on all such information and/or directions so received which shall be deemed to be Directions from the Manager for all purposes of this Master Trust Agreement. For greater certainty, subject to meeting its standard of care as described in Section 9.1, the Trustee shall not have any liability for acting on such information and/or Directions received only through FundSERV in order to process such trades.

## **ARTICLE 19 - AMENDMENTS**

### **Section 19.1 Amendments**

Unless otherwise required under applicable securities laws, any provision of this Master Trust Agreement may be amended, deleted, expanded or varied by the Manager without the consent of Unitholders of the affected Funds, provided that (i) the amendment, deletion, expansion or variation is acceptable to the Manager and the Trustee acting reasonably, and (ii) if, in the opinion of the Manager, the amendment, deletion, expansion or variation is a change that would be considered important by a reasonable Unitholder in determining whether to continue to hold Units of the affected Funds, and is prejudicial to the interests of Unitholders as a group, notice of the amendment, deletion, expansion or variation is provided to Unitholders not less than 30 days prior to the date the amendment, deletion, expansion or variation is made effective.

### **Section 19.2 Amendment and Restatement Not a Revocation or Resettlement**

No amendment to the terms hereof or restatement of the terms hereof to reflect such amendment shall be construed as or constitute a revocation or resettlement of a trust created or continued hereby, unless expressly stated in the document effecting such amendment or restatement.

## **ARTICLE 20 - TERMINATION OF FUNDS**

### **Section 20.1 Notice of Termination Date**

The Manager may at any time terminate and dissolve a Fund or a series within a Fund by giving to the Trustee and each then Unitholder of that Fund or series, as the case may be, written notice of its intention to terminate at least 90 days before the date on which the Fund or series is to be terminated (the “**Termination Date**”).

### **Section 20.2 Effect of Termination**

During the period after the giving of such notice, the right of Unitholders of that Fund to require payment for all or any of their Units in that Fund shall, unless the Manager in its sole discretion determines otherwise, be suspended and the Manager shall make appropriate arrangements for converting the investment of that Fund into cash. After payment of the liabilities of that Fund, each Unitholder registered as a Unitholder of that Fund at the close of business on the date fixed as the Termination Date shall be entitled to receive from the Trustee his proportionate share of the value of the Fund attributable to that series in accordance with the number of Units of that series which he then holds.

### **Section 20.3 Termination of Agreement**

Should all of the Funds be terminated and dissolved pursuant to Section 20.1, then this Master Trust Agreement shall terminate and all of the assets of each of the Funds shall be distributed according to Section 20.2.

## **ARTICLE 21 - GENERAL**

### **Section 21.1 Compliance with Law and Policy**

It shall be the responsibility of the Manager to ensure that this Master Trust Agreement, any Prospectus or like offering document or regulatory filing of each of the Funds and any distribution of Units complies with Applicable Law. To this end, the Manager on behalf of the Funds shall take such action and execute such documents as may be necessary or desirable to be filed with appropriate regulatory authorities on behalf of the Funds.

### **Section 21.2 Governing Law**

This Master Trust Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the responsibilities of the Trustee shall be principally performed from its office at Toronto unless otherwise agreed by the Manager and the Trustee.

### **Section 21.3 Confidentiality and Sharing of Information**

- (a) Subject to Section 6.7(a)(vii) of this Master Trust Agreement, each party shall hold in confidence all information relating to the Fund property and this Master Trust Agreement (collectively, the “**Confidential Information**”) and may only release such information to others where required by law, where such information was within such party’s possession on a non-confidential basis prior to it being provided to such party, where such

information is or becomes available to the public, pursuant to Directions (if applicable), or as otherwise agreed between the parties.

- (b) Without limiting Section 21.3(a) above, the Manager agrees that the Trustee may share, on a need to know basis, with its agents, service providers, Affiliates, related companies, subsidiaries, parent companies and their respective parent company's Affiliates, related companies and subsidiaries, the Manager's or a Fund's information, including Confidential Information, together with other information for administration, client services, marketing, to prevent fraud, to verify the Manager's identity and to prevent money laundering. The Trustee will also provide the Manager's or the Fund's information, including Confidential Information, to any federal or provincial legal or regulatory body if required by Applicable Law to do so.

