PROSPECTUS

Initial Public Offering — October 27, 2006

CORE CANADIAN DIVIDEND TRUST

CORE CANADIAN DIVIDEND TRUST

$150,000,000 (Maximum)

$10.00 per Unit

This prospectus qualifies the issuance of transferable, redeemable units (the ''Units'') of the Core Canadian Dividend Trust (the ''Trust'') an investment trust established under the laws of Ontario.

The Trust will invest in a blue-chip portfolio consisting of high-quality, large capitalization, dividend-paying Canadian companies across multiple industry sectors that have an excellent long-term track record of dividend growth and share price appreciation.

The Trust's portfolio will be actively managed by Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of some or all of the securities in the portfolio. The securities which are subject to call options and the terms of such options will vary from time to time as determined by MCM.

The Trust's investment objectives are:

(i) to provide unitholders of the Trust (''Unitholders'') with monthly cash distributions in an amount targeted to be 6.5% per annum on the net asset value (''NAV'') of the Trust; and

(ii) to preserve and grow the NAV per Unit.

The first distribution will be for the month of December 2006 and is expected to be $0.051 per Unit.

The Trust will invest the net proceeds of this offering primarily in the following Canadian dividend-paying TSX-listed common shares (the ''Core Canadian Dividend Portfolio''):

Royal Bank of Canada	Thomson Corporation	Enbridge Inc.
Manulife Financial Corporation	Canadian Imperial Bank of Commerce	National Bank of Canada
Bank of Nova Scotia	BCE Inc.	Russel Metals Inc.
The Toronto-Dominion Bank	TransCanada Corporation	AGF Management Limited
Bank of Montreal	Teck Cominco Limited (Class B Shares)	Canadian Utilities Limited

The Trust will generally invest not less than 4% and not more than 10% of the Trust's NAV in each of the issuers in the Core Canadian Dividend Portfolio. In addition, up to 15% of the NAV of the Trust may be invested in equity securities of other issuers listed on the TSX which MCM believes are consistent with the Trust's investment objectives.

Based on its initial anticipated composition, the Core Canadian Dividend Portfolio is expected to generate dividend income of approximately 3.20% per annum which, after deduction of expenses, will be distributed to Unitholders. The Trust's portfolio would be required to generate an additional return of approximately 5.25% per annum, including from dividend growth, capital appreciation and option premiums, in order for the Trust to maintain its targeted distribution of 6.5% per annum of NAV and maintain a stable NAV.

Prospective purchasers may purchase Units either by: (a) cash payment; or (b) an exchange (the ''Exchange Option'') of freely tradeable listed securities of the issuers in the S&P/TSX 60 Index as of September 25, 2006 or as of the date hereof or of the issuers in the Core Canadian Dividend Portfolio (the ''Exchange Eligible Issuers''). **The Exchange Option does not constitute, and is not to be construed as, a take-over bid for any Exchange Eligible Issuer**. See ''Exchange Option''.

Price: $10.00 per Unit

	Price to the Public[1]	Agents' Fees	Net Proceeds to the Trust[2]
Per Unit	$ 10.00	$ 0.50	$ 9.50
Total Minimum Offering[3][4]	$ 30,000,000	$1,500,000	$ 28,500,000
Total Maximum Offering[4]	$150,000,000	$7,500,000	$142,500,000

Notes:

(1) The offering price was established by negotiation between the Agents and the manager of the Trust. The price per Unit is payable in cash or in securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option.

(2) Before deducting the expenses of the issue (estimated at $750,000) subject to a maximum of 1.5% of the gross proceeds of the offering which, together with the Agents' fees, will be paid out of the proceeds of this offering.

(3) There will be no closing unless a minimum of 3,000,000 Units are sold. If subscriptions for a minimum of 3,000,000 Units have not been received within 90 days following the date of issuance of a receipt for this prospectus, the offering may not continue without the consent of the Canadian securities regulators and those who have subscribed for Units on or before such date.

(4) The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable until 30 days after the closing of the offering, to offer up to 2,250,000 additional Units on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option and the Units issuable on the exercise thereof. If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be $172,500,000, the Agents' fees will be $8,625,000 and the net proceeds to the Trust will be $163,875,000.

Units may be surrendered for redemption at any time but will be redeemed only on a monthly Valuation Date (as defined below). Commencing in 2007, Unitholders whose Units are redeemed on the December Valuation Date (as defined below) in each year will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such December Valuation Date. For Unitholders whose Units are redeemed on any other Valuation Date, the redemption price per Unit will be calculated by reference to market price. Units surrendered for redemption by a Unitholder at least twenty business days prior to the end of the year (the ''December Valuation Date'') will be redeemed on such December Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such December Valuation Date. Units surrendered for redemption by a Unitholder at least ten business days prior to the last day of any other month (a ''Valuation Date''), will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such Valuation Date. See ''Redemption of Units''.

Upon termination, the Trust will distribute its net assets to Unitholders. See ''Termination of the Trust''.

The Toronto Stock Exchange (the ''TSX'') has conditionally approved the listing of the Units offered hereunder. Listing is subject to the Trust fulfilling all of the requirements of such stock exchange on or before January 23, 2007.

In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the ''Tax Act''), the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.

See ''Risk Factors'' for a discussion of certain factors that should be considered by prospective investors in Units. There is no assurance that the Trust will be able to achieve its distribution or NAV preservation objectives. The Agents may over-allot or effect transactions as described under ''Plan of Distribution''.

The Trust is not a trust company and, accordingly, the Trust is not registered under the trust company legislation of any jurisdiction as it does not carry on business as a trust company. The Trust is an investment trust which offers and sells its Units to the public. Units are not ''deposits'' within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Blackmont Capital Inc., Desjardins Securities Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Berkshire Securities Inc. and Wellington West Capital Inc. (collectively, the ''Agents'') conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents. See ''Plan of Distribution''.

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this offering is expected to occur on or about November 16, 2006, but no later than December 29, 2006. Registrations and transfers of Units will be effected only through the book-entry only system administered by The Canadian Depository for Securities Limited. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Trust

The Core Canadian Dividend Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement (the ''Trust Agreement'') dated as of October 27, 2006. The manager of the Trust is Mulvihill Fund Services Inc. (''Mulvihill'') and the Trust's investment manager is Mulvihill Capital Management Inc. (''MCM'').

The Offering

Offering: The offering consists of transferable, redeemable units (the ''Units'') of the Trust.

Amount: Maximum: $150,000,000 (15,000,000 Units).
Minimum: $30,000,000 (3,000,000 Units).

Price: $10.00 per Unit.

Minimum Purchase: 100 Units.

Exchange Option: At the election of a prospective purchaser of Units, the price for each Unit purchased may be paid either by (a) cash or (b) an exchange (the ''Exchange Option'') of freely tradeable listed securities of the issuers in the S&P/TSX 60 Index as of September 25, 2006 or as of the date hereof or of the issuers in the Core Canadian Dividend Portfolio (the ''Exchange Eligible Issuers''). A prospective purchaser of Units who elects to pay for Units by using the Exchange Option must have done so by depositing (in the form of a book-entry deposit) securities of Exchange Eligible Issuers with Computershare Trust Company of Canada, the Trust's agent for the Exchange Option, through The Canadian Depository for Securities Limited (''CDS'') prior to 5:00 p.m. (Toronto time) on October 26, 2006. Such book-entry deposits must have been made by a participant in CDS, which may have had an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. Each prospective purchaser who has authorized the deposit of securities of an Exchange Eligible Issuer through CDS has the right to withdraw such deposit of securities at any time on or before midnight on the second business day after receipt or deemed receipt of this prospectus and any amendment. The Trust will sell the securities of Exchange Eligible Issuers that are not included in the Core Canadian Dividend Portfolio. See ''Exchange Option''.

The purchase of Units by the exchange of securities of an Exchange Eligible Issuer pursuant to the Exchange Option will be a taxable event for the purchaser. See ''Canadian Federal Income Tax Considerations''.

Investment Rationale: The Trust will invest in a blue-chip portfolio consisting of high-quality, large capitalization, dividend-paying Canadian companies across multiple industry sectors that have an excellent long-term track record of dividend growth and share price appreciation.

The Trust's portfolio will be actively managed by MCM. To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of some or all of the securities in the portfolio. The composition of the portfolio, the securities which may be subject to call options and put options and the terms of such options will vary

	from time to time, based on MCM's assessment of the market conditions. See ''Investments of the Trust''.
Investment Objectives:	The Trust's investment objectives are: (i) to provide unitholders of the Trust (''Unitholders'') with monthly cash distributions in an amount targeted to be 6.5% per annum on the net asset value (''NAV'') of the Trust; and (ii) to preserve and grow the NAV per Unit. The first distribution will be for the month of December 2006 and is expected to be $0.051 per Unit. See ''Investments of the Trust – Investment Objectives''.
Investment Strategy:	The Trust will invest the net proceeds of this offering primarily in the following Canadian dividend-paying TSX listed common shares (the ''Core Canadian Dividend Portfolio''):

Royal Bank of Canada	Canadian Imperial Bank of Commerce	Enbridge Inc.
Manulife Financial Corporation	BCE Inc.	National Bank of Canada
Bank of Nova Scotia	TransCanada Corporation	Russel Metals Inc.
The Toronto-Dominion Bank	Teck Cominco Limited (Class B Shares)	AGF Management Limited
Bank of Montreal		Canadian Utilities Limited
Thomson Corporation		

The Trust will generally invest not less than 4% and not more than 10% of the Trust's NAV in each of the issuers in the Core Canadian Dividend Portfolio. In addition, up to 15% of the NAV of the Trust may be invested in equity securities of other issuers listed on the TSX which MCM believes are consistent with the Trust's investment objectives.

Based on its initial anticipated composition, the Core Canadian Dividend Portfolio is expected to generate dividend income of approximately 3.20% per annum which, after deduction of expenses, will be distributed to Unitholders. The Trust's portfolio would be required to generate an additional return of approximately 5.25% per annum, including from dividend growth, capital appreciation and option premiums, in order for the Trust to maintain its targeted distribution of 6.5% per annum of NAV and maintain a stable NAV.

The Core Canadian Dividend Portfolio:	As indicated in the table below, as at October 24, 2006, the issuers included in the Core Canadian Dividend Portfolio have an average market capitalization of $26.65 billion, an average dividend yield of 3.20% per annum and an average 10-year total return compound annual growth rate of 17.97%.

Market Capitalization, Dividend Yield and Compound Annual Growth Rate

	Market Capitalization	Dividend Yield(1)	10-Year Total Return CAGR
	($Million)		
Royal Bank of Canada	$63,705.55	3.22%	19.99%
Manulife Financial Corporation(2)	56,402.50	1.92%	23.86%
Bank of Nova Scotia	48,208.05	3.20%	20.15%
The Toronto-Dominion Bank	46,108.27	3.01%	18.45%
Bank of Montreal	34,320.00	3.62%	16.46%
Thomson Corporation	29,480.05	1.91%	9.05%
Canadian Imperial Bank of Commerce	29,038.59	3.24%	15.86%
BCE Inc.	25,911.59	4.16%	20.07%
TransCanada Corporation	17,428.21	3.59%	11.68%
Teck Cominco Limited (Class B Shares)	17,575.16	2.46%	12.80%
Enbridge Inc.	12,756.34	3.16%	18.65%
National Bank of Canada	9,640.23	3.37%	19.77%
Russel Metals Inc.(3)	1,759.74	5.66%	28.16%
AGF Management Limited	2,068.67	3.10%	19.75%
Canadian Utilities Limited	5,272.69	2.38%	14.85%
Average(4)	**$26,645.04**	**3.20%**	**17.97%**

(1) Based on of the most recently declared dividend annualized, divided by the closing price as of October 24, 2006.

(2) Dividends from March 16, 2000 and pricing from September 24, 1999.

(3) Started paying dividends on May 4, 2000.

(4) Assumes equal weighting of the issuers included in the Core Canadian Dividend Portfolio.

Source: Bloomberg

As indicated in the table below, as at October 24, 2006, the issuers included in the Core Canadian Dividend Portfolio have an average dividend payout ratio of 45.04% and average five-year and ten-year dividend compound annual growth rates of 18.79% and 14.16%, respectively.

Dividend History and Payout Ratios of the Core Canadian Dividend Portfolio

	Dividend Yield(1)	Dividend Payout Ratio	5-Year Dividend CAGR	10-Year Dividend CAGR
Royal Bank of Canada	3.22%	44.50%	17.32%	16.75%
Manulife Financial Corporation(2)	1.92%	28.30%	23.87%	20.87%
Bank of Nova Scotia	3.20%	41.40%	18.07%	16.46%
The Toronto-Dominion Bank	3.01%	49.30%	11.38%	14.40%
Bank of Montreal	3.62%	39.00%	17.23%	13.16%
Thomson Corporation	1.91%	56.10%	4.68%	4.81%
Canadian Imperial Bank of Commerce(4)	3.24%	33.70%	13.60%	12.02%
BCE Inc.	4.16%	66.20%	0.13%	-1.18%
TransCanada Corporation	3.59%	49.20%	7.30%	1.71%
Teck Cominco Limited (Class B Shares)	2.46%	12.00%	58.49%	25.89%
Enbridge Inc.	3.16%	62.90%	10.44%	8.37%
National Bank of Canada	3.37%	34.50%	18.95%	14.87%
Russel Metals Inc.(3)	5.66%	36.40%	51.57%	37.84%
AGF Management Limited	3.10%	69.50%	24.57%	21.82%
Canadian Utilities Limited	2.38%	52.60%	4.30%	4.60%
Average(5)	**3.20%**	**45.04%**	**18.79%**	**14.16%**

(1) Based on of the most recently declared dividend annualized, divided by the closing price as of October 24, 2006.

(2) Dividends from March 16, 2000 and pricing from September 24, 1999.

(3) Started paying dividends on May 4, 2000.

(4) The 33.7% Dividend Payout Ratio for Canadian Imperial Bank of Commerce excludes a U.S.$2.3 billion charge for the Enron class action settlement in 2005. Including this charge would result in a Dividend Payout Ratio of -574.5%.

(5) Assumes equal weighting of the issuers included in the Core Canadian Dividend Portfolio.

