Initial Public Offering March 30, 2001

SENTRY SELECT BLUE-CHIP INCOME TRUST

Maximum: $175,000,000 (7,000,000 Units)

Minimum: $100,000,000 (4,000,000 Units)

$25.00 per Unit

This prospectus qualifies the issuance of transferable, redeemable units (the ''Units'') of Sentry Select Blue-Chip Income Trust (the ''Trust''), an investment trust established under the laws of Ontario.

The Trust's investment objectives are: (i) to return the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust on March 31, 2011 (the ''Termination Date''); (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price); and (iii) to preserve and potentially enhance the value of the Trust's managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price upon the termination of the Trust.

To provide the Trust with the means to return the original issue price of the Units on termination, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with National Bank of Canada (''NBC'') pursuant to which NBC will agree to pay to the Trust an amount equal to $25.00 for each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to NBC equity securities which the Trust will acquire with approximately 58% of the gross proceeds of the offering (the ''Fixed Portfolio''). The Forward Agreement will be a direct obligation of NBC. The balance of the net proceeds of the offering (after expenses of the offering) will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index with a market capitalization in excess of Cdn$5.0 billion and of companies selected from the S&P 500 Index with a market capitalization in excess of US$5.0 billion. See ''Investments of the Trust – Capital Repayment''.

Sentry Select Capital Corp. (''Sentry Select'' or the ''Manager'') will be responsible for managing the Trust. R.N. Croft Financial Group Inc. (''CFG'') will be sub-advisor to Sentry Select. Cash distributions over the life of the Trust will be derived primarily from net realized capital gains and income from the Trust's Managed Portfolio including premiums from writing covered call options on the securities held in the Managed Portfolio and from writing cash covered put options on securities in which the Trust is permitted to invest as well as from dividends received on the Trust's portfolio. CFG will advise Sentry Select regarding the composition of the Managed Portfolio and the securities which are subject to call options and put options. The terms of such options will vary, from time to time, based on CFG's assessment of market conditions. It is the intention of the Trust to borrow funds, when market circumstances are appropriate, to attempt to increase the potential returns from the Managed Portfolio. This would be achieved by taking advantage of the spread between the potential income on an additional investment within the Managed Portfolio and the cost of borrowing. The use of borrowed funds may enable the net asset value of the Trust to increase due to undistributed net unrealized capital gains. If so, the Trust may have the ability to increase the potential cash distributions to Unitholders over the term of the Trust. See ''Investments of the Trust – Credit Facility''.

The Trust will terminate on the Termination Date and its net assets, which will be comprised of the proceeds of the Forward Agreement and the Managed Portfolio, will be distributed thereafter to Unitholders unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. See ''Termination of the Trust''.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly basis on the last business day of the month (a ''Valuation Date''). See ''Redemption of Units''. Unitholders whose Units are redeemed on the March Valuation Date in each year (commencing with the March 2002 Valuation Date) will be entitled to receive a redemption price per Unit equal to the Net Asset Value of the Trust (''NAV'') per Unit determined as of such Valuation Date. See ''Redemption of Units – Calculation of Net Asset Value''. Unitholders whose Units are redeemed on any other monthly Valuation Date will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of: (i) 4% of such NAV per Unit; and (ii) $1.00. See ''Redemption of Units''. **Unitholders who redeem their Units prior to the Termination Date will receive a redemption price determined with reference to the NAV of the Trust at the time of redemption, which may be more or less than the original issue price of the Units.** The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and the volatility of the Managed Portfolio securities. See ''Redemption of Units – Calculation of Net Asset Value''. **There is currently no market through which the Units may be sold.**

The Units of the Trust will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or, pursuant to certain proposed amendments to the *Income Tax Act* (Canada), registered education savings plans. The Units of the Trust will not constitute foreign property for the purposes of such Act. See ''Eligibility for Investment''.

The Toronto Stock Exchange has conditionally approved the listing of the Units, subject to the fulfillment by the Trust of the requirements of such stock exchange on or before June 20, 2001, including distribution to a minimum number of Unitholders.

See ''Risk Factors'' for a discussion of certain factors that should be considered by prospective investors in Units. There can be no assurance that the Trust will be able to achieve its monthly distribution and capital preservation objectives.

Price: $25.00 per Unit
Minimum Purchase: 100 Units

	Price to the Public(1)	Agents' Fees	Net Proceeds to the Trust(2)
Per Unit	$ 25.00	$ 1.4375	$ 23.5625
Total Minimum Offering(3)	$100,000,000	$ 5,750,000	$ 94,250,000
Total Maximum Offering(4)	$175,000,000	$10,062,500	$164,937,500

(1) The offering price was established by negotiation between the Agents and the Manager.