#### **Section 21.4 Fiscal Year End**

Subject to Section 16.15, the fiscal year of each of the Funds shall end on December 31 of each year.

#### **Section 21.5 Severability**

If any part of this Master Trust Agreement is declared or held to be invalid for any reason, the invalidity shall not affect the validity of the remainder of this Master Trust Agreement which shall continue in full force and effect and be construed as if this Master Trust Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties that this Master Trust Agreement would have been executed without reference to any portion that may, for any reason, be hereafter declared or held in valid.

#### **Section 21.6 Counterparts**

This Master Trust Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which when, taken together, shall constitute one and the same instrument.

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** this Master Trust Agreement has been executed by the proper signing officers of the parties hereto, duly authorized in that regard.

**RBC GLOBAL ASSET MANAGEMENT INC.** in its capacity as Manager of the PH&N Funds and without any personal liability

Per: “Heidi Johnston”  
Authorized Signatory  
Name: Heidi Johnston  
Title: Vice President

Per: “Steve Gabor”  
Authorized Signatory  
Name: Steve Gabor  
Title: Vice President

**RBC INVESTOR SERVICES TRUST** in its capacity as Trustee of the PH&N Funds and without any personal liability

Per: “Bibi Khan”  
Authorized Signatory  
Name: Bibi Khan  
Title: Senior Manager, Client Service

Per: “Mumtaz Kassam”  
Authorized Signatory  
Name: Mumtaz Kassam  
Title: Manager, Client Service

**SCHEDULE “A”**

**to the Amended and Restated Master Trust Agreement for  
the Phillips, Hager & North investment funds  
and  
BonaVista investment funds**

**LIST OF FUNDS**

**(AMENDED AND RESTATED AS OF MAY 15, 2015)**

Name of Fund	Date Established	Annual Management Fees										
		Series A	Series B <sup>(9)</sup>	Series C	Series D <sup>(7)</sup>	Series F	Series H	Series I	Series N	Series O <sup>(1)</sup>	Series Z <sup>(1)</sup>	Advisor Series
Phillips, Hager & North U.S. Equity Fund	September 1, 1964	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	1.00%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North Canadian Equity Plus Pension Trust	November 24, 1966	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	<sup>(2)</sup>
Phillips, Hager & North Bond Fund	December 4, 1970	<sup>(8)</sup>	<sup>(2)</sup>	1.00%	0.50% <sup>(3)</sup>	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.00%
Phillips, Hager & North Canadian Equity Fund	June 1, 1971	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	1.00%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North Dividend Income Fund	June 30, 1977	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	1.00%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North U.S. Pooled Pension Fund	October 24, 1980	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	-	<sup>(2)</sup>
Phillips, Hager & North Vintage Fund	April 11, 1986	<sup>(8)</sup>	<sup>(2)</sup>	2.00%	1.25%	1.00%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	2.00%
Phillips, Hager & North Canadian Money Market Fund	July 1, 1986	<sup>(8)</sup>	<sup>(2)</sup>	0.65%	0.50% <sup>(4)</sup>	0.40%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	up to 0.65%
Phillips, Hager & North Canadian Growth Fund	February 1, 1987	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	1.00%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North Balanced Pension Trust	September 23, 1988	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	<sup>(2)</sup>
Phillips, Hager & North \$U.S. Money Market Fund	October 22, 1990	<sup>(8)</sup>	<sup>(2)</sup>	0.75%	0.50%	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	up to 0.75%
Phillips, Hager & North Balanced Fund	August 19, 1991	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	0.75%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North U.S. Growth Fund	September 28, 1992	<sup>(8)</sup>	<sup>(2)</sup>	1.75%	1.00%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.75%
Phillips, Hager & North Short Term Bond & Mortgage Fund	December 15, 1993	<sup>(8)</sup>	<sup>(2)</sup>	1.00%	0.50%	0.50%	0.90%	0.40%	<sup>(2)</sup>	-	<sup>(2)</sup>	1.00%
Phillips, Hager & North Small Float Fund	February 14, 1994	1.00%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	<sup>(2)</sup>
Phillips, Hager & North Institutional S.T.I.F.	December 31, 1996	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	-	<sup>(2)</sup>
Phillips, Hager & North Canadian Equity Pension Trust	March 17, 1998	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	-	<sup>(2)</sup>
Phillips, Hager & North Long Bond Pension Trust	April 27, 1998	0.50%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	-	<sup>(2)</sup>
Phillips, Hager & North High Yield Bond Fund	June 1, 1998	<sup>(8)</sup>	<sup>(2)</sup>	1.25%	0.75%	0.75%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	<sup>(2)</sup>	1.25%
Phillips, Hager & North High Grade Corporate Bond Fund	July 15, 1998	0.60%	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	<sup>(2)</sup>	-	-	<sup>(2)</sup>