Source: Bloomberg

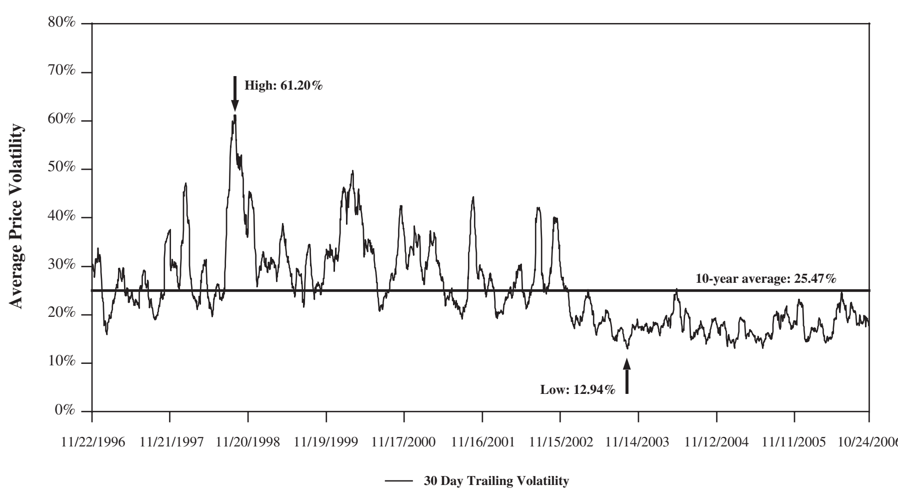
Distributions:

The Trust intends to pay monthly cash distributions on the last day of each month in an amount targeted to be 6.5% per annum on the net asset value (''NAV'') of the Trust. Such distributions will consist primarily of dividends and capital gains and may also include ordinary income and returns of capital. The Trust has determined to base the distributions it pays on the NAV of the Trust in order to better facilitate the preservation and enhancement of the Trust's NAV and to enable Unitholders to benefit from any increases in the NAV of the Trust through the resulting increased distributions. The monthly distributions will be determined using the last NAV prior to the declaration date for the distribution. The first distribution will be for the month of December 2006 and is expected to be $0.051 per Unit. There can be no assurance that the Trust will be able to make distributions at its targeted rate. If, in any year after making its targeted monthly distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends to make, on December 31 of that year, a special distribution of such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under the *Income Tax Act* (Canada) (the ''Tax Act''). See ''Canadian Federal Income Tax Considerations''.

Covered Call Option Writing and Volatility History:

The following chart illustrates the historical average trailing 30-day volatility levels (expressed in percentages on an annualized basis) for all of the securities in the Core Canadian Dividend Portfolio for the 10-years ended October 24, 2006. The trailing 30-day volatility level as at October 24, 2006 was 17.77%.

Average Price Volatility for Financial Portfolio



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Core Canadian Dividend Portfolio.

Under the Black-Scholes Model (modified to include dividends), the price volatility of the security is one of the primary factors which affects the amount of option premium received by the seller of a call option on such security. Based on the assumptions referred to under ‘‘Covered Option Writing – Sensitivity Analysis’’, the following represents the percentage of the Trust’s portfolio against which at-the-money covered call options would need to be written at current and at the 10-year low and average volatility levels to pay the net targeted distribution of 6.5% per annum on the NAV of the Trust. For example, at current volatility levels of 17.77%, the Trust would have to write at-the-money options on approximately 30% of the Core Canadian Dividend Portfolio to pay the net targeted distribution of 6.5% per annum on the NAV of the Trust.

Volatility Level

	Average (25.47%)	Low (12.94%)	Current (17.77%)
Approximate % of the Portfolio Required to be Written[1]	22%	40%	30%

(1) Assumes covered call options are written ‘‘at-the-money’’.

The composition of the portfolio, the securities which may be subject to call options and put options and the terms of such options will vary from time to time, based on MCM’s assessment of the market conditions. See ‘‘Investments of the Trust’’.

Redemptions: Units may be surrendered for redemption at any time but will be redeemed only on a monthly Valuation Date (as defined below). Commencing in 2007, Unitholders whose Units are redeemed on the December Valuation Date in each year will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such Valuation Date. For Unitholders whose Units are redeemed on any other Valuation Date, the redemption price per Unit will be calculated by reference to market price. Units surrendered for redemption by a Unitholder at least 20 business days prior to the end of the year (the ‘‘December Valuation Date’’) will be redeemed on such December Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such December Valuation Date. Units surrendered for redemption by a Unitholder at least 10 business days prior to the last day of any other month (a ‘‘Valuation Date’’), will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such Valuation Date. See the ‘‘Redemption of Units’’.

Termination of the Trust: The Trust does not have a fixed termination date but may be terminated (the ‘‘Termination Date’’) upon not less than 90 days’ written notice to the Manager from the Trustee with the approval of Unitholders by a two-thirds majority vote passed at a duly convened meeting of Unitholders called for the purpose of considering such termination, provided that Unitholders holding at least 10% of the Units outstanding on the record date of the meeting vote in favour of such termination.

The Manager, may, in its discretion, terminate the Trust without the approval of Unitholders if, in the opinion of the Manager after consulting with the Trust’s Advisory Board, the NAV of the Trust has been reduced as the result of redemptions or otherwise such that it is no longer economically feasible to continue the Trust and it would be in the best interests of the Unitholders to terminate the Trust.

	Immediately prior to the Termination Date, MCM will, to the extent possible, convert the assets of the Trust to cash and the Trustee, after paying or making adequate provision for all of the Trust's liabilities, shall distribute the net assets of the Trust to Unitholders as soon as practicable after the Termination Date. See ''Termination of the Trust''.
Eligibility for Investment:	In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments for trusts governed by registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.
Investment Manager:	MCM is the investment manager of the Trust. MCM is one of the largest managers of covered call option funds in Canada. MCM is an employee-owned investment counsellor which manages, in addition to the Mulvihill family of funds, investments for numerous pension and endowment funds and for individuals having a significant net worth. MCM's total assets under management exceed $2.5 billion. See ''Management of the Trust – The Investment Manager''.
Manager:	Mulvihill is the Manager of the Trust and is responsible for providing or arranging for the provision of administrative services required by the Trust. See ''Management of the Trust – The Manager''.
Trustee:	RBC Dexia Investor Services Trust is the trustee (the ''Trustee'') of the Trust, acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust. See ''Management of the Trust – The Trustee''.

Risk Factors

An investment in Units is subject to certain risk factors, including:

(i) NAV per Unit will vary as the value of the securities in the Trust's portfolio varies;

(ii) the fact that the amount of dividends, distributions and option premiums received by the Trust and the value of the securities comprising the Trust's portfolio will be influenced by factors beyond the Trust's control means that there are no assurances that the Trust will be able to achieve its stated investment objectives of paying monthly cash distributions and returning the original issue price of Units offered hereunder to Unitholders upon termination of the Trust;

(iii) fluctuations in prevailing interest rates;

(iv) liquidity and counterparty risks associated with the writing of covered call options and cash covered put options;

(v) the Units may trade at a discount to NAV per Unit;

(vi) the Trust's reliance on its investment manager, MCM;

(vii) counterparty risks associated with securities lending;

(viii) the Trust is not a ''mutual fund'' for securities law purposes;

(ix) redemptions of Units by holders could significantly reduce trading liquidity of the Units;

(x) the Trust is a newly organized investment trust with no previous operating history;

(xi) the risk that the Trust may lose its status as a mutual fund trust; and

(xii) the fact that the Trust is relying on the Canada Revenue Agency's (''CRA's'') published administrative practice regarding the manner in which the Trust will treat the dispositions of securities and option transactions for tax purposes and that no advance income tax ruling in respect thereof has been requested or received.

See ''Risk Factors''.

Canadian Federal Income Tax Considerations

A Unitholder who acquires Units pursuant to the Exchange Option will be disposing of securities of one or more Exchange Eligible Issuers. Provided that the Unitholder held such securities as capital property, he or she will realize a capital gain (or loss) to the extent that the proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities.

The Trust will designate to the extent permitted by the Tax Act the portion of the net income distributed to Unitholders as may reasonably be considered to consist of realized taxable capital gains of the Trust, net of realized capital losses and net capital loss carry forwards, and the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations. Any such designated amount will be deemed for purposes of the Tax Act to be received or realized by Unitholders in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a Unitholder.

In determining its income for tax purposes, the Trust intends, in accordance with CRA's published administrative practice, to treat gains and losses realized on the disposition of securities in the Trust's portfolio, option premiums received on the writing of covered call options and cash covered put options (and which are not exercised prior to the end of the year) and any losses sustained on closing out such options, as capital gains and capital losses.

Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable the Trust to utilize, in a particular year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Trust will not be required to be included in the income of the Unitholder. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been allocated to the Unitholder, the adjusted cost base of the Unitholder's Units would be reduced by such amount.

A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the Units and any reasonable costs of disposition.

For a detailed explanation of the Canadian federal income tax considerations, see ''Canadian Federal Income Tax Considerations''.

Summary Of Fees And Expenses Payable By The Trust

The following table contains a summary of the fees and expenses payable by the Trust. For further particulars, see ‘‘Fees and Expenses’’.

Type of Charge	Description
Fees payable to the Agents for selling Units	$0.50 per Unit
Expenses of issue	The Trust will pay the expenses incurred in connection with the offering of Units by the Trust (estimated to be $750,000) subject to a maximum of 1.5% of the gross proceeds of the offering.
Fee payable to MCM for acting as investment manager of the Trust	Annual rate of 1.00% of the Trust’s NAV calculated and payable monthly, plus applicable taxes.
Fee payable to Mulvihill for acting as manager of the Trust	Annual rate of 0.10% of the Trust’s NAV calculated and payable monthly, plus applicable taxes.
Operating expenses of the Trust	The Trust will pay all ordinary expenses incurred in connection with its operation and administration, estimated to be $250,000 per annum. The Trust will also be responsible for commissions and other costs of securities transactions and any extraordinary expenses which may be incurred by it from time to time.
Service Fee	The Trust will pay a service fee (the ‘‘Service Fee’’) to each dealer whose clients hold Units. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the NAV of the Units held by clients of the dealer.

GLOSSARY

Black-Scholes Model — a widely used option pricing model developed by Fischer Black and Myron Scholes in 1973. The model can be used to calculate the theoretical value of an option based on the current price of the underlying security, the strike price and term of the option, prevailing interest rates and the volatility of the price of the underlying security.

business day — any day on which The Toronto Stock Exchange is open for business.

call option — the right, but not the obligation, of the option holder to buy a security from the seller of the option at a specified price at any time during a specified time period or at expiry.

cash covered put option — a put option entered into in circumstances where the seller of the put option holds cash equivalents or other acceptable cash cover (as defined in NI 81-102) sufficient to acquire the securities underlying the option at the strike price throughout the term of the option.

cash equivalents — means, and for the purposes of ''cash cover'' and ''cash covered put option'', ''cash'' as used therein means:

(a) cash on deposit at the Trust's custodian; or

(b) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

  (i) any of the Federal or Provincial Governments of Canada; or

  (ii) the Government of the United States; or

  (iii) a Canadian financial institution;

provided that, in the case of (ii) and (iii), such evidence of indebtedness has a rating of at least R-1 (mid) by Dominion Bond Rating Service Limited or the equivalent rating from another approved rating organization; or

(c) other cash cover as defined in NI 81-102.

covered call option — a call option entered into in circumstances where the seller of the call option holds the underlying security throughout the term of the option.

Dividend Payout Ratio — is calculated using the following formula from Bloomberg: Cash Common Dividends / (Income Before Payout – Minority Interest – Cash Preferred Share Dividends) x 100 and is based on the last reported fiscal year.

in-the-money — in relation to a call option, means a call option with a strike price less than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price greater than the current market price of the underlying security.

NAV per Unit — the NAV of the Trust divided by the number of Units then outstanding.

Net Asset Value or NAV — the net asset value of the Trust which, on any date, will be equal to the difference between the aggregate value of the assets of the Trust and the aggregate value of the liabilities of the Trust on that date. See ''Redemption of Units – Net Asset Value''.

NI 81-102 — National Instrument 81-102 of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.

option premium — the purchase price of an option.

out-of-the-money — in relation to a call option, means a call option with a strike price greater than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price less than the current market price of the underlying security.

probability	a numerical measure, generally expressed as a percentage, of the likelihood that an event will occur.
put option	the right, but not the obligation, of the option holder to sell a security to the seller of the option at a specified price at anytime during a specified time period or at expiry.
S&P/TSX 60 Index	the S&P/TSX 60 Index comprises the securities of 60 large issuers whose securities are publicly traded in Canada. The issuers comprising the index represent the leading issuers in their respective industries in Canada. The primary criteria for inclusion in the index are size, liquidity and market sector representation.
strike price	in relation to a call option, means the price specified in the option that must be paid by the option holder to acquire the underlying security or, in relation to a put option, the price at which the option holder may sell the underlying security.
Tax Act	means the *Income Tax Act* (Canada).
volatility	in respect of the price of a security, is a numerical measure of the tendency of the price to vary over time.
$	means Canadian dollars unless otherwise indicated.

THE TRUST

The Core Canadian Dividend Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of October 27, 2006 (the ''Trust Agreement'') between Mulvihill Fund Services Inc. (''Mulvihill''), as manager, and RBC Dexia Investor Services Trust (the ''Trustee''), as trustee. Mulvihill is a wholly-owned subsidiary of Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. See ''Management of the Trust''.

The principal office of the Trust, of Mulvihill and of MCM is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario, M5H 3T9.

Status of the Trust

The Trust is not a ''mutual fund'' for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Units.

INVESTMENTS OF THE TRUST

Investment Objectives

The Trust's investment objectives are:

(i) to provide unitholders of the Trust (''Unitholders'') with monthly cash distributions in an amount targeted to be 6.5% per annum on the net asset value (''NAV'') of the Trust; and

(ii) to preserve and grow the NAV per Unit.

The first distribution will be for the month of December 2006 and is expected to be $0.051 per Unit.

Investment Rationale

The Trust will invest in a blue-chip portfolio consisting of high-quality, large capitalization, dividend-paying Canadian companies across multiple industry sectors that have an excellent long-term track record of dividend growth and share price appreciation.

The Trust's portfolio will be actively managed by MCM. To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may hold a portion of its assets in cash equivalents which may be used to provide cover in respect of the writing of cash covered put options in respect of securities in which the Trust is permitted to invest. The composition of the portfolio, the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based upon MCM's assessment of market conditions.