(2) Before deducting the expenses of the offering (estimated at $700,000) 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 4,000,000 Units are sold.

(4) The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable for a period of 60 days from the closing of this offering, to offer up to 1,050,000 additional Units on the same terms set forth above, which additional Units are qualified for sale hereunder. If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be $201.25 million, the Agents' fees will be $11.57 million and the net proceeds to the Trust will be $189.68 million.

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 a mutual fund 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.

National Bank Financial Inc., CIBC World Markets Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Raymond James Ltd., Desjardins Securities Inc., Research Capital Corporation and Yorkton Securities 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 Borden Ladner Gervais LLP, on behalf of the Trust, and Blake, Cassels & Graydon LLP, on behalf of the Agents. The Agents may engage in market stabilization and passive market making activities. 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 April 12, 2001, but no later than May 12, 2001. Registrations and transfers of Units will be effected only through the book-based 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. See ''Redemption of Units – Book-Based System''.

TABLE OF CONTENTS

PROSPECTUS SUMMARY

The following is a summary only and is qualified in its entirety and should be read in conjunction with the more detailed information appearing elsewhere in this prospectus.

SENTRY SELECT BLUE-CHIP INCOME TRUST

Sentry Select Blue-Chip Income Trust (the ''Trust'') is an investment trust that has been created with a focus on returning the original issue price to Unitholders, providing targeted monthly distributions and preserving and potentially enhancing the value of the managed portion of the Trust's portfolio in order to provide capital appreciation above the original issue price.

THE TRUST

The Trust is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated as of February 27, 2001, as amended. The manager of the Trust is Sentry Select Capital Corp. (''Sentry Select'' or ''Manager'') and its sub-advisor is R.N. Croft Financial Group Inc. (''CFG'' or ''Sub-Advisor'').

THE OFFERING

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

Amount: Maximum: $175,000,000 (7,000,000 Units)
Minimum: $100,000,000 (4,000,000 Units)

Price: $25.00 per Unit

Minimum Purchase: 100 Units ($2,500)

Investment Objectives: The Trust's investment objectives are (i) to return the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust on the Termination Date (as described below); (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price); and (iii) to preserve and potentially enhance the value of the Trust's managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price upon the termination of the Trust. It is the intention of the Trust to borrow funds, when market circumstances are appropriate, to attempt to increase the potential returns from the Managed Portfolio. This would be achieved by taking advantage of the spread between the potential income on an additional investment within the Managed Portfolio and the cost of borrowing. The use of borrowed funds may enable the net asset value of the Trust to increase due to undistributed net unrealized capital gains. If so, the Trust may have the ability to increase the potential cash distributions to Unitholders over the term of the Trust. See ''Investments of the Trust – Credit Facility''.

Investment Strategy: To provide the Trust with the means to return the original issue price of the Units on or about the Termination Date, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with National Bank of Canada (''NBC''), a Canadian chartered bank, pursuant to which NBC will agree to pay to the Trust an amount equal to $25.00 for each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to NBC equity securities which the Trust will acquire with approximately 58% of the gross proceeds of the offering (the ''Fixed Portfolio'').

To achieve the monthly distribution and preservation objectives, the balance of the net proceeds of the offering (after expenses of the offering) will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index with a market capitalization in excess of Cdn$5.0 billion and of companies selected from the S&P 500 Index with a market capitalization in excess of US$5.0 billion. The Trust will, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. 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.

The Trust intends to become and remain a registered investment for the purposes of the *Income Tax Act* (Canada) and to maintain its investments in foreign property below the 30% threshold, so that it will not be liable for Part XI tax on any excess foreign property content. As the Trust intends to acquire common shares of Canadian public companies for the Fixed Portfolio, the Manager expects that initially approximately 60-70% of the Managed Portfolio will be invested in non-Canadian securities.

CFG, as sub-advisor to Sentry Select, will advise on the Managed Portfolio. The composition of the Managed Portfolio and 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 CFG's assessment of market conditions. After the Trust has returned the original issue price to Unitholders as a result of the Forward Agreement, to the extent that the value of the Managed Portfolio is greater than zero on the Termination Date, capital appreciation in the value of the Units above their original issue price will have occurred. See ''Investments of the Trust – Investment Objectives'', ''Investments of the Trust – Investment Strategy'', ''Covered Call Option Writing'' and ''Canadian Federal Income Tax Considerations''.