Name of Fund	Date Established	Annual Management Fees										Advisor Series	
		Series A	Series B <sup>(9)</sup>	Series C	Series D <sup>(7)</sup>	Series F	Series H	Series I	Series N	Series O <sup>(1)</sup>	Series Z <sup>(1)</sup>		
Phillips, Hager & North Investment Grade Corporate Bond Trust	December 21, 1998	0.50%	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Total Return Bond Fund	June 19, 2000	(8)	(2)	1.00%	0.50%	0.50%	0.90%	0.40%	(2)	(2)	-	(2)	1.00%
Phillips, Hager & North Global Equity Fund	September 26, 2000	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Overseas Equity Fund	December 1, 2000	(8)	(2)	1.85%	1.10%	0.85%	(2)	(2)	(2)	(2)	-	(2)	1.85%
Phillips, Hager & North Overseas Equity Pension Trust	December 1, 2000	0.70%	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Mortgage Pension Trust	November 19, 2001	0.50%	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North U.S. Dividend Income Fund	May 1, 2002	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Community Values Bond Fund	August 26, 2002	(8)	(2)	1.00%	0.50%	0.50%	(2)	(2)	(2)	(2)	-	(2)	1.00%
Phillips, Hager & North Community Values Balanced Fund	August 26, 2002	(8)	(2)	1.75%	0.75%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Community Values Canadian Equity Fund	August 26, 2002	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Community Values Global Equity Fund	August 26, 2002	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Income Equity Pension Trust*	January 15, 2003	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Canadian Income Fund	July 31, 2003	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North PRisM – Short	April 29, 2005	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North PRisM – Mid	April 29, 2005	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North PRisM – Long	April 29, 2005	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Long Mortgage Pension Trust	July 28, 2005	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	July 29, 2005	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Currency-Hedged U.S. Equity Fund	June 22, 2006	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North Currency-Hedged Overseas Equity Fund	June 22, 2006	(8)	(2)	1.85%	1.10%	0.85%	(2)	(2)	(2)	(2)	-	(2)	1.85%
BonaVista Global Balanced Fund	June 22, 2006	(8)	(2)	2.00%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	2.00%
BonaVista Canadian Equity Value Fund	June 22, 2006	(8)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%