Investment Strategy

The Trust will invest the net proceeds of this offering primarily in the following Canadian dividend-paying TSX-listed common shares (the ''Core Canadian Dividend Portfolio''):

Royal Bank of Canada	Thomson Corporation	Enbridge Inc.
Manulife Financial Corporation	Canadian Imperial Bank of Commerce	National Bank of Canada
Bank of Nova Scotia	BCE Inc.	Russel Metals Inc.
The Toronto-Dominion Bank	TransCanada Corporation	AGF Management Limited
Bank of Montreal	Teck Cominco Limited (Class B Shares)	Canadian Utilities Limited

The Trust will generally invest not less than 4% and not more than 10% of the Trust's NAV in each of the issuers in the Core Canadian Dividend Portfolio. In addition, up to 15% of the NAV of the Trust may be invested in equity securities of other issuers listed on the TSX which MCM believes are consistent with the Trust's investment objectives.

MCM will have discretion to determine the appropriate composition of the Core Canadian Dividend Portfolio in the event of mergers, income trust conversions or other transactions or changes involving the issuers whose securities are included in the Core Canadian Dividend Portfolio.

Based on its initial anticipated composition, the Core Canadian Dividend Portfolio is expected to generate dividend income of approximately 3.20% per annum which, after deduction of expenses, will be distributed to Unitholders. The Trust's portfolio would be required to generate an additional return of 5.25% per annum, including from dividend growth, capital appreciation and option premiums, in order for the Trust to maintain its targeted distribution of 6.5% per annum of NAV and maintain a stable NAV.

Investment Criteria

The Trust is subject to certain investment criteria that, among other things, limit the common shares and other securities the Trust may acquire to comprise the portfolio. The investment criteria do not apply to limit the securities of Exchange Eligible Issuers the Trust may acquire (and then sell) pursuant to the Exchange Option. The Trust's investment criteria may not be changed without the approval of the Unitholders by a two-thirds majority vote at a meeting called for such purpose. See ''Unitholder Matters – Acts Requiring Unitholder Approval''. The Trust's investment criteria provide that the Trust may:

(i) purchase securities of an issuer only if such securities are common equity securities of (a) issuers included in the Core Canadian Dividend Portfolio, as modified or reconstituted from time to time, or (b) other issuers listed on the TSX which MCM believes are consistent with the Trust's investment objectives (other than those issuers included in the Core Canadian Dividend Portfolio) provided that after such purchase, no more than an aggregate of 15% of the NAV of the Trust is invested in securities of such other issuers. The Trust will generally invest not less than 4% and not more than 10% of the Trust's assets in the securities of each issuer in the Core Canadian Dividend Portfolio and not more than 10% of the Trust's assets in any securities in the portfolio;

(ii) not purchase equity securities of issuers other than those permitted under paragraph (i) and may only purchase debt securities if such securities are cash equivalents;

(iii) write a call option in respect of any security only if such security is actually held by the Trust at the time the option is written;

(iv) not dispose of any security included in the Trust's portfolio that is subject to a call option written by the Trust unless such option has either terminated or expired;

(v) write put options in respect of any security only if (a) the Trust is permitted to invest in such security, and (b) so long as the options are exercisable, the Trust continues to hold cash equivalents sufficient to acquire the securities underlying the options at the aggregate strike price of such options;

(vi) reduce the total amount of cash equivalents held by the Trust only if the total amount of cash equivalents held by the Trust remains an amount not less than the aggregate strike price of all outstanding put options written by the Trust;

(vii) not enter into any arrangement (including the acquisition of securities for the Trust's portfolio and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the Tax Act;

(viii) purchase put options on individual securities in the Trust's portfolio or indexed put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Trust;

(ix) purchase derivatives or enter into derivatives or other transactions to facilitate achieving the investment objectives of the Trust;

(x) not make or hold any investment that would result in more than 10% (by fair market value) of the Trust's property being ''taxable Canadian property'' or other ''specified property'' as described in proposed amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004; and

(xi) not make or hold any investments that would result in the Trust failing to qualify as a ''mutual fund trust'' or a ''unit trust'' within the meaning of the Tax Act.

Use of Other Derivative Instruments

The Trust may purchase put options on individual securities in the Trust's portfolio or indexed put options in order to protect the Trust from declines in the market prices of the individual securities in the Trust's portfolio or in the value of the Trust's portfolio as a whole. The Trust may also enter into trades to close out positions in such permitted derivatives. In addition to writing covered call options and cash covered put options, and to the extent permitted by Canadian securities regulators from time to time, the Trust may purchase call options and put options with the effect of closing out existing call options and put options written by the Trust.

Securities Lending

In order to generate additional returns, the Trust may lend portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (a ''Securities Lending Agreement''). Under a Securities Lending Agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as ''securities lending arrangements'' for the purposes of the Tax Act; and (iii) the Trust will receive prescribed collateral security.

CORE CANADIAN DIVIDEND PORTFOLIO

The Trust will invest, as soon as possible after the closing of this offering, the net proceeds of this offering in accordance with the Trust's investment objectives, strategy and criteria. To enhance returns to the Trust, MCM may, from time to time, adjust the composition of the Trust's portfolio investments, and their relative weightings, within the portfolio. See ''Investments of the Trust''.

The Core Canadian Dividend Portfolio

The tables below set out, as at October 24, 2006, the following information for each entity whose securities are included in the Core Canadian Dividend Portfolio: name, market capitalization, dividend yield and the 10-year total return compound annual growth rate.

Market Capitalization, Dividend Yield and Compound Annual Growth Rate

	Market Capitalization	Dividend Yield[(1)]	10-Year Total Return CAGR
	($Million)		
Royal Bank of Canada	$63,705.55	3.22%	19.99%
Manulife Financial Corporation[(2)]	56,402.50	1.92%	23.86%
Bank of Nova Scotia	48,208.05	3.20%	20.15%
The Toronto-Dominion Bank	46,108.27	3.01%	18.45%
Bank of Montreal	34,320.00	3.62%	16.46%
Thomson Corporation	29,480.05	1.91%	9.05%
Canadian Imperial Bank of Commerce	29,038.59	3.24%	15.86%
BCE Inc.	25,911.59	4.16%	20.07%
TransCanada Corporation	17,428.21	3.59%	11.68%
Teck Cominco Limited (Class B Shares)	17,575.16	2.46%	12.80%
Enbridge Inc.	12,756.34	3.16%	18.65%
National Bank of Canada	9,640.23	3.37%	19.77%
Russel Metals Inc.[(3)]	1,759.74	5.66%	28.16%
AGF Management Limited	2,068.67	3.10%	19.75%
Canadian Utilities Limited	5,272.69	2.38%	14.85%
Average[(4)]	**$26,645.04**	**3.20%**	**17.97%**

(1) Based on of the most recently declared dividend annualized, divided by the closing price as of October 24, 2006.

(2) Dividends from March 16, 2000 and pricing from September 24, 1999.

(3) Started paying dividends on May 4, 2000.

(4) Assumes equal weighting of the issuers included in the Core Canadian Dividend Portfolio.

Source: Bloomberg

As indicated in the table below, as at October 24, 2006, the issuers included in the Core Canadian Dividend Portfolio have an average dividend yield of 3.20%, an average dividend payout ratio of 45.04% and average five-year and 10-year dividend compound annual growth rates of 18.79% and 14.16%, respectively.

Dividend History and Payout Ratios of the Common Shares Included in the Core Canadian Dividend Portfolio

	Dividend Yield[(1)]	Dividend Payout Ratio	5-Year Dividend CAGR	10-Year Dividend CAGR
Royal Bank of Canada	3.22%	44.50%	17.32%	16.75%
Manulife Financial Corporation[(2)]	1.92%	28.30%	23.87%	20.87%
Bank of Nova Scotia	3.20%	41.40%	18.07%	16.46%
The Toronto-Dominion Bank	3.01%	49.30%	11.38%	14.40%
Bank of Montreal	3.62%	39.00%	17.23%	13.16%
Thomson Corporation	1.91%	56.10%	4.68%	4.81%
Canadian Imperial Bank of Commerce[(4)]	3.24%	33.70%	13.60%	12.02%
BCE Inc.	4.16%	66.20%	0.13%	-1.18%
TransCanada Corporation	3.59%	49.20%	7.30%	1.71%
Teck Cominco Limited (Class B Shares)	2.46%	12.00%	58.49%	25.89%
Enbridge Inc.	3.16%	62.90%	10.44%	8.37%
National Bank of Canada	3.37%	34.50%	18.95%	14.87%
Russel Metals Inc.[(3)]	5.66%	36.40%	51.57%	37.84%
AGF Management Limited	3.10%	69.50%	24.57%	21.82%
Canadian Utilities Limited	2.38%	52.60%	4.30%	4.60%
Average[(5)]	**3.20%**	**45.04%**	**18.79%**	**14.16%**

(1) Based on of the most recently declared dividend annualized, divided by the closing price as of October 24, 2006.

(2) Dividends from March 16, 2000 and pricing from September 24, 1999.

(3) Implemented dividends on May 4, 2000.

(4) The 33.7% Dividend Payout Ratio for Canadian Imperial Bank of Commerce excludes a U.S.$2.3 billion charge for the Enron class action settlement in 2005. Including this charge would result in a Dividend Payout Ratio of -574.5%.

(5) Assumes equal weighting of the issuers included in the Core Canadian Dividend Portfolio.

Source: Bloomberg

Trading History of the Common Shares Included in the Core Canadian Dividend Portfolio[(1)]

	Closing Price As At October 24, 2006	Closing Price As At December 31,				
		2005	2004	2003	2002	2001
Royal Bank of Canada	$49.73	$45.41	$32.13	$30.90	$28.93	$25.92
Manulife Financial Corporation	$36.40	$34.14	$27.70	$20.93	$17.20	$20.80
Bank of Nova Scotia	$48.74	$46.14	$40.70	$32.90	$26.33	$24.48
The Toronto-Dominion Bank	$63.89	$61.13	$49.92	$43.29	$34.01	$41.08
Bank of Montreal	$68.56	$65.00	$57.76	$53.50	$41.69	$35.90
Thomson Corporation	$45.97	$39.66	$42.27	$47.08	$42.00	$48.35
Canadian Imperial Bank of Commerce	$86.47	$76.41	$72.23	$64.00	$43.52	$54.85
BCE Inc.	$31.70	$27.73	$28.78	$28.76	$28.36	$35.83
TransCanada Corporation	$35.69	$36.65	$29.80	$27.88	$22.92	$19.87
Teck Cominco Limited (Class B Shares)	$81.38	$62.05	$36.92	$21.93	$11.60	$12.72
Enbridge Inc.	$36.34	$36.34	$29.85	$26.85	$21.31	$21.70
National Bank of Canada	$59.32	$60.32	$49.56	$43.14	$32.30	$29.70
Russel Metals Inc.	$28.25	$21.85	$15.50	$ 8.79	$ 5.10	$ 3.60
AGF Management Limited	$23.20	$22.30	$17.70	$17.50	$15.50	$24.70
Canadian Utilities Limited	$42.00	$43.98	$30.16	$28.93	$25.61	$24.88

(1) As adjusted for stock splits.

Source: Bloomberg

Dividend History of the Common Shares Included in the Core Canadian Dividend Portfolio(1)(2)

	Dividends As At October 24, 2006	Dividends As At December 31,				
		2005	2004	2003	2002	2001
Royal Bank of Canada	$1.60	$1.28	$1.10	$0.92	$0.80	$0.72
Manulife Financial Corporation	$0.70	$0.60	$0.52	$0.42	$0.36	$0.24
Bank of Nova Scotia	$1.56	$1.44	$1.28	$1.00	$0.80	$0.68
The Toronto-Dominion Bank	$1.92	$1.68	$1.44	$1.28	$1.12	$1.12
Bank of Montreal	$2.48	$1.96	$1.76	$1.40	$1.20	$1.12
Thomson Corporation	$0.88	$0.80	$0.76	$0.74	$0.72	$0.70
Canadian Imperial Bank of Commerce	$2.80	$2.72	$2.60	$2.00	$1.64	$1.48
BCE Inc.	$1.32	$1.44	$1.31	$1.31	$1.31	$1.31
TransCanada Corporation	$1.28	$1.22	$1.16	$1.08	$1.00	$0.90
Teck Cominco Limited (Class B Shares)	$2.00	$0.80	$0.40	$0.20	$0.20	$0.20
Enbridge Inc.	$1.15	$1.15	$0.92	$0.83	$0.76	$0.70
National Bank of Canada	$2.00	$1.92	$1.68	$1.32	$1.04	$0.84
Russel Metals Inc.	$1.60	$1.00	$0.70	$0.32	$0.24	$0.20
AGF Management Limited	$0.72	$0.60	$0.44	$0.32	$0.26	$0.24
Canadian Utilities Limited	$1.16	$1.10	$1.06	$1.02	$0.98	$0.94

(1) Dividend amount for the last reported completed fiscal quarter annualized.

(2) As adjusted for stock splits.

Source: Bloomberg

Voting Rights in the Core Canadian Dividend Portfolio

Holders of Units will have no voting rights in respect of the securities comprising the Porfolio. Such securities will be voted in accordance with the proxy voting guidelines of the Trust described below.

COVERED OPTION WRITING

General

The writing of call options by the Trust will involve the selling of call options in respect of some or all of the securities in the Trust's portfolio. Such call options may be either exchange traded options or over-the-counter options. Because call options will be written only in respect of securities that are in the portfolio and because the investment criteria of the Trust prohibit the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Trust at the strike price per security. By selling call options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Trust will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Trust may repurchase a call option which is in-the-money by paying the market value of the call option. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium. See ''Call Option Pricing'' below.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security. The higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See ''Call Option Pricing'' below.

If a call option is written on a security in the portfolio, the amounts that the Trust will be able to realize on the security during the term of the call option will be limited to the dividends received during such period plus

an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Trust will forgo potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

the volatility of the price of the underlying security	the volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or ''trailing'' the date of calculation.
the difference between the strike price and the market price of the underlying security at the time the option is written	the smaller the positive difference (or the larger the negative difference), the greater the option premium.
the term of the option	the longer the term, the greater the call option premium.
the ''risk-free'' or benchmark interest rate in the market in which the option is issued	the higher the risk-free interest rate, the greater the call option premium.
the dividends expected to be paid on the underlying security during the relevant term.	the greater the dividends, the lower the call option premium.

Sensitivity Analysis Relating to Option Premium

The table below illustrates the sensitivity of annualized option premiums from writing call options on securities to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the range of volatility shown in the table approximates the range of the historical average volatility of securities in the Core Canadian Dividend Portfolio;

2. all options are exercisable at maturity and are written at the same percentage out-of-the-money;

3. all options have a term of 30-days (for illustrative purposes only – this assumption is not necessarily indicative of the term for which options will be written by the Trust);

4. the Canadian risk-free or benchmark interest rate equals 4.15% per annum; and

5. the average return from the dividends paid on the securities comprising the Core Canadian Dividend Portfolio is 3.20% per annum.