Capital Repayment: As soon as practicable following the closing of the offering, the Trust will enter into the Forward Agreement, which is intended to enable the Trust to meet the objective of returning the original issue price per Unit to Unitholders on the Termination Date. As a result, on or about the Termination Date, Unitholders are expected to receive an amount per Unit equal to the original issue price, plus a pro-rata share of the Managed Portfolio. See ''Investments of the Trust – Capital Repayment'' and ''Termination of the Trust''.

The Fixed Portfolio will be segregated from the Managed Portfolio. In connection with the Forward Agreement, the Fixed Portfolio securities will be pledged to NBC as security for the obligations of the Trust thereunder. If the Trust lends all or part of the Fixed Portfolio, NBC will have a security interest in the Trust's rights under the relevant securities lending agreement, including the collateral.

The Trust's ability to pay the original issue price of the Units may be affected by the credit risk of the counterparty to the Forward Agreement and the extent to which the counterparty satisfies its obligation under such agreement.

Credit Facility: The Trust may establish a credit facility (the ''Credit Facility''), and may borrow funds thereunder to buy additional investments for the Managed Portfolio. The amount that the Trust borrows under the Credit Facility will be limited to the lesser of 33% of the Managed Portfolio and 25% of the total assets of the Trust.

The Sub-Advisor intends to use the borrowing capability of the Trust in part to attempt to increase the potential returns of the Trust by taking advantage of the spread between the potential income on an additional investment within the Managed Portfolio and the cost of the borrowing. The use of leverage to enhance returns on the Managed Portfolio may result in capital losses or a decrease in net cash distributions to Unitholders. It may also require liquidation of investments or options positions in order to comply with the terms of the Credit Facility, which may adversely affect the returns earned by the Trust. The standby fee for undrawn balances payable by the Trust under the Credit Facility is anticipated to be 0.5% per annum. The initial interest rate payable by the Trust under the Credit Facility is anticipated to be a choice of floating rates, including the prime rate plus 0.5% per annum.

Monthly Distributions: The Trust intends to make monthly cash distributions to Unitholders of record on the last business day of each month and pay such cash distributions on or about the 15th day following the month end. The monthly cash distributions are targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price). The initial cash distribution is anticipated to be payable on May 15, 2001 for Unitholders of record on April 30, 2001 in the amount of $0.1125 per Unit. The Trust may also, in the discretion of the Manager, make other distributions at any time in addition to monthly cash distributions if it considers it appropriate. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Trust will make any distributions in any particular month or months. See ''Monthly Distributions'' and ''Investments of the Trust – Investment Strategy''.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends after December 14 but on or before December 31 of that year, to distribute 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''.

Representative Securities: The following are the names of corporations whose securities (the ''Representative Securities'') have been selected by the Manager and the Sub-Advisor as being representative of securities in which the Trust may invest as part of the Managed Portfolio:

From the S&P/TSE 60 Index	**From the S&P 500 Index**
Alcan Aluminum Ltd.	Alcoa Inc.
Barrick Gold Corporation	Amgen Inc.
BCE Inc.	AOL Time Warner Inc.
Biovail Corporation	AT&T Corp.
Bombardier Inc.	Boeing Co.
Canadian National Railway Co.	Bristol-Myers Squibb Company
Celestica Inc.	Cisco Systems, Inc.
Enbridge Inc.	Citigroup Inc.
Imperial Oil Ltd.	The Coca-Cola Company
Manulife Financial Corporation	Colgate-Palmolive Company
Nortel Networks Corporation	Dell Computer Corporation
Petro-Canada	Dow Chemical Company
Rogers Communications Inc.	Exxon Mobil Corporation
Royal Bank of Canada	Ford Motor Company
Suncor Energy Inc.	The Gillette Company
Sun Life Financial Services of Canada Inc.	Halliburton Company
	The Home Depot, Inc.
Thomson Corporation (The)	Honeywell International Inc.
Toronto-Dominion Bank (The)	Intel Corporation

From the S&P 500 Index
International Business Machines Corporation
International Paper Company
J.P. Morgan Chase & Co.
Lehman Brothers Holdings Inc.
The Limited, Inc.
MedImmune, Inc.
Merrill Lynch & Co., Inc.
Micron Technology, Inc.
Microsoft Corporation
Morgan Stanley Dean Witter & Co.
Oracle Corporation
Pfizer Inc.
The Procter & Gamble Company
Raytheon Company
Texas Instruments Incorporated
Tyco International Ltd.
Wal-Mart Stores, Inc.