Name of Fund	Date Established	Annual Management Fees										Advisor Series	
		Series A	Series B <sup>(9)</sup>	Series C	Series D <sup>(7)</sup>	Series F	Series H	Series I	Series N	Series O <sup>(1)</sup>	Series Z <sup>(1)</sup>		
Phillips, Hager & North Foreign Bond Fund	April 30, 2007	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North PRISM Balanced Fund	June 28, 2007	0.25% <sup>(5)</sup>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	0.25% <sup>(5)</sup>	(2)	-	(2)
Phillips, Hager & North Enhanced Total Return Bond Fund	March 31, 2008	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Inflation-Linked Bond Fund	June 25, 2009	(2)	(2)	0.80%	0.45%	0.30%	(2)	(2)	(2)	(2)	-	(2)	0.80%
Phillips, Hager & North Monthly Income Fund	December 29, 2009	(2)	(2)	1.65%	0.90%	0.65%	1.50%	0.50%	(2)	(2)	-	(2)	1.65%
Phillips, Hager & North Canadian Equity Value Fund	December 29, 2009	(2)	(2)	1.75%	1.00%	0.75%	1.60%	0.60%	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	June 25, 2010	(2)	(2)	1.75%	1.00%	0.75%	(2)	(2)	(2)	(2)	-	(2)	1.75%
Phillips, Hager & North LifeTime 2015 Fund	January 10, 2011	(2)	(2)	(2)	0.75% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2020 Fund	January 10, 2011	(2)	(2)	(2)	0.80% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2025 Fund	January 10, 2011	(2)	(2)	(2)	0.85% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2030 Fund	January 10, 2011	(2)	(2)	(2)	0.90% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2035 Fund	January 10, 2011	(2)	(2)	(2)	0.95% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2040 Fund	January 10, 2011	(2)	(2)	(2)	1.00% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2045 Fund	January 10, 2011	(2)	(2)	(2)	1.05% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North LifeTime 2050 Fund	June 20, 2014	(2)	(2)	(2)	1.10% <sup>(10)</sup>	(2)	(2)	(2)	(2)	(2)	-	(2)	(2)
Phillips, Hager & North Canadian Equity Underlying Fund	January 10, 2011	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Canadian Equity Underlying Fund II	July 31, 2014	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Short Inflation-linked Bond Fund	January 10, 2011	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Long Inflation-linked Bond Fund	January 10, 2011	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Institutional Gold & Precious Metals Fund	February 15, 2011	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)
Phillips, Hager & North Conservative Equity Income Fund	April 2, 2012	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	-	-	(2)

(1) No fees are payable by a Fund in respect of Series O Units or Series Z Units.

(2) As at the date hereof, this series of Units is not offered for this Fund.

- (3) Provided that the aggregate of all fees and other expenses (excluding any applicable sales tax included therein and commissions incurred in connection with portfolio transactions) paid or payable by this Fund shall not exceed an amount computed with reference to the following percentages of the net asset value of this Fund:

(4)

<u>Net Asset Value of the Fund</u>	<u>Percentage</u>
Up to \$1,000,000	2.00%
From \$1,000,000 up to \$3,000,000	1.75%
From \$3,000,000 up to \$5,000,000	1.50%
From \$5,000,000 up to \$10,000,000	1.25%
From \$10,000,000 up to \$100,000,000	1.00%
<b>OVER \$100,000,000</b>	<b>0.75%</b>

- (4) On the first \$200,000,000 in Net Asset Value of the Fund; and 0.40% thereafter.
- (5) On the first \$200,000,000 in Net Asset Value of the Fund; and 0.20% thereafter.
- (6) Effective November 17, 2008, Series A of the Fund is being renamed Series D.
- (7) Prior to November 17, 2008, Series D was known as Series A.
- (8) Effective November 17, 2008, Series A of the Fund was renamed Series D.
- (9) Effective July 27, 2012, Series B units were redesignated as Series D units.
- (10) The management fee as of May 15, 2015; as the Fund approaches its target retirement date, such management fee will decrease by 5 basis points on January 1st for every five years until the target retirement date of the Fund, as set out in the Prospectus.
- \* The Fund was closed effective November 30, 2010.