ANNUALIZED PREMIUMS FROM WRITING COVERED CALL OPTIONS (MEASURED AS A % RETURN)

		AVERAGE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE CORE CANADIAN DIVIDEND PORTFOLIO									
		12%	**14%**	**16%**	**18%**	**20%**	**22%**	**24%**	**26%**	**28%**	**30%**
% Out-	**3%**	4.6%	6.6%	8.8%	11.1%	13.5%	15.9%	18.4%	21.0%	23.6%	26.2%
Of-	**2%**	7.4%	9.8%	12.3%	14.8%	17.4%	20.0%	22.7%	25.3%	28.0%	30.7%
The-	**1%**	11.4%	14.1%	16.8%	19.5%	22.2%	24.9%	27.6%	30.3%	33.0%	35.7%
Money	**0%**	16.8%	19.5%	22.3%	25.0%	27.7%	30.5%	33.2%	35.9%	38.6%	41.4%

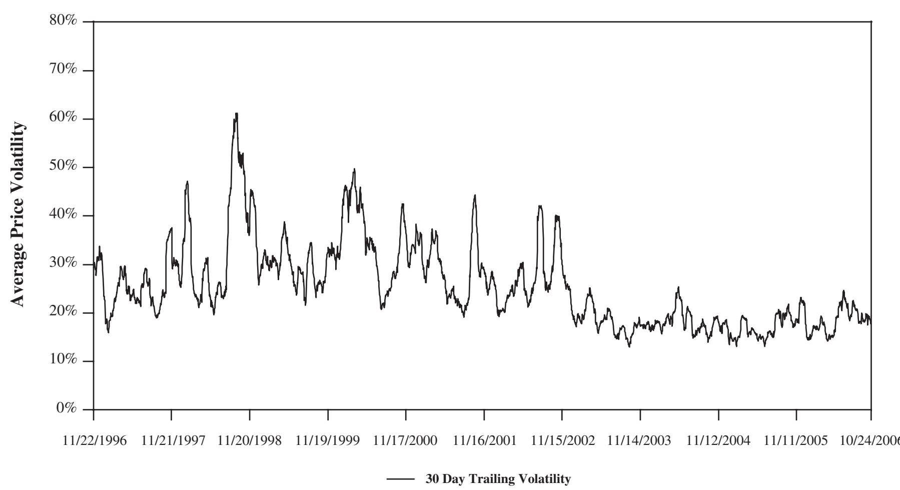
The composition of the Trust's portfolio, the securities which may be subject to call options and put options and the terms of such options will vary from time to time, based on MCM's assessment of the market conditions. See ''Investments of the Trust''.

Volatility History

The historical average, low, high and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in the Core Canadian Dividend Portfolio (assuming equal weighting of the securities contained therein) for the 10-years ended October 24, 2006 is as follows:

	10-Year Volatility			
	Average	**Low**	**High**	**Current**
Core Canadian Dividend Portfolio	25.47%	12.94%	61.20%	17.77%

Average Price Volatility for Financial Portfolio



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Core Canadian Dividend Portfolio.

Sensitivity Analysis

Based on the assumptions set out below, and maintenance of a constant Core Canadian Dividend Portfolio NAV by assuming no gains or losses in the underlying Core Canadian Dividend Portfolio securities at the expiration of the option, the following represents the percentage of the Trust's Core Canadian Dividend Portfolio against which covered call options would need to be written at different volatility levels to pay the targeted distribution of 6.5% per annum on the NAV of the Trust:

1. the net proceeds from the offering are $70.50 million;

2. distributions on the Units are 6.5% per annum on the NAV of the Trust;

3. the range of volatility shown in the table approximates the range of the historical average volatility of the securities in the Core Canadian Dividend Portfolio;
4. all call options are exercisable at maturity and are written at the same percentage out-of-the-money;
5. all securities comprising the Core Canadian Dividend Portfolio are subject to 30-day call options throughout the relevant period (for illustrative purposes only – this assumption is not indicative of the extent to which covered call options are expected to be written by the Trust);
6. the Canadian risk-free or benchmark interest rate equals 4.15% per annum;
7. the average return from the dividends paid on the securities in the Core Canadian Dividend Portfolio is 3.20% per annum; and
8. annual expenses (ordinary and extraordinary) for the Trust are $250,000, plus the fees payable to MCM and Mulvihill, which total 1.10% of total assets of the Trust, plus the annual service fee of 0.40% of the NAV of the Units held by clients of the dealers and payable to each dealer whose clients hold Units, plus applicable tax.

% Of The Core Canadian Dividend Portfolio Required To Be Written To Achieve Target Distribution of 6.5% (Net of Fees and Expenses)

		AVERAGE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE CORE CANADIAN DIVIDEND PORTFOLIO									
		12%	**14%**	**16%**	**18%**	**20%**	**22%**	**24%**	**26%**	**28%**	**30%**
% Out-	**3%**	108.8%	86.3%	70.5%	59.1%	50.6%	44.1%	39.0%	34.9%	31.5%	28.8%
Of-	**2%**	79.6%	64.9%	54.5%	46.8%	40.9%	36.3%	32.6%	29.6%	27.1%	24.9%
The-	**1%**	57.7%	48.8%	42.3%	37.3%	33.3%	30.1%	27.4%	25.2%	23.3%	21.7%
Money	**0%**	42.2%	37.1%	33.2%	29.9%	27.3%	25.1%	23.2%	21.6%	20.2%	19.0%

Utilization of Cash Equivalents

The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. Such cash covered put options will only be written in respect of securities in which the Trust is permitted to invest. See ''Investments of the Trust – Investment Criteria''.

The holder of a put option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Trust at the strike price per security. By selling put options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. The Trust however, must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written. If at any time during the term of a put option or at expiry, the market price of the underlying securities is below the strike price, the holder of the option may exercise the option and the Trust will be obligated to buy the securities from the holder at the strike price per security. In such case, the Trust will be obligated to acquire a security at a strike price which may exceed the then current market value of such security. If, however, the option is out-of-the-money at the expiration of the put option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium.

MANAGEMENT OF THE TRUST

The Manager

Pursuant to the Trust Agreement, Mulvihill is the manager of the Trust and, as such, is responsible for providing or arranging for required administrative services to the Trust including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Trust; preparing financial statements and financial and accounting information as required by the Trust; ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Trust complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Trust's reports to Unitholders and the Canadian securities regulatory authorities; providing the Trustee with information and reports necessary for it to fulfil its fiduciary responsibilities; determining the amount of distributions to be made by the Trust; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Mulvihill is a wholly-owned subsidiary of MCM.

Mulvihill shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Unitholders, and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

Mulvihill may resign as manager of the Trust upon 60 days' notice to the Trust and to the Unitholders or upon such lesser notice period as the Trustee may accept. If Mulvihill resigns it may appoint its successor but, unless its successor is an affiliate of Mulvihill, its successor must be approved by Unitholders. If Mulvihill is in material default of its obligations under the Trust Agreement and such default has not been cured within 30 days after notice of same has been given to Mulvihill, the Trustee shall give notice thereof to Unitholders and the Unitholders may direct the Trustee to remove Mulvihill and appoint a successor manager.

Mulvihill is entitled to fees for its services under the Trust Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by Mulvihill on behalf of the Trust. In addition, Mulvihill and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Mulvihill or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from Mulvihill's wilful misconduct, bad faith, negligence or breach of its obligations under the Trust Agreement.

The management services of Mulvihill under the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents Mulvihill from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities.

The name and municipality of residence of each of the directors and officers of Mulvihill are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL, Toronto, Ontario	Chairman, President, Secretary and Director
SHEILA S. SZELA, Toronto, Ontario	Chief Financial Officer and Director
JOHN H. SIMPSON, Toronto, Ontario	Senior Vice-President and Director

The Investment Manager

MCM will manage the Trust's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Trust pursuant to an investment management agreement (the ''Investment Management Agreement'') made between Mulvihill as manager and on behalf of the Trust and MCM dated October 27, 2006.

MCM was incorporated in 1984 by The Canada Trust Company under the name CT Investment Counsel Inc. (''CTIC'') to manage the institutional pension fund business of The Canada Trust Company. In 1985, The Canada Trust Company and The Canada Permanent Trust Company amalgamated resulting in all of the pension assets managed by The Canada Permanent Trust Company being transferred to CTIC management. In addition, the investment professionals of The Canada Permanent Trust Company joined the CTIC team.

In February 1995, John P. Mulvihill purchased 100% of CTIC from The Canada Trust Company and changed CTIC's name to Mulvihill Capital Management Inc. During 1995, MCM also established a wealth management division headed by John H. Simpson, who joined the firm from Fidelity Investments Canada Limited.

MCM is the portfolio manager of the following funds which have completed prospectus offerings of shares or units in the respective amounts indicated: First Premium Income Trust ($165 million), Premium Income Corporation ($501 million), Top 10 Split Trust (formerly First Premium U.S. Income Trust) ($404.6 million), First Premium Oil and Gas Income Trust ($54.7 million), MCM Split Share Corp. ($189.7 million), Global Telecom Split Share Corp. ($170 million), Sixty Plus Income Trust ($100 million), Global Plus Income Trust ($121 million), Top 10 Canadian Financial Trust (formerly Digital World Trust) ($274 million), Pro-AMS U.S. Trust ($570.5 million), Government Strip Bond Trust (formerly Pro-AMS Trust) ($1.13 billion), Mulvihill Pro-AMS 100PLUS (Cdn$) Trust ($178.1 million), Mulvihill Pro-AMS 100PLUS (US$) Trust (U.S.$37.4 million), Mulvihill Pro-AMS RSP Split Share Corp. ($105 million) and World Financial Split Corp. ($471.2 million).

MCM is an employee-owned investment counsellor which, in addition to its management of the Mulvihill family of funds, manages investments for numerous pension and endowment funds and investment portfolios of individuals having a significant net worth. MCM's total assets under management exceed $2.5 billion.

Directors and Officers of MCM

The name and municipality of residence of the director and each of the officers are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, Chief Executive Officer, Secretary, Treasurer and Director
DONALD BIGGS Ancaster, Ontario	Senior Vice-President
JOHN A. BOYD Toronto, Ontario	Vice-President
MARK CARPANI Toronto, Ontario	Vice-President
JEFF FRKETICH Toronto, Ontario	Vice-President
JOHN GERMAIN Toronto, Ontario	Vice-President
PAUL MEYER Toronto, Ontario	Vice-President
ANDREW MITCHELL Toronto, Ontario	Vice-President
PEGGY SHIU Toronto, Ontario	Vice-President
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President
SHEILA S. SZELA Toronto, Ontario	Vice-President, Finance and Chief Financial Officer
JACK WAY Toronto, Ontario	Vice-President

Except as indicated below, each of the foregoing has held his or her current office or has held a similar office in MCM during the five years preceding the date hereof.

Prior to joining MCM, Ms. Szela was at Deloitte & Touche LLP from January 1997 to May 2002. She was a Senior Manager, Assurance and Advisory Services at Deloitte & Touche LLP from September 2000 to May 2002, and a Manager, Assurance and Advisory Services prior to August 2000. Prior to joining MCM, Mr. Frketich was Director, Investments & Debt Services, Department of Finance from 1992 to 2002 for the Yukon Territorial Government. Prior to joining MCM, Mr. Mitchell was Regional Vice-President of Sales for Vengrowth Asset Management from 2004 to April 2006 and Vice President Sales for Clarington Funds from 2001 to 2004.

The team of individuals responsible for investment management at MCM all have significant experience in managing investment portfolios. The officers of MCM who will primarily be responsible for the management of the Trust's portfolio are John P. Mulvihill and Donald Biggs. Also assisting in the management of the investment portfolios are: Paul Meyer, Jack Way, John Germain, Jeff Dobson and Dylan D'Costa.

John P. Mulvihill, Chairman of MCM, is the senior portfolio manager of MCM and has over 30 years of investment management experience. Prior to purchasing CTIC from The Canada Trust Company in 1995, Mr. Mulvihill had been Chairman of CTIC since 1988. At CTIC he had primary responsibility for the asset allocation and portfolio management of CTIC's pension and mutual fund assets.

Paul Meyer has been with MCM since September 1990 and is currently a portfolio Manager and member of the Equity Team. Paul is a key member of the portfolio management group at MCM and has investment experience in the Canadian, U.S. and ADR markets.

Jack Way has been with MCM since August 1998 and brings an extensive background in asset management with over 23 years of experience as an investment manager of which the past eight years were spent working in the U.S. market.

John Germain has been with MCM and the Structured Products Team since March 1997. Prior to joining MCM, he had been employed at Merrill Lynch Canada Inc. since 1992. For the last two years of his employment at Merrill Lynch Canada Inc., he was a member of the Fixed Income Trading Group.

Jeff Dobson joined MCM in April 2001 after nearly 16 years at Scotia Capital. He brings extensive experience in portfolio management, especially in the use of equity options. His most recent position prior to joining MCM was managing a portfolio of volatility comprised of equity options, their underlying stocks, as well as, equity index derivatives.

Donald Biggs, Senior Vice-President of MCM, has extensive experience in managing derivative instruments. Prior to joining MCM, Mr. Biggs was Vice-President, Bonds and Cash Management at OMERS where he had overall responsibility for Derivative Products.

Dylan D'Costa, has been with MCM and the Structured Products Team since January 2001 where he has worked extensively on valuing, pricing and trading equity options. Prior to joining MCM, he had been employed at CIBC Mellon where he worked with the valuations group.

Ownership of MCM

MCM is controlled by John P. Mulvihill.

Investment Management Agreement

The services to be provided by MCM pursuant to the Investment Management Agreement will include making all investment decisions for the Trust and managing the call option writing and put option writing of the Trust, all in accordance with the investment objectives, strategy and criteria of the Trust. Decisions as to the purchase and sale of securities and as to the execution of all portfolio and other transactions will be made by MCM. In the purchase and sale of securities for the Trust and the writing of option contracts, MCM will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Investment Management Agreement, MCM is required to act at all times on a basis which is fair and reasonable to the Trust, to act honestly and in good faith with a view to the best interests of the Unitholders of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement provides that MCM shall not be liable in any way for any default, failure or defect in any of the securities of the Trust, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. MCM will, however, incur liability in cases of wilful misfeasance, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement, unless terminated as described below, will continue in effect until the termination of the Trust. The Trustee may terminate the Investment Management Agreement if MCM has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and such breach has not been cured within 30 days after notice thereof has been given to MCM by the Trustee. Except as described above, MCM cannot be terminated as investment manager of the Trust.