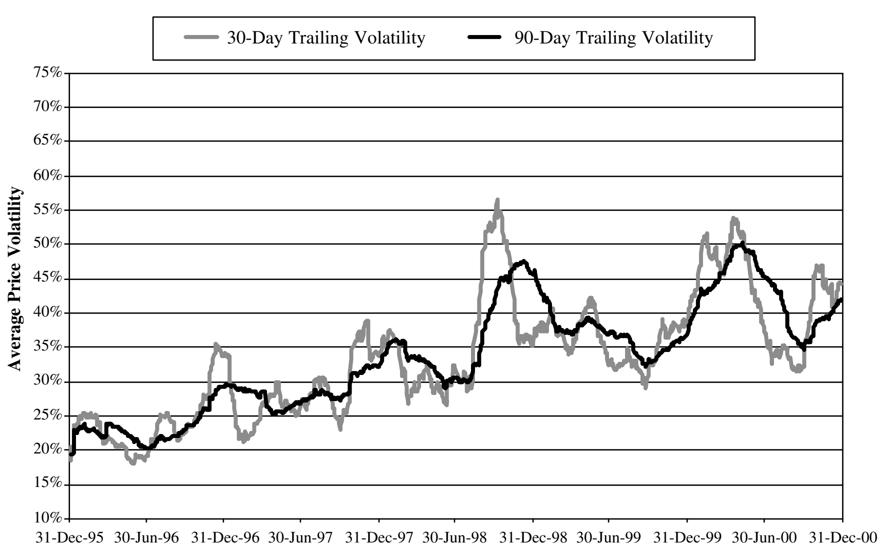
Covered Call Option Writing:

The historical simple average of the trailing 30-day volatility (expressed in percentage terms on an annualized basis) of the Representative Securities for the period of five years ended December 31, 2000 ranged from a low of 17.9% to a high of 56.4% with an average of 33.4% for those from the S&P/TSE 60 Index and ranged from a low of 25.2% to a high of 70.0% with an average of 41.4% for those from the S&P 500 Index.

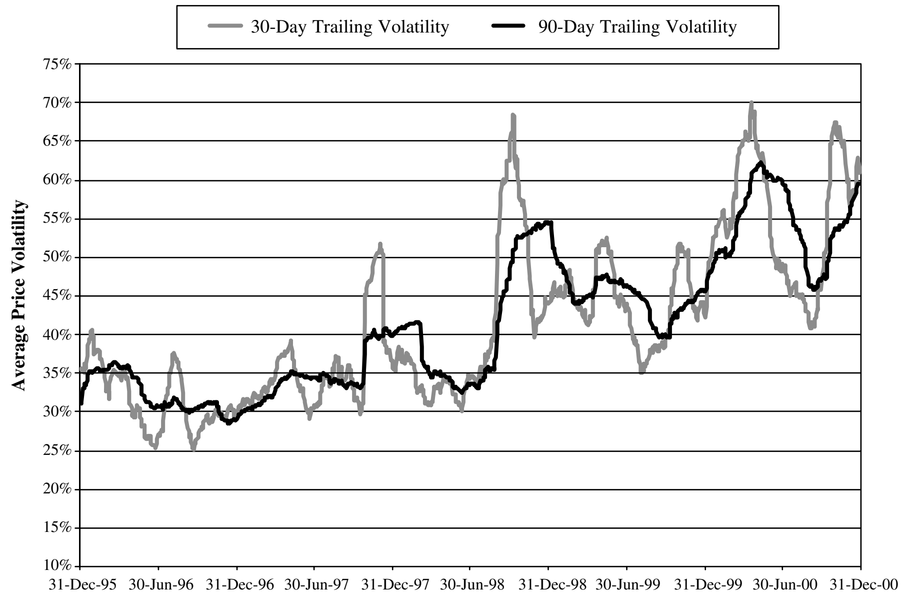
The historical average of the trailing 90-day volatility (expressed in percentage terms on an annualized basis) of the Representative Securities for the period of five years ended December 31, 2000 ranged from a low of 20.1% to a high of 50.4% with an average of 33.6% for those from the S&P/TSE 60 Index and ranged from a low of 28.5% to a high of 62.4% with an average of 41.4% for those from the S&P 500 Index.

HISTORICAL PRICE VOLATILITY OF THE REPRESENTATIVE SECURITIES (30 day and 90 day)

Average 30 & 90-Day Price Volatility of Representative Securities Selected From S&P/TSE 60 Index



Average 30 & 90-Day Price Volatility of Representative Securities Selected From S&P 500 Index



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 Representative Securities.

After the acquisition of the Fixed Portfolio, payment of expenses of the offering, and organizational expenses of the Trust, approximately 35.5% of the gross proceeds of the offering will be available for investment in the Managed Portfolio. The following table illustrates the cash distributions per $25.00 Unit (net of expenses) expressed as an annualized percentage that could be derived from covered call option writing and dividends from the Managed Portfolio, assuming different