**SCHEDULE “B”**

**INVESTMENT OBJECTIVES AND RESTRICTIONS OF EACH OF THE FUNDS**

**As of May 15, 2015**

<b>Fund</b>	<b>Investment Objectives</b>
Phillips, Hager & North Canadian Equity Value Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Monthly Income Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Balanced Pension Trust	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Equity Pension Trust	As set out in the Simplified Prospectus
Phillips, Hager & North Small Float Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Equity Plus Pension Trust	As set out in the Simplified Prospectus
Phillips, Hager & North Overseas Equity Pension Trust	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Money Market Fund	As set out in the Simplified Prospectus
Phillips, Hager & North \$U.S. Money Market Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Short Term Bond & Mortgage Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Total Return Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Inflation-Linked Fund	As set out in the Simplified Prospectus
Phillips, Hager & North High Yield Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Balanced Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Income Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Dividend Income Fund	As set out in the Simplified Prospectus
Phillips, Hager & North U.S. Dividend Income Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Currency-Hedged U.S. Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Currency-Hedged Overseas Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North U.S. Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Overseas Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Global Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Growth Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Vintage Fund	As set out in the Simplified Prospectus
Phillips, Hager & North U.S. Growth Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Community Values Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Community Values Balanced Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Community Values Canadian Equity Fund	As set out in the Simplified Prospectus

<b>Fund</b>	<b>Investment Objectives</b>
Phillips, Hager & North Community Values Global Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2015 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2020 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2025 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2030 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2035 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2040 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2045 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North LifeTime 2050 Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Equity Underlying Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Canadian Equity Underlying Fund II	As set out in the Simplified Prospectus
Phillips, Hager & North Short Inflation-linked Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Long Inflation-linked Bond Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Conservative Equity Income Fund	To provide a high and sustainable level of income, with the potential for capital appreciation and an emphasis on stable returns (or as may otherwise be set out in the Simplified Prospectus)
BonaVista Global Balanced Fund	As set out in the Simplified Prospectus
BonaVista Canadian Equity Value Fund	As set out in the Simplified Prospectus
Phillips, Hager & North Institutional S.T.I.F.	To provide a steady level of current income while preserving capital by investing exclusively in a well-diversified portfolio of short-term Canadian money market securities.
Phillips, Hager & North Investment Grade Corporate Bond Trust	To provide a relatively high level of income and reasonable stability of capital by investing in a well-diversified portfolio of fixed income securities issued primarily by Canadian corporations.
Phillips, Hager & North High Grade Corporate Bond Fund	To provide a relatively high level of income and reasonable stability of capital by investing in a well-diversified portfolio of fixed income securities issued primarily by Canadian corporations.
Phillips, Hager & North Long Bond Pension Trust	To provide a relatively high level of income through exposure to a well-diversified portfolio of longer term fixed-income securities issued primarily by Canadian governments and corporations.

<b>Fund</b>	<b>Investment Objectives</b>
Phillips, Hager & North Mortgage Pension Trust	To provide relatively high yields by investing primarily in a portfolio of first mortgages on income producing property located in Canada.
Phillips, Hager & North U.S. Pooled Pension Fund	To provide long-term capital growth by investing primarily in a well-diversified portfolio of quality U.S. common stocks
Phillips, Hager & North Income Equity Pension Trust*	To provide a high level of income and the opportunity for capital growth by investing primarily in a well-diversified portfolio of income-producing securities that have a relatively high yield.
Phillips, Hager & North PRisM – Short	The Fund is part of a PRisM series designed to provide cash flow exposure to different parts of the Canadian term structure, substantially using Government of Canada and Provincial debt securities with an overall duration of 0 to 15 years.
Phillips, Hager & North PRisM – Mid	The Fund is part of a PRisM series designed to provide cash flow exposure to different parts of the Canadian term structure, substantially using Government of Canada and Provincial debt securities with an overall duration of 10 to 25 years.
Phillips, Hager & North PRisM – Long	The Fund is part of a PRisM series designed to provide cash flow exposure to different parts of the Canadian term structure, substantially using Government of Canada and Provincial debt securities with an overall duration of over 25 years.
Phillips, Hager & North PRisM – Balanced	To provide long-term capital growth and income, with low volatility of returns, through exposure to a diversified balanced portfolio of primarily shorter-term fixed-income securities, as well as mortgages, high yield bonds and equities.
Phillips, Hager & North Long Investment Grade Corporate Bond Trust	To provide a relatively high level of income and reasonable stability of capital by investing in a well-diversified portfolio of fixed income securities issued primarily by Canadian corporations with maturities over 10 years.
Phillips, Hager & North Long Mortgage Pension Trust	To provide relatively high yields by investing primarily in a portfolio of first mortgages on income producing property located in Canada.