Except as set out below, MCM may not terminate the Investment Management Agreement or assign the same except to an affiliate of MCM, without Unitholder approval. MCM may terminate the Investment Management Agreement if the Trust is in material breach or default of the provisions thereof and such breach or default has not been cured within 30 days of notice of same to the Trustee or if there is a material change in the fundamental investment objectives, strategy or criteria of the Trust.

If the Investment Management Agreement is terminated, Mulvihill will promptly appoint a successor investment manager to carry out the activities of MCM until a meeting of Unitholders is held to confirm such appointment.

MCM is entitled to fees for its services under the Investment Management Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by MCM on behalf of the Trust. In addition, MCM and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against MCM or any of its officers, directors, employees or agents in the exercise of its duties as investment manager, except those resulting from MCM's wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Advisory Board

The Trust has established an advisory board (the ''Advisory Board'') currently consisting of five members appointed by Mulvihill to assist Mulvihill in performing its services under the Trust Agreement. All fees and expenses of the Advisory Board are paid by the Trust.

The names, municipalities of residence and principal occupations of the members of the Advisory Board are as follows:

Name and Municipality of Residence	Principal Occupation
JOHN P. MULVIHILL Toronto, Ontario	Chairman and President, MCM
MICHAEL M. KOERNER Toronto, Ontario	Corporate Director
ROBERT K. KORTHALS Toronto, Ontario	Corporate Director
C. EDWARD MEDLAND Toronto, Ontario	President, Beauwood Investments Inc. (private investment company)
SHEILA S. SZELA Toronto, Ontario	Vice President, Finance and Chief Financial Officer, MCM

The Trustee

RBC Dexia Investor Services Trust is the trustee of the Trust under the Trust Agreement. It acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Trust Agreement, including executing instruments on behalf of the Trust, calculating NAV, net income and net realized capital gains of the Trust and maintaining the books and records of the Trust in relation to its portfolio.

The Trustee may resign upon 60 days' notice to Unitholders and Mulvihill or such lesser notice as Mulvihill may accept. The Trustee may be removed with the approval of a two-thirds majority vote cast at a meeting of Unitholders of the Trust called for such purpose or by Mulvihill in the event the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Trust Agreement which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns or is removed by Mulvihill, its successor may be appointed by Mulvihill. The successor must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 60 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The Trust Agreement provides that the Trustee shall not be liable in carrying out its duties under the Trust Agreement except where it is in breach of its obligations under the Trust Agreement or where the Trustee fails to act honestly and in good faith, and in the best interests of Unitholders to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Trust Agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The address of the Trustee is 77 King Street West, 11th Floor, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario M5W 1P9.

The Trustee is entitled to receive fees from the Trust as described under ''Fees and Expenses'' and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

CONFLICTS OF INTEREST

MCM is engaged in a wide range of investment management, investment advisory and other business activities. The services of MCM under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents MCM or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Trust) or from engaging in other activities. MCM's investment decisions for the Trust will be made independently of those made for its other clients and independently of its own investments. On occasion, however, MCM may make the same investment for the Trust and for one or more of its other clients. If the Trust and one or more of the other clients of MCM are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

DESCRIPTION OF THE UNITS

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All Units have equal rights and privileges. Except as set forth under ''Unitholder Matters – Acts Requiring Unitholder Approval'', each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of Units are proportionately entitled to all of these rights except voting rights.

The provisions or rights attaching to the Units may only be modified, amended or varied with the consent of Unitholders given in accordance with provisions contained in the Trust Agreement as described herein under the heading ''Unitholder Matters – Acts Requiring Unitholder Approval''.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario), and (ii) the trust is governed by the laws of Ontario. The Trust is a reporting issuer under the *Securities Act* (Ontario) and it is governed by the laws of Ontario by virtue of the provisions of the Trust Agreement.

The Trust may not issue additional Units following completion of the offering except: (i) by way of private placement or public offering where the net proceeds per Unit to be received by the Trust are not less than the most recently calculated NAV per Unit prior to the date of the setting of the subscription price by the Trust; (ii) on a distribution of Units or on an automatic reinvestment of distributions of net income or net realized capital gains; or (iii) with the approval of Unitholders.

DISTRIBUTIONS

The Trust will endeavour to make monthly cash distributions to Unitholders on the last day of each month in an amount targeted to be 6.5% per annum of the NAV of the Trust. Such distributions will consist primarily of dividends and capital gains and may also include ordinary income and returns of capital. The Trust has determined to base the distributions it pays on the NAV of the Trust in order to better facilitate the preservation and enhancement of the Trust's NAV and to enable Unitholders to benefit from any increases in the NAV of the Trust through the resulting increased distributions. The monthly distributions will be determined using the last NAV prior to the declaration date for the distribution. The first distribution will be for the month of December 2006 and is expected to be $0.051 per Unit.

Based on the current level of dividends, distributions and option premiums available under current market conditions and the anticipated expenses of the Trust, Mulvihill believes that such monthly cash distributions are sustainable. However, there can be no assurance that the Trust will be able to make distributions at its targeted rate.

The amount of distributions in any particular month will be determined by Mulvihill, as manager, having regard to the investment objectives of the Trust, the net income and net realized capital gains of the Trust during the month and in the year to date, the net income and net realized capital gains of the Trust anticipated in the balance of the year and distributions made in previous months.

If, in any year after making its targeted monthly distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends to make, on December 31 of that year, a special distribution in cash or in additional Units of such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under the Tax Act. See ''Canadian Federal Income Tax Considerations''.

Cash distributions will be payable in Canadian dollars to Unitholders of record at 5:00 p.m. (Toronto time) on the record date which will generally be on or about the fifteenth day before such distribution date. All cash distributions will be paid by cheque to Unitholders proportionately based on their respective holdings of Units and will be mailed to Unitholders at their addresses listed in the register of Unitholders to be maintained by the Trust's registrar and transfer agent or paid in such other manner as may be agreed to by the Manager.

Each Unitholder will be mailed annually, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the Trust in respect of the preceding taxation year of the Trust. See ''Canadian Federal Income Tax Considerations''.

REDEMPTION OF UNITS

Units may be surrendered at any time for redemption to Computershare Investor Services Inc., the Trust's registrar and transfer agent, but will be redeemed only on the monthly Valuation Date (as defined below). Units surrendered for redemption by a Unitholder at least 20 business days prior to the end of the year (the ''December Valuation Date'') will be redeemed on such December Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such December Valuation Date (the ''Redemption Payment Date''). Units surrendered for redemption by a Unitholder at least 10 business days prior to the last day of any other month (a ''Valuation Date'') will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the fifteenth day following such Valuation Date. If a Unitholder makes such surrender after 5:00 p.m. (Toronto time) on the applicable cut-off date, the Units will be redeemed on the applicable Valuation Date in the following month and the Unitholder will receive payment for the Units on the Redemption Payment Date in respect of such Valuation Date.

Commencing in 2007, Unitholders whose Units are redeemed on the December Valuation Date in each year will be entitled to receive a redemption price per Unit (the ''Unit Redemption Price'') equal to the NAV per Unit determined as of such Valuation Date.

For Unitholders whose Units are redeemed on any other Valuation Date, the redemption price per Unit will be equal to the lesser of:

(a) 95% of the Market Price. For such purposes ''Market Price'' is the weighted average trading price of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) for the 10 trading days immediately preceding the applicable Valuation Date, and

(b) 100% of the Closing Market Price of the Units on the applicable Valuation Date, minus an amount equal to the aggregate of all brokerage fees, commissions and other costs incurred by the Trust in connection with such payment, including, but not limited to, costs incurred in liquidating securities held in the Trust's portfolio. For such purposes, the ''Closing Market Price'' means the closing price of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) or, if there was no trade on the relevant date, the average of the last bid and the last asking prices of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading).

Any unpaid distribution payable on or before the applicable Valuation Date in respect of Units tendered for redemption on such Valuation Date will also be paid on the applicable Redemption Payment Date.

The redemption right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described under ''Book-Entry Only System'' below. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Units which are not paid for by the Trust on the relevant Redemption Payment Date.

The Trust may designate a portion of the redemption price of Units tendered for redemption as a distribution of income and capital gains to redeeming Unitholders.

Resale of Units Tendered for Redemption

The Trust has entered into an agreement (a ''Recirculation Agreement'') with RBC Dominion Securities Inc. (the ''Recirculation Agent'') whereby the Recirculation Agent has agreed to use commercially reasonable efforts to find purchasers for any Units tendered for redemption prior to the relevant Valuation Date, provided that the holder of the Units so tendered has not withheld consent thereto. The Trust may, but is not obligated to, require the Recirculation Agent to seek such purchasers and, in such event, the amount to be paid to the Unitholder on the applicable Redemption Payment Date will be an amount equal to the proceeds of the sale of the Units less any applicable commission, provided that such amount will not be less than the Unit Redemption Price described above.

Subject to the Trust's right to require the Recirculation Agent to use commercially reasonable efforts to find purchasers for any Units tendered for redemption prior to the relevant Valuation Date, any and all Units which have been surrendered to the Trust for redemption are deemed to be outstanding until (but not after) the close of business on the relevant Valuation Date, unless not redeemed thereon, in which event such Units will remain outstanding.

Net Asset Value

The Net Asset Value (''NAV'') of the Trust on a particular date will be equal to the aggregate value of the assets of the Trust, less the aggregate value of the liabilities of the Trust, including any income, net realized capital gains and other amounts payable to Unitholders on or before such date, expressed in Canadian dollars at the applicable exchange rate on such date. The ''NAV per Unit'' on any day is obtained by dividing the NAV of the Trust on such day by the number of Units then outstanding.

The NAV per Unit will be calculated every Thursday, other than the last week of the month, in which case the NAV per Unit will be calculated on the last day of the month. If the Trust elects to have a December 15-year end for tax purposes as permitted by the *Income Tax Act* (Canada), the NAV per Unit will also be calculated on December 15 if it is not a Thursday. Such information will be provided by Mulvihill to Unitholders on request and will be available on the Manager's website at www.mulvihill.com.

In determining the NAV per Unit of the Trust at any time:

(i) the value of common shares and other securities will be the latest available bid price for such common shares or other securities on the principal stock exchange on which they are traded prior to the determination of the NAV of the Trust (or using such other price or value as Canadian generally accepted accounting principles or the Canadian Securities Administrators may permit);

(ii) where a covered clearing corporation option, option on futures or an over-the-counter option is written, the option premium received by the Trust will, so long as the option is outstanding, be reflected as a deferred credit which will be valued at an amount equal to the current market value of an option which 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 NAV;

(iii) the value of any cash on hand or on deposit, prepaid expenses, cash dividends or distributions declared and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;

(iv) the value of a futures contract or of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the applicable Valuation Date, the position in the futures contract or the forward contract, 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;

(v) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(vi) notes, money market instruments and other debt securities shall be valued by taking the bid price at the calculation time;

(vii) if a Valuation Date is not a business day, then the securities comprising the Core Canadian Dividend Portfolio and other Trust property will be valued as if such Valuation Date were the preceding business day;

(viii) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Trustee to be inappropriate under the circumstances, then notwithstanding such rules, the Trustee shall make such valuation as it considers fair and reasonable; and

(ix) the value of all assets of the Trust quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Trust in foreign currency and the value of all liabilities and contractual obligations payable by the Trust in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the date as of which the NAV is computed.

Book-Entry Only System

Registration of interests in and transfers of the Units will be made only through the book-entry only system. On or about November 16, 2006, but no later than December 29, 2006, the Trust will deliver to CDS certificates evidencing the aggregate Units subscribed for under this offering. Units must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of Units who desires to exercise redemption privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner's intention to redeem units, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to redeem Units should ensure that the CDS Participant is provided with notice (the ''Redemption Notice'') of his intention to exercise his redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Redemption Notice will be available from a CDS Participant or Computershare Investor Services Inc., the Trust's registrar and transfer agent. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his Units for redemption and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Trust to the CDS Participant or to the owner.

The Trust has the option to terminate registration of the Units through the book-entry only system in which case certificates for Units in fully registered form would be issued to beneficial owners of such shares or to their nominees.

Suspension of Redemptions

Mulvihill may direct the Trustee to suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on The Toronto Stock Exchange; or (ii) with the prior permission of the Ontario Securities Commission (if required), for any period not exceeding 120 days during which Mulvihill determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All holders of Units making such requests shall be advised by Mulvihill of the suspension and that the redemption will be effected at a price determined on the first applicable Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised 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 ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of suspension made by Mulvihill shall be conclusive.

Purchase for Cancellation

Subject to applicable law, the Trust may at any time or times purchase Units for cancellation at prices not exceeding the NAV per Unit on the applicable Valuation Date immediately prior to such purchase.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders of the Trust may be convened by Mulvihill or the Trustee at any time and must be convened if requisitioned by the holders of not less than 10% of the Units then outstanding by a written requisition specifying the purpose of the meeting. Not less than 21 days notice will be given of any meeting of Unitholders. The quorum at any such meeting is two Unitholders present in person or by proxy and representing not less than 10% of the Units then outstanding. If no quorum is present at such meeting when called, the meeting, if called on the requisition of Unitholders, will be terminated and otherwise will be adjourned for not less than 10 days and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum. At any such meeting, each Unitholder will be entitled to one vote for each whole Unit registered in the Unitholder's name.

The Trust does not intend to hold annual meetings of Unitholders.

Acts Requiring Unitholder Approval

Pursuant to the Trust Agreement, the following matters require the approval of Unitholders by a two-thirds majority vote (other than items (iii), (vi), (vii) and (viii) which require approval by a simple majority vote) at a meeting called and held for such purpose:

(i) a change in the fundamental investment objectives and strategy of the Trust as described under ''Investments of the Trust – Investment Objectives'' and ''Investment Strategy'';

(ii) a change in the investment criteria of the Trust as described under ''Investments of the Trust – Investment Criteria'';

(iii) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust;

(iv) a change of the manager of the Trust, other than a change resulting in an affiliate of such person assuming such position or, except as described herein, a change in the investment manager or trustee of the Trust, other than a change resulting in an affiliate of such person assuming such position;

(v) a decrease in the frequency of calculating the NAV per Unit or of redeeming Units;

(vi) a change of the auditors of the Trust;

(vii) a reorganization with, or transfer of assets to, another mutual fund trust, if

(A) the Trust ceases to continue after the reorganization or transfer of assets;

(B) the transaction results in Unitholders becoming security holders in the other mutual fund trust;

(viii) a reorganization with, or acquisition of assets of, another mutual fund trust, if

(A) the Trust continues after the reorganization or acquisition of assets;

(B) the transaction results in the securityholders of the other mutual fund trust becoming Unitholders of the Trust, and

(C) the transaction would be a significant change to the Trust;

(ix) a termination of the Investment Management Agreement (except as described under ''Investment Management Agreement'');

(x) except as described under ''Termination of the Trust'', the termination of the Trust;

(xi) an amendment, modification or variation in the provisions or rights attaching to the Units.

Mulvihill and the Trustee may, without the approval of or notice to Unitholders, amend the Trust Agreement for certain limited purposes specified therein, including to:

(i) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Agreement and any provisions of any law or regulation applicable to or affecting the Trust;

(ii) make any change or correction in the Trust Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(iii) bring the Trust Agreement into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interest of any Unitholder;

(iv) maintain the status of the Trust as a ''mutual fund trust'' for the purposes of the *Income Tax Act* (Canada); or

(v) provide added protection to Unitholders.

Except for changes to the Trust Agreement which require the approval of Unitholders or changes described above which do not require approval or prior notice to Unitholders, the Trust Agreement may be amended from time to time by Mulvihill and the Trustee upon not less than 30 days prior written notice to Unitholders.

Reporting to Unitholders

The Trust will deliver to Unitholders annual and interim financial statements of the Trust.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships, or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units, and the Manager shall inform the registrar and transfer agent of the Trust of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

TERMINATION OF THE TRUST

The Trust will be terminated (the ''Termination Date'') at any time upon not less than 90 days' written notice to the Manager from the Trustee with the approval of a two-thirds majority of Unitholders and passed at a duly convened meeting of Unitholders called for the purpose of considering such termination, provided that Unitholders holding at least 10% of the Units outstanding on the record date of the meeting vote in favour of such termination.

The Manager, may, in its discretion, terminate the Trust without the approval of Unitholders if, in the opinion of the Manager after consulting with the Advisory Board, the Net Asset Value of the Trust has been reduced as a result of redemptions or otherwise such that it is no longer economically feasible to continue the Trust and it would be in the best interests of the Unitholders to terminate the Trust. In such circumstances, the Manager will provide at least 30 and no more than 60 days' notice to Unitholders of the Termination Date and will issue a press release at least ten days in advance thereof.

Immediately prior to the Termination Date, MCM will, to the extent possible, convert the assets of the Trust to cash and the Trustee shall, after paying or making adequate provision for all of the Trust's liabilities, distribute the net assets of the Trust to Unitholders as soon as practicable after the Termination Date.

PROXY VOTING GUIDELINES

The Trust has adopted the following proxy guidelines (the ''Proxy Guidelines'') with respect to the voting of proxies received by it relating to voting securities held by the Trust:

(a) *Auditors*: The Trust will generally vote for proposals to ratify auditors except where non-audit-related fees paid to such auditors exceed audit-related fees.

(b) *Board of Directors*: The Trust will vote for nominees of management on a case-by-case basis, examining the following factors: independence of the board and key board committees, attendance at board meetings, corporate governance positions, takeover activity, long-term company performance, excessive executive compensation, responsiveness to shareholder proposals and any egregious board actions. The Trust will generally withhold voting for any nominee who is an insider and sits on the audit committee or the compensation committee. The Trust will also withhold support for those individual nominees who have attended less than 75% of the board meetings held within the past year without a valid excuse for these absences.

(c) *Compensation Plans*: The Trust will vote on matters dealing with share-based compensation plans on a case-by-case basis. The Trust will review share-based compensation plans with a primary focus on the transfer of shareholder wealth. The Trust will generally vote for compensation plans only where the cost is within the industry maximum except where (i) participation by outsiders is discretionary or excessive or the plan does not include reasonable limits on participation or (ii) the plan provides for option re-pricing without shareholder approval. The Trust will also vote against any proposals to reprice options.

(d) *Management Compensation:* The Trust will vote on employee stock purchase plans (''ESPPs'') on a case-by-case basis. The Trust will generally vote for broadly based ESPPs where all of the following apply: (i) there is a limit on employee contribution; (ii) the purchase price is at least 80% of fair market value; (iii) there is no discount purchase price with maximum employer contribution of up to 20% of employee contribution; (iv) the offering period is 27 months or less; and (v) potential dilution is 10% of outstanding securities or less. The Trust will also vote on a case-by-case basis for shareholder proposals targeting executive and director pay, taking into account the issuer's performance, absolute and relative pay levels as well as the wording of the proposal itself. The Trust will generally vote for shareholder proposals requesting that the issuer expense options or that the exercise of some, but not all options be tied to the achievement of performance hurdles.

(e) *Capital Structure*: The Trust will vote on proposals to increase the number of securities of an issuer authorized for issuance on a case-by-case basis. The Trust will generally vote for proposals to approve increases where the issuer's securities are in danger of being delisted or if the issuer's ability to continue to operate is uncertain. The Trust will generally vote against proposals to approve unlimited capital authorization.

(f) *Constating Documents*: The Trust will generally vote for changes to constating documents which are necessary and can be classified as ''housekeeping''. The following amendments will be opposed:

(i) the quorum for a meeting of shareholders is set below two persons holding 25% of the eligible vote (this may be reduced in the case of a small organization where it clearly has difficulty achieving quorum at a higher level, but the Trust will oppose any quorum below 10%);

(ii) the quorum for a meeting of directors should not be less than 50% of the number of directors; and

(iii) the chair of the board has a casting vote in the event of a deadlock at a meeting of directors if that chair is not an independent director.

The Proxy Guidelines also include policies and procedures pursuant to which the Trust will determine how to cause proxies to be voted on other non-routine matters including shareholder rights plans, proxy contests, mergers and restructurings and social and environmental issues.

The Trust will retain Institutional Shareholder Services Canada Corp. to administer and implement the Proxy Guidelines for the Trust.

EXCHANGE OPTION

Method to Purchase Units

Prospective purchasers may acquire Units either by: (a) cash payment; or (b) an exchange (the ''Exchange Option'') of freely tradeable listed securities of the issuers in the S&P/TSX 60 Index as of September 25, 2006 or as of the date hereof or of the issuers in the Core Canadian Dividend Portfolio (the ''Exchange Eligible Issuers''). The maximum number of securities of any one Exchange Eligible Issuer which the Trust may acquire under the offering pursuant to the Exchange Option is the lesser of that number of securities which constitutes 9.9% of the outstanding securities of that class of such Exchange Eligible Issuer and that number which would constitute 10% of the Trust's property (such lesser number being referred to as the ''Maximum Ownership Level''). For greater certainty, when the Maximum Ownership Level has been achieved in respect of the securities of a particular Exchange Eligible Issuer accepted as payment for Units pursuant to this Offering, the Trust will not accept any further securities of such Exchange Eligible Issuer as payment. To the extent the Maximum Ownership Level has been achieved in respect of the securities of any one Exchange Eligible Issuer, and an excess of securities of such Exchange Eligible Issuer above the Maximum Ownership Level have been deposited and not withdrawn, then the securities of such Exchange Eligible Issuer will be accepted by the Trust to the Maximum Ownership Level on a pro rata basis or such other reasonable basis that it may determine to be appropriate. The Trust reserves the right to accept in its sole discretion and for any reason, the securities of additional issuers under the Exchange Option and to reject, in its sole discretion, in whole or in part, any securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option.

The Trust will sell the securities of Exchange Eligible Issuers that are not included in the Core Canadian Dividend Portfolio and will incur transaction costs at institutional rates in connection therewith.

Procedure

A prospective purchaser of Units who elects to pay for such Units by using the Exchange Option (the ''Exchange Option Election'') must have done so by means of a book-entry deposit of the securities of Exchange Eligible Issuers through The Canadian Depository for Securities Limited (''CDS''). Prospective purchasers who utilize the Exchange Option must have deposited their securities of Exchange Eligible Issuers with Computershare Trust Company of Canada (the ''Exchange Agent'') through CDS prior to 5:00 p.m. (Toronto time) on October 26, 2006. Such book-entry deposits must have been made by a participant in CDS which may have had an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. Once submitted to the Exchange Agent through CDS, a deposit of securities of an Exchange Eligible Issuer (including the transfers authorized thereby) is, subject to the completion of this offering, irrevocable unless withdrawn as described below under the heading ''Withdrawal of Exchange Option Elections''. By authorizing a deposit of securities of an Exchange Eligible Issuer through CDS, a prospective purchaser has authorized the transfer to the Trust of each security of the Exchange Eligible Issuers so deposited and represents and warrants that the prospective purchaser has full right and authority to transfer the securities of the Exchange Eligible Issuers covered thereby and is the beneficial owner of such securities, that such securities have not previously been conveyed, that the transfer of such securities is not prohibited by laws applicable to the prospective purchaser and that such securities are free and clear of all liens, encumbrances and adverse claims. Such representations and warranties will survive the issuance of Units in exchange for such securities of Exchange Eligible Issuers. The Trust's interpretation of the terms and conditions of the Exchange Option will be final and binding. The Trust reserves the right to waive any conditions of the Exchange Option and any irregularities in the deposit of securities of Exchange Eligible Issuers pursuant to the Exchange Option. Neither the Trust, the Agents nor the Exchange Agent shall be under any duty to notify a prospective purchaser of irregularities related to its deposit of securities of Exchange Eligible Issuers under the Exchange Option and will not incur any liability for failure to give such notification. If for any reason securities of an Exchange Eligible Issuer deposited pursuant to the Exchange Option are not acquired by the Trust, the holders of such securities will be notified of such fact as soon as practicable following the closing or the termination of this offering, as the case may be, and such securities will be re-credited to their accounts through CDS.

Determination of Exchange Ratio

The number of Units issuable for each security of an Exchange Eligible Issuer (the ''Exchange Ratio'') will be determined by dividing the weighted average trading price of the securities of such Exchange Eligible Issuer on the TSX during the three consecutive trading days ending on October 26, 2006 (the ''Pricing Period'') as adjusted to reflect dividends declared or distributions pending by any Exchange Eligible Issuer that trades on an ex-dividend basis until the closing date by $10.00 (being the original issue price per Unit). Holders of securities of Exchange Eligible Issuers who deposited such securities pursuant to the Exchange Option will continue to be holders of record up to the date of the closing of the offering contemplated by this prospectus and will be entitled to receive distributions in respect of such securities of Exchange Eligible Issuers up to but not including the date of the closing of this offering. The Trust will not issue fractional Units pursuant to the Exchange Option. Entitlement to fractional Units will be determined on the basis of the aggregate number of securities of each Exchange Eligible Issuer acquired pursuant to the Exchange Option and the Trust will issue to CDS cash in lieu thereof. Allocation by CDS of cash in lieu of fractional Units to participants in CDS will be at the discretion of CDS and the allocation of cash in lieu of fractional Units to purchasers who have authorized the deposit of Exchange Option Elections through CDS will be at the discretion of the CDS Participants.

Withdrawal of Exchange Option Elections

Each prospective purchaser who deposited securities of an Exchange Eligible Issuer through CDS has the right to withdraw such deposit of securities by notifying in writing such prospective purchaser's investment adviser or other nominee who effected the deposit. To be effective, a written notice of withdrawal must be received by the CDS participant who effected such deposit on or before midnight on the second business day after receipt or deemed receipt of this prospectus and any amendment. Any such notice of withdrawal must specify the securities of each Exchange Eligible Issuer to be so withdrawn and the name of the prospective purchaser, and notification thereof must be received by the Exchange Agent through CDS prior to the specified time. Each such notice must be signed by the person who authorized the deposit under the Exchange Option.

The Maximum Offering

The maximum offering (prior to the exercise of the Over-Allotment Option), comprised of the aggregate cash subscriptions and securities of the Exchange Eligible Issuers (based on the applicable Exchange Ratio and excluding that number of securities of Exchange Eligible Issuers deposited and not acquired as a result of such securities causing the Trust to hold more than the Maximum Ownership Level of the outstanding securities of an Exchange Eligible Issuer), shall not be more than $150,000,000. If the maximum offering (prior to the exercise of the Over-Allotment Option) is exceeded, the Trust will accept cash subscriptions first and will then accept securities of Exchange Eligible Issuers on a pro rata basis or such other reasonable basis that it may determine appropriate until the maximum offering size of $150,000,000 is achieved, subject to the conditions set forth above under the heading ''Method to Purchase Units''.

Exchange Eligible Issuers

The following table lists the names of the Exchange Eligible Issuers whose securities will be accepted by the Trust pursuant to the Exchange Option, the weighted average trading price of the securities of each Exchange Eligible Issuer during the Pricing Period and the Exchange Ratio of each Exchange Eligible Issuer. The Trust may also accept any replacement securities included in the S&P/TSX 60 Index after the date hereof as a result of any rebalancings.