<b>Fund</b>	<b>Investment Objectives</b>
Phillips, Hager & North Foreign Bond Fund	To provide exposure primarily to developed country fixed-income markets anywhere in the world.
Phillips, Hager & North Enhanced Total Return Bond Fund	The investment objective of the Fund is to provide stability of capital and maximum total return by investing primarily in a well-diversified portfolio of Canadian fixed-income securities. The Fund will also obtain exposure to mortgages, and will invest in derivatives based on the value of fixed-income instruments.
Phillips, Hager & North U.S. High Yield Corporate Bond Fund	To maximize the total return of the Fund by actively managing a diversified portfolio of U.S. high yield corporate bonds. The objective is to add value by benefiting primarily from attractively valued credit risk premiums and to keep the exposure to other risks, including interest rate risk, to modest ranges. There will be a focus on capital preservation and prudent investment management.
Phillips, Hager & North Institutional Gold & Precious Metals Fund	To provide long-term capital growth by investing primarily in equity securities of public listed companies involved in the exploration, mining and production of gold and other precious metals.

\* The Fund was closed effective November 30, 2010.

## SCHEDULE "C"

[To be used for a mutual fund]

### CERTIFICATE OF COMPLIANCE

To: RBC Investor Services Trust, trustee of the (name of Fund)

In accordance with the terms of the Trust Agreement dated \_\_\_\_\_, \_\_\_\_\_, relating to the (name of Fund) (the "Fund"), (name of the Manager) became Manager of the Fund.

(name of the Manager) hereby certifies and confirms that with respect to the twelve month period ending \_\_\_\_\_, 20\_\_\_\_ to the best of its knowledge and belief:

- (a) All investments of the Fund are in compliance with the investment restrictions, policies, practices and other investment information as disclosed in or required by National Instrument 81-102 or any successor policy, instrument or regulation arising therefrom (the "Instrument"), the Trust Agreement, the simplified prospectus and annual information form for the Fund and any other regulatory restriction or policy applicable to investments by the Fund
- (b) The simplified prospectus and annual information forms for the Fund provide full, true and plain disclosure and have been renewed and/or amended as required by applicable regulatory requirements and filed with the appropriate regulatory authorities.
- (c) All confirmations, quarterly statements, tax receipts, financial statements, and prospectuses have been delivered to unitholders as required by applicable laws.
- (d) All regulatory filings required to be made by the Fund, such as the Annual and Semi-Annual Reports and statements of portfolio holdings have been completed. The Fund status as reporting issuer is not in default.
- (e) All regulatory filings required to be made by the Manager, such as the Instrument's Compliance Report and annual renewals of registration filings have been completed. The Manager is not under investigation by any regulatory authority in respect of the Funds.
- (f) The Manager has complied with all of its obligations under all laws, regulations, rules and policies applicable to it and its duties and responsibilities under the Trust Agreement.
- (g) There is no litigation pending against the Manager in respect of a Fund or the Fund which has not already been disclosed to the Trustee.
- (h) The distribution of units by the Manager or its agent is in compliance with all regulatory requirements.
- (i) All subscriptions and notices of redemption were accepted prior to the Valuation Time (as defined in the Trust Agreement) and in accordance with the Fund's offering documentation;
- (j) The financial statements for the Fund have been prepared and are complete, accurate and approved as required.



- (k) All documentation required to be forwarded to the Trustee by the Manager has been so forwarded (including any annual and semi-annual financial statements of the Funds, audit reports, both external and internal, final prospectuses or offering memoranda and annual information forms, statements of holdings of the Fund, and internal control documents).
- (l) For Funds that are registered investments, the Manager has, on a regular basis, reviewed the investments of the Fund to ensure, where applicable, that the Fund continues to qualify as a registered investment.
- (m) Current certified copies of the Manager's signing authorities have been provided to the Trustee and may be relied upon by the Trustee.
- (n) The Manager shall promptly inform the Trustee should the Fund fail to comply with any restrictions and conditions hereto.