	Weighted Average Trading Price	Exchange Ratio
Abitibi-Consolidated Inc.	$ 2.93	0.2933
ACE Aviation Holdings Inc.	$37.73	3.7725
AGF Management Limited	$23.20	2.3203
Agnico-Eagle Mines Ltd.	$38.63	3.8631
Agrium Inc.	$30.55	3.0552
Alcan Inc.	$48.61	4.8606
Bank of Montreal	$68.01	6.8014
Bank of Nova Scotia	$48.74	4.8739
Barrick Gold Corporation	$34.24	3.4240
BCE Inc.	$31.76	3.1763
Biovail Corporation	$17.86	1.7860
Bombardier Inc.	$ 3.97	0.3974
Brookfield Asset Management Inc.	$49.98	4.9983
Cameco Corporation	$38.69	3.8691
Canadian Imperial Bank of Commerce	$87.17	8.7168
Canadian National Railway Company	$53.33	5.3332
Canadian Natural Resources Limited	$58.83	5.8826
Canadian Oil Sands Trust	$30.91	3.0910
Canadian Pacific Railway Limited	$62.83	6.2827
Canadian Tire Corporation, Limited	$70.83	7.0831
Canadian Utilities Limited	$42.08	4.2077
Celestica Inc.	$13.16	1.3161
Cognos Incorporated	$42.32	4.2324

	Weighted Average Trading Price	Exchange Ratio
Cott Corporation	$ 17.75	1.7754
Domtar Inc.	$ 6.80	0.6802
Enbridge Inc.	$ 36.43	3.6427
EnCana Corporation	$ 53.93	5.3928
George Weston Limited	$ 69.99	6.9987
Glamis Gold Ltd.	$ 44.09	4.4089
Goldcorp Inc.	$ 26.60	2.6602
Husky Energy Inc.	$ 71.24	7.1244
Imperial Oil Limited	$ 39.67	3.9668
Inco Limited	$ 85.90	8.5904
IPSCO Inc.	$104.49	10.4491
Kinross Gold Corporation	$ 14.02	1.4020
Loblaw Companies Limited	$ 45.88	4.5879
Magna International Inc.	$ 85.06	8.5064
Manulife Financial Corporation	$ 36.49	3.6491
MDS Inc.	$ 19.35	1.9347
National Bank of Canada	$ 59.63	5.9628
Nexen Inc.	$ 63.65	6.3651
Nortel Networks Corporation	$ 2.53	0.2526
NOVA Chemicals Corporation	$ 32.96	3.2955
Novelis Inc.	$ 28.73	2.8731
Penn West Energy Trust	$ 42.36	4.2361
Petro-Canada	$ 47.95	4.7954
Potash Corporation of Saskatchewan Inc.	$135.33	13.5329
Research In Motion Limited	$131.09	13.1094
Rogers Communications Inc.	$ 63.06	6.3060
Royal Bank of Canada	$ 49.71	4.9708
Russel Metals Inc.	$ 28.54	2.8537
Shaw Communications Inc.	$ 34.12	3.4124
Shoppers Drug Mart Corporation	$ 45.11	4.5112
Sun Life Financial Inc.	$ 45.18	4.5176
Suncor Energy Inc.	$ 87.17	8.7170
Talisman Energy Inc.	$ 19.22	1.9222
Teck Cominco Limited	$ 83.27	8.3272
TELUS Corporation	$ 62.91	6.2913
Thomson Corporation	$ 46.85	4.6848
Tim Hortons Inc.	$ 31.26	3.1265
Toronto-Dominion Bank	$ 64.24	6.4243
TransAlta Corporation	$ 23.78	2.3782
TransCanada Corporation	$ 35.37	3.5366
Yellow Pages Income Fund	$ 14.60	1.4597

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Trust, and Davies Ward Phillips & Vineberg LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to prospective purchasers acquiring Units pursuant to this Prospectus who are individuals (other than trusts) and who, for purposes of the *Income Tax Act* (Canada) (the ''Tax Act''), are resident in Canada, deal at arm's length with the Trust and hold their Units, and, if applicable, any securities of an Exchange Eligible Issuer in respect of which the purchaser exercises the Exchange Option, as capital property (each a ''Unitholder''). This summary is based upon the facts set out in this Prospectus, the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative practices of Canada Revenue Agency (the ''CRA'') and the specific proposals to amend the Tax Act and regulations thereunder announced prior to the date hereof by the Minister of Finance (the ''Proposed Amendments''). No assurances can be given that the Proposed Amendments will become law as proposed or at all. This summary is also based on the assumption that the Trust was not established and will not be maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. This summary is also based on the assumptions that (i) none of the issuers of the securities in the Trust's portfolio will be a foreign affiliate of the Trust or any Unitholder, (ii) none of the securities in the Trust's portfolio will be a ''tax shelter investment'' within the meaning of section 143.2 of the Tax Act, and (iii) none of the securities in the Trust's portfolio will be a ''participating interest'' in a ''tracking entity'' or a ''foreign investment entity'' (other than an ''exempt interest''), or an interest in a non-resident trust other than an ''exempt foreign trust'' under revised draft legislation released by the Minister of Finance (Canada) on July 18, 2005 (or such proposals as amended or enacted, or successor provisions thereto).

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign or provincial income tax considerations, which might differ from the federal considerations summarized herein.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Prospective investors are advised to consult their own tax advisors with respect to the tax consequences to them of a prospective investment in Units in their individual circumstances.

Status of the Trust

Provided that the Trust meets certain prescribed conditions (''minimum distribution requirements'') relating to the number of Unitholders, dispersal of ownership of Units and public trading of its Units at such time and provided that its sole undertaking is and continues to be the investing of its funds in property (other than real property or an interest in real property) as described in this Prospectus, the Trust will qualify at a particular time as a ''mutual fund trust'' as defined in the Tax Act. This summary assumes that the Trust will satisfy the minimum distribution requirements on closing, and that it will elect to be deemed to be a mutual fund trust from the date that it was established to and including the date of closing, and that it will continuously satisfy the minimum distribution requirements thereafter. An additional condition to qualify as a mutual fund trust for purposes of the Tax Act is that the Trust may not be established or maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than ''taxable Canadian property'' within the meaning of the Tax Act. If certain Proposed Amendments released on September 16, 2004 are enacted as proposed, the Trust would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Units held by non-residents, or partnerships that are not ''Canadian partnerships'' for the purpose of the Tax Act, or any combination of the foregoing, is more than 50% of the fair market value of all issued and outstanding Units unless no more than 10% (based on fair market value) of the Trust's property is at any time ''taxable Canadian property'' within the meaning of the Tax Act and certain other types of specified property. The Trust's investment restrictions prohibit the Trust from exceeding these limits and restrictions on the ownership of Units are intended to limit the number of Units held by non-residents such that non-residents, partnerships that are not Canadian partnerships, or any combination of the foregoing, may not own Units representing more than 50% of the fair market value of all Units.

If the Trust were not to qualify as a mutual fund trust, the income tax consequences described below and under ''Eligibility for Investment'' would in some respects be materially different.

Taxation of the Trust

The Trust is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year computed pursuant to the Tax Act, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable to its Unitholders is recoverable by the Trust to the extent and in the circumstances provided in the Tax Act.

In determining the income of the Trust, premiums received by the Trust on covered call options and cash covered put options written by the Trust (and which are not exercised prior to the end of the year) will constitute capital gains of the Trust in the year received, and gains or losses realized upon dispositions of securities of the Trust (whether upon the exercise of call options written by the Trust or otherwise) will constitute capital gains or capital losses of the Trust in the year realized unless the Trust is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Trust will purchase the Core Canadian Dividend Portfolio with the objective of earning dividends thereon over the life of the Trust including dividends on securities acquired upon the exercise of cash covered put options written by the Trust, will write covered call options with the objective of increasing the yield on the Core Canadian Dividend Portfolio beyond the dividends received on the Core Canadian Dividend Portfolio and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options. In accordance with CRA's published administrative practice, transactions undertaken by the Trust in respect of covered options and shares will be treated and reported for purposes of the Tax Act on capital account and designations by the Trust with respect to its income and capital gains, as described below, will be made and reported to Unitholders on this basis. Premiums received by the Trust on covered call (or cash covered put) options which are exercised in the taxation year in which the option is written by the Trust are added in computing the proceeds of disposition (deducted in computing the adjusted cost base) to the Trust of the securities disposed of (acquired by) the Trust on exercise of such call (put) options.

To the extent the Trust holds trust units in the portfolio, the Trust will be required to include in the calculation of its income the net income, including net taxable capital gains, paid or payable to the Trust by the issuer in the year, notwithstanding that certain of such amounts may be reinvested in additional units of such issuer. Provided that appropriate designations are made by the issuer, net taxable capital gains realized by the issuer and taxable dividends from taxable Canadian corporations received by the issuer that are paid or payable by the issuer to the Trust will effectively retain their character in the hands of the Trust.

The Trust will be required to reduce the adjusted cost base of units of an issuer that is a trust by any amount paid or payable by such issuer to the Trust except to the extent that the amount was included in calculating the income of the Trust or was the Trust's share of the non-taxable portion of capital gains of such issuer, the taxable portion of which was designated in respect of the Trust. If the adjusted cost base to the Trust of such units becomes a negative amount at any time in a taxation year of the Trust, that negative amount will be deemed to be a capital gain realized by the Trust in that taxation year and the Trust's adjusted cost base of such units will be increased by the amount of such deemed capital gain.

The Manager has advised counsel that the Trust intends to elect in accordance with the Tax Act to have each of its ''Canadian securities'' (as defined in subsection 39(6) of the Tax Act) treated as capital property. Such an election will ensure that gains or losses realized by the Trust on dispositions of Canadian securities will be taxed as capital gains or capital losses.

The Trust generally intends to deduct in computing its income in each taxation year for purposes of the Tax Act the full amount available for deduction in each year (computed on the assumption that options outstanding after the year end will expire unexercised) and therefore, provided that the Trust makes distributions in each year of its net income including net realized capital gains as described under the heading ''Distributions'', it will generally not be liable in such year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that would be recoverable by it in such year.

The Tax Act provides for a special tax on designated income of certain trusts which have designated beneficiaries. This special tax does not apply to a trust for a taxation year if the trust is a mutual fund trust throughout such year. Accordingly, provided that the Trust qualifies, or is deemed to qualify, as a mutual fund trust throughout a taxation year, it will not be subject to the special tax for such taxation year.

Taxation of Unitholders

A Unitholder who disposes of securities of Exchange Eligible Issuers in exchange for Units pursuant to the Exchange Option generally will realize a capital gain (or a capital loss) in the taxation year of the Unitholder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Unitholder. For this purpose, the proceeds of disposition to the Unitholder will equal the aggregate of the fair market value of the Units received and the amount of any cash received in lieu of fractional Units. The cost to a Unitholder of Units so acquired will be equal to the fair market value of the securities of the Exchange Eligible Issuers disposed of in exchange for such Units at the time of disposition less any cash received in lieu of fractional Units, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration for the securities of Exchange Eligible Issuers. In computing the adjusted cost base of a Unit acquired by a Unitholder pursuant to the Exchange Option, the cost of such Unit must be averaged with the adjusted cost base of any other Units then held by that Unitholder as capital property.

A Unitholder will generally be required to include in the calculation of the Unitholder's income under the Tax Act the net income and the net realized taxable capital gains of the Trust paid or payable to the Unitholder in the year or deemed so paid or payable, whether received in cash or reinvested in additional Units. To the extent that distributions by the Trust to a Unitholder in any year exceed the net income including net realized capital gains of the Trust for the year computed pursuant to the Tax Act, such distributions generally will not be included in the calculation of the Unitholder's income for the year but will reduce the adjusted cost base of the Unitholder's Units.

The Trust will designate to the extent permitted by the Tax Act the portion of the net income distributed to Unitholders as may reasonably be considered to consist of net realized taxable capital gains of the Trust net of realized capital losses and net capital loss carry forwards, and the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations. Any such designated amount will be deemed for purposes of the Tax Act to be received or realized by Unitholders in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. Draft legislation released by the Minister of Finance (Canada) on June 29, 2006 and a Notice of Ways and Means Motion tabled on October 16, 2006 proposes to enhance the gross-up and dividend tax credit for ''eligible dividends'' received by individuals after 2005 from taxable Canadian corporations. Based on counsels' review of the draft legislation and discussions with the Department of Finance (Canada), it is understood that it is the intent of the draft legislation that, where the Trust makes the appropriate designation, eligible dividends received by the Trust will be treated as eligible dividends received by Unitholders.

Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a Unitholder.

Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable the Trust to utilize, in a particular year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Trust will not be required to be included in the income of the Unitholder. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been allocated to the Unitholder, the adjusted cost base of the Unitholder's Units would be reduced by such amount.

The NAV per Unit of the Trust will reflect any income and gains of the Trust that have accrued or have been realized but not made payable at the time Units are acquired. Consequently, Unitholders of the Trust that acquire additional Units may become taxable on their share of income and gains of the Trust that accrued or were realized before the Units were acquired and not made payable at such time.

Upon the actual or deemed disposition of a Unit, including on a sale or redemption, a capital gain (or capital loss) will generally be realized by the Unitholder to the extent that the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, whether on a reinvestment of distributions or otherwise, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property before that time.

One half of any capital gains (''taxable capital gains'') realized will be included in computing the income of a Unitholder and one half of any capital loss realized may be deducted against taxable capital gains in accordance with the provisions of the Tax Act.

Unitholders are generally subject to an alternative minimum tax. Amounts designated as taxable dividends that are eligible dividends and net realized capital gains paid or payable to a Unitholder by the Trust or realized on the disposition of Units by the Unitholder may increase the Unitholder's liability for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, and Davies Ward Phillips & Vineberg LLP, provided that the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, Units will be qualified investments under such Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans.

USE OF PROCEEDS

The net proceeds from the issue of Units offered hereby assuming the maximum offering (after payment of the Agents' fee and expenses of the issue) are estimated to be $141,750,000 and will be used to purchase securities for the Core Canadian Dividend Portfolio following closing. See ''Core Canadian Dividend Portfolio''.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of October 27, 2006 (the ''Agency Agreement'') between RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Blackmont Capital Inc., Desjardins Securities Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Berkshire Securities Inc. and Wellington West Capital Inc. (collectively, the ''Agents'') and Mulvihill, MCM and the Trust, the Agents have agreed to offer the Units for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee equal to $0.50 for each Unit sold (either in cash or for shares of Exchange Eligible Issuers deposited pursuant to the Exchange Option) and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units which are not sold.

The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable for a period of 30 days from the closing of the offering, to offer up to 2,250,000 additional Units on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option, and the Units issuable on the exercise thereof. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of this offering. To the extent that the Over-Allotment Option is exercised, the additional Units will be offered at the offering prices hereunder and the Agents will be entitled to a fee of $0.50 per Unit purchased.

The offering price was established by negotiation between the Agents and the Manager of the Trust.

If subscriptions for a minimum of 3,000,000 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, this offering may not continue without the consent of those who have subscribed on or before such date. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. In the event the minimum offering is not achieved by the Trust and the necessary consents are not obtained or if the closing of the offering does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will take place on November 16, 2006 or such later date as may be agreed upon by the Trust and the Agents that is on or before December 29, 2006.

The Toronto Stock Exchange has conditionally approved the listing of the Units offered hereunder. Listing is subject to the Trust fulfilling all of the requirements of such stock exchange on or before January 23, 2007.

The Units will be offered in each of the provinces of Canada. The Units have not been and will not be registered under the United States *Securities Act of 1933*, as amended and may not be offered or sold in the United States or to U.S. persons.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this offering, the Agents may over-allot or effect transactions in connection with their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

FEES AND EXPENSES

Offering Expenses

The expenses of this offering (including the costs of creating and organizing the Trust, the costs of printing and preparing this Prospectus, legal expenses of the Trust, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses subject to a maximum of 1.5% of the gross proceeds of the offering) will, together with the Agents' fees, be paid from the gross proceeds of this offering.

Fees and Other Expenses

Pursuant to the terms of the Investment Management Agreement, MCM is entitled to a fee at an annual rate of 1.00% of the NAV.

Pursuant to the terms of the Trust Agreement, Mulvihill is entitled to a fee at an annual rate of 0.10% of the NAV. Fees payable to MCM and Mulvihill will be calculated and payable monthly based on the NAV as at the Valuation Date of each month.

The Trust will pay for all expenses incurred in connection with the operation and administration of the Trust. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders; (b) fees payable to the Trustee for acting as trustee and custodian of the assets of the Trust and performing certain administrative services under the Trust Agreement; (c) fees payable to Computershare Investor Services Inc. for acting as registrar and transfer agent with respect to Units; (d) fees payable to members of the Advisory Board; (e) any additional fees payable to Mulvihill for performance of extraordinary services on behalf of the Trust; (f) fees payable to the auditors and legal advisors of the Trust; (g) regulatory filing, stock exchange and licensing fees; and (h) expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Mulvihill or MCM is entitled to indemnity by the Trust. See ''Management of the Trust''. The Trust will also be responsible for all commissions and other costs of securities transactions. All such expenses will be subject to an independent audit and report thereon to the Trustee and Mulvihill will provide reasonable access to its books and records for such purpose.

The Trust will pay a service fee to each dealer whose clients hold Units. Such service fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the NAV of the Units held by clients of the dealer.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

MCM, Mulvihill and the Trustee will receive the fees described under ''Fees and Expenses'' for their respective services to the Trust and will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Trust Agreement described under ''The Trust'';

(b) the Investment Management Agreement described under ''Management of the Trust – Investment Management Agreement''; and

(c) the Agency Agreement described under ''Plan of Distribution''.

Copies of the foregoing agreements, after the execution thereof, may be inspected during business hours at the principal office of the Trust during the course of distribution of the Units offered hereby.

RISK FACTORS

The following are certain considerations relating to an investment in Units which prospective investors should consider before purchasing such securities:

Performance of the Portfolio

NAV per Unit will vary as the value of the securities in the portfolio varies. The Trust has no control over the factors that affect the value of the securities in the portfolio, including factors that affect all of the issuers in the portfolio such as fluctuations in interest rates and factors unique to each issuer such as changes in its management, changes in its strategic direction, achievement of its strategic goals, mergers, acquisitions and divestitures, changes in its dividend policies and other events that may affect the value of its equity securities.

The Trust will issue Units hereunder for securities of Exchange Eligible Issuers. The Trust will sell the securities of Exchange Eligible Issuers that are not included in the Core Canadian Dividend Portfolio and will incur transaction costs at institutional rates in connection therewith. There is no assurance that on the sale of such securities, the Trust will realize net proceeds equal to their weighted average trading price during the Pricing Period and such net proceeds may be more or less than the weighted average trading price during the Pricing Period of the securities of such Exchange Eligible Issuers.

No Assurances on Achieving Investment Objectives

There is no assurance that the Trust will be able to achieve its distribution objectives or the Trust's investment objectives of returning the original issue price of the Units offered hereunder to Unitholders on the Termination Date.

There is no assurance that the Trust will be able to pay monthly distributions. The funds available for distribution to Unitholders will vary according to, among other things, the dividends and distributions paid on all of the securities comprising the portfolio, the level of option premiums received and the value of the securities comprising the portfolio. As the dividends and distributions received by the Trust will not be sufficient to meet the objectives of the Trust in respect of the payment of distributions, the Trust will depend on the receipt of option premiums and the realization of capital gains to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such a pricing model can be attained.

Interest Rate Fluctuations

It is anticipated that the market price of the Units will at any time be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Units.

Use of Options and Other Derivative Instruments

The Trust is subject to the full risk of its investment position in the securities comprising the portfolio, including those securities that are subject to outstanding call options, and those securities underlying put options written by the Trust, should the market price of such securities decline. In addition, the Trust will not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options.

The use of options may have the effect of limiting or reducing the total returns of the Trust if MCM's expectations concerning future events or market conditions prove to be incorrect. In such circumstances, the Trust may have to increase the percentage of its portfolio that is subject to covered call options in order to meet its targeted distributions. In addition, the premiums associated with writing covered call options may be outweighed by the foregone opportunity of remaining invested directly in the securities comprising the portfolio.

There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Trust to write covered call options or cash covered put options on desired terms or to close out option positions should MCM desire to do so. The ability of the Trust to close out its positions may also be affected by exchange imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Trust is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires. In addition, upon the exercise of a put option, the Trust will be obligated to acquire a security at the strike price which may exceed the then current market value of such security.

In purchasing call or put options or entering into forward or future contracts, the Trust is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations.

Trading at a Discount

The Trust cannot predict whether Units will trade above, at or below NAV per Unit.

Reliance on the Investment Manager

MCM will manage the Trust in a manner consistent with the investment objectives, strategy and criteria of the Trust. The officers of MCM who will be primarily responsible for the management of the Trust's portfolio have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of MCM throughout the term of the Trust.

Securities Lending

The Trust may engage in securities lending as described under ''Investments of the Trust – Securities Lending''. Although the Trust will receive collateral for the loans and such collateral is marked to market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Status of the Trust for Securities Law Purposes

The Trust is not a ''mutual fund'' for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Units and restrictions imposed on mutual funds under Canadian securities laws, including NI 81-102, do not apply to the Trust. See ''Investments of the Trust – Investment Criteria''.

Significant Redemptions

Units are retractable annually for a price based on NAV per Unit (which represents the value that the Trust is able to obtain in the market when it sells portfolio securities to fund the retraction) and monthly based on market price. The purpose of the annual retraction right is to prevent the Units from trading at a substantial discount to this value and to provide Unitholders with the right to realize their investment once per year without any trading discount to such value. While the annual retraction right provides Unitholders the option of annual liquidity, there can be no assurance that it will reduce trading discounts. If a significant number of Units are retracted, the trading liquidity of the Units could be significantly reduced. In addition the expenses of the Trust would be spread among fewer Units potentially resulting in lower NAV.

Operating History

The Trust is a newly organized investment trust with no previous operating history. There is currently no public market for the Units, and there can be no assurance that an active public market will develop or be sustained after completion of this offering.

Taxation of the Trust

Currently, a trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless all or substantially all of its property is property other than taxable Canadian property as defined in the Tax Act. On September 16, 2004, the Minister of Finance (Canada) released Proposed Amendments which propose that a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-resident persons or partnerships that are not Canadian partnerships, or any combination thereof, is more than 50% of the aggregate fair market value of all units issued by the trust where, at that time or any previous time, more than 10% (based on fair market value) of the trust's property is taxable Canadian property or certain other types of property (the ''September 16th Proposed Amendments''). If these circumstances applied to the Trust, the Trust would thereafter cease to be a mutual fund trust and the income tax considerations as described under ''Canadian Federal Income Tax Considerations'' and under ''Eligibility for Investment'' would in some respects be materially different. The September 16th Proposed Amendments do not currently provide any means of rectifying a loss of mutual fund trust status. On December 6, 2004, the Department of Finance tabled a Notice of Ways and Means Motion which did not include these proposed changes pending further consultation with interested parties.

On October 31, 2003 the Minister of Finance (Canada) announced a Proposed Amendment relating to the deductibility of losses under the Tax Act. Under this Proposed Amendment, a taxpayer will be considered to have a loss from business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, or can reasonably be expected to carry on, the business or has held, or can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. If this Proposed Amendment were to apply to the Trust, deductions that would otherwise reduce the Trust's taxable income could be denied, with after-tax returns to Unitholders reduced as a result. It will be necessary for the Trust to monitor its activities and this Proposed Amendment. On February 23, 2005, the Minister of Finance (Canada) announced that it has developed an alternative proposal to such Proposed Amendment, which it intends to release for comment.

In determining its income for tax purposes, the Trust will treat gains and losses realized on the disposition of securities in the portfolio, option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains and capital losses in accordance with CRA's published administrative practice. CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

If, contrary to CRA's published administrative practice and the advice of counsel or as a result of a change of law, some or all of the transactions undertaken by the Trust in respect of covered options and securities in the portfolio were treated on income rather than capital account, after-tax returns to Unitholders could be reduced and the Trust may be subject to non-refundable income tax from such transactions.

LEGAL OPINIONS

The matters referred to under ''Eligibility for Investment'' and ''Canadian Federal Income Tax Considerations'' and certain other legal matters relating to the securities offered hereby will be passed upon by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents.

CUSTODIAN

The Trustee is the custodian of the Trust, with the power to appoint sub-custodians.

PROMOTER

MCM has taken the initiative in organizing the Trust and accordingly may be considered to be a ''promoter'' of the Trust within the meaning of the securities legislation of certain provinces of Canada. MCM will receive fees from the Trust and will be entitled to reimbursement of expenses incurred in relation to the Trust as described under ''Fees and Expenses''.

AUDITORS

The auditors of the Trust are Deloitte & Touche LLP, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario M5J 2V1.

REGISTRAR AND TRANSFER AGENT

Pursuant to the Registrar and Transfer Agency Agreement, Computershare Investor Services Inc., at its principal offices in Toronto is the registrar and transfer agent for the Units.

Computershare Trust Company of Canada, at its principal offices in Toronto, is the Exchange Agent for the Exchange Option under an exchange agency agreement entered into with the Manager.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides a purchaser with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the prospectus of Core Canadian Dividend Trust (the ''Trust'') dated October 27, 2006 relating to the issue and sale of Units of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Trustee of the Trust on the statement of financial position of the Trust as of October 27, 2006. Our report is dated October 27, 2006.

Toronto, Ontario
October 27, 2006

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

AUDITORS' REPORT

To the Trustee of
CORE CANADIAN DIVIDEND TRUST (THE ''TRUST'')

We have audited the statement of financial position of the Trust as of October 27, 2006. This financial statement is the responsibility of the management of the Trust. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial statement present fairly, in all material respects, the financial position of the Trust as at October 27, 2006, in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
October 27, 2006

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

CORE CANADIAN DIVIDEND TRUST

STATEMENT OF FINANCIAL POSITION
October 27, 2006

ASSETS	
Cash	$10.00
Total	$10.00
UNITHOLDER'S EQUITY	
Unitholder's Equity (1 Unit) (Note 1)	$10.00

Approved by the Manager,
MULVIHILL FUND SERVICES INC.

(Signed) JOHN P. MULVIHILL
Director

(Signed) SHEILA S. SZELA
Director

See accompanying notes to financial statement.

CORE CANADIAN DIVIDEND TRUST

NOTES TO FINANCIAL STATEMENT

1. Units Authorized and Outstanding

Establishment of the Trust and Authorized Units

Core Canadian Dividend Trust (the ''Trust'') was established under the laws of the Province of Ontario on October 27, 2006 by a trust agreement (the ''Trust Agreement'') made between RBC Dexia Investor Services Trust and Mulvihill Fund Services Inc. (''Mulvihill''). The Trust is authorized to issue an unlimited number of Units. On October 27, 2006, the Trust issued 1 Unit for $10.00 cash.

2. Agency Agreement and Custodian

The Trust has engaged RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Blackmont Capital Inc., Desjardins Securities Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Raymond James Ltd., Berkshire Securities Inc. and Wellington West Capital Inc. to offer for sale to the public, pursuant to a prospectus dated October 27, 2006, the Units described in Note 1.

Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust acts as trustee and custodian of the assets of the Trust and is also responsible for certain aspects of the Trust's day-to-day operations. In consideration for the services provided by RBC Dexia Investor Services Trust, the Trust will pay a monthly fee to be agreed upon between RBC Dexia Investor Services Trust and Mulvihill.

3. Manager and Investment Manager

The Trust has retained Mulvihill to act as manager under the Trust Agreement and has retained Mulvihill Capital Management Inc. (''MCM'') to act as investment manager under an Investment Management Agreement dated October 27, 2006. Pursuant to such agreements, Mulvihill and MCM are entitled to fees at the annual rates of 0.10% and 1.00%, respectively, of the Net Asset Value of the Trust. Such fees are calculated and payable monthly.

4. Basis of Statement of Financial Position

This statement of financial position has been prepared in accordance with Canadian generally accepted accounting principles in connection with the prospectus filing requirements of the Canadian securities regulatory authorities to qualify Units of the Trust for public distribution.

CERTIFICATE OF THE TRUST AND THE PROMOTER

Dated: October 27, 2006

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, *1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 63 of the *Securities Act* (Nova Scotia), by Section 74 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland and Labrador) and by Part II of the *Securities Act* (Prince Edward Island). This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

MULVIHILL FUND SERVICES INC.
(as Manager on behalf of Core Canadian Dividend Trust)

(Signed) JOHN P. MULVIHILL
Chief Executive Officer and President

(Signed) SHEILA S. SZELA
Chief Financial Officer

On behalf of the Board of Directors of Mulvihill Fund Services Inc.

(Signed) JOHN P. MULVIHILL
Director

(Signed) SHEILA S. SZELA
Director

(Signed) JOHN H. SIMPSON
Director

MULVIHILL CAPITAL MANAGEMENT INC.
(as Promoter)

(Signed) JOHN P. MULVIHILL
Chief Executive Officer and President

CERTIFICATE OF THE AGENTS

Dated: October 27, 2006

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, *1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 64 of the *Securities Act* (Nova Scotia), by Section 74 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland and Labrador) and by Part II of the *Securities Act* (Prince Edward Island). To the best of our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

RBC DOMINION SECURITIES INC.	CIBC WORLD MARKETS INC.
By: (Signed) CHRISTOPHER BEAN	By: (Signed) RONALD W.A. MITCHELL

SCOTIA CAPITAL INC.

By: (Signed) BRIAN D. MCCHESNEY

TD SECURITIES INC.

By: (Signed) CAMERON GOODNOUGH

BMO NESBITT BURNS INC.

By: (Signed) DAVID R. THOMAS

NATIONAL BANK FINANCIAL INC.

By: (Signed) MICHAEL D. SHUH

HSBC SECURITIES (CANADA) INC.	BLACKMONT CAPITAL INC.
By: (Signed) JAY LEWIS	By: (Signed) CHARLES A.V. PENNOCK

DESJARDINS SECURITIES INC.	DUNDEE SECURITIES CORPORATION	CANACCORD CAPITAL CORPORATION	RAYMOND JAMES LTD.
By: (Signed) STEPHEN ALTMANN	By: (Signed) DAVID G. ANDERSON	By: (Signed) RON SEDRAN	By: (Signed) SARA MINATEL

BERKSHIRE SECURITIES INC.	WELLINGTON WEST CAPITAL INC.
By: (Signed) DAVID MACLEOD	By: (Signed) BRENT BOTTOMLEY

CORE CANADIAN
DIVIDEND TRUST

RR DONNELLEY
Printed in Canada