*If applicable, where Trustee does not perform fund valuations we confirm that:*

- (o) The Net Asset Value and Net Asset Value per unit have been calculated in accordance with the trust agreement and reported as required.
- (p) The computation of distribution of income and capital gains has been completed in accordance with the Income Tax Act (Canada).

*If applicable, where Trustee does not perform unitholder recordkeeping, we confirm that:*

- (q) The books and records of the Fund(s) maintained by the Sponsor/Manager, including the unitholder records, are complete and accurate.
- (r) All required filings, disbursements, and reports to unitholders, tax and regulatory authorities have been completed when required. (Please forward copies of the Fund's returns if Trustee has not itself prepared and filed the tax return(s) for the Fund(s)).

**[To be used for a pooled fund]**

**CERTIFICATE OF COMPLIANCE**

To: RBC Investor Services Trust, trustee of the (name of Fund)

In accordance with the terms of the Trust Agreement dated \_\_\_\_\_, \_\_\_\_\_. relating to the (name of Fund) (the "Fund"), (insert name of Manager) became Manager of the Fund.

(insert name of Manager) hereby certifies and confirms that with respect to the twelve month period ending \_\_\_\_\_, 20\_\_\_\_, to the best of its knowledge and belief:

- (s) All investments of the Fund are in compliance with the investment restrictions, policies, practices and other investments information as disclosed in the Trust Agreement and any other regulatory restriction or policy applicable to investments by the Fund.
- (t) All confirmations, quarterly statements, tax receipts and financial statements have been delivered to unitholders as required.
- (u) All regulatory filings required to be made by the Fund, such as the Annual and Semi-Annual Reports and statements of portfolio holdings have been completed.
- (v) All regulatory filings required to be made by the Manager, annual renewals of registration filings, have been completed. The Manager is not under investigation by any regulatory authority in respect of the Funds.
- (w) The Manager has complied with all of its obligations under all laws, regulations, rules and policies applicable to it and its duties and responsibilities under the Trust Agreement.
- (x) There is no litigation pending against the Manager in respect of the Funds or the Fund which has not already been disclosed to the Trustee.
- (y) The distribution of units by the Manager or its agent is in compliance with all regulatory requirements.
- (z) The financial statements for the Fund have been prepared and are complete, accurate and approved as required.
- (aa) All documentation required to be forwarded to the Trustee by the Manager has been so forwarded (annual and semi-annual financial statements of the Fund, including audit reports, both external and internal, statements of holdings of the Fund, internal control documents).
- (bb) All subscriptions and notices of redemption were accepted prior to the applicable Valuation Time (as defined in the Trust Agreement).

- (cc) The Manager has, on a regular basis, reviewed the investments of the Fund to ensure, where applicable, that the Fund continues to qualify as a registered investment.
- (dd) Current certified copies of the Manager's signing authorities have been provided to the Trustee and may be relied upon by the Trustee.
- (ee) The Manager shall promptly inform the Trustee should the Fund fail to comply with any restrictions and conditions hereto.

*If applicable, where Trustee does not perform fund valuations we confirm that:*

- (ff) (n) The Net Asset Value and Net Asset Value per unit have been calculated in accordance with the trust agreement and reported as required.
- (gg) (o) The computation of distribution of income and capital gains has been completed in accordance with the Income Tax Act (Canada).

*If applicable, where Trustee does not perform unitholder recordkeeping we confirm that:*

- (hh) The books and records of the Fund(s) maintained by the Sponsor/Manager, including the unitholder records, are complete and accurate.
- (ii) All required filings, disbursements, and reports to unitholders, tax and regulatory authorities have been completed when required. (Please forward copies of the Fund's returns if Trustee has not itself prepared and filed the tax return(s) for the Fund(s)).

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SCHEDULE “D”**  
**CERTIFICATE OF AUTHORIZED SIGNATORIES (“COAS”)**

**[Intentionally deleted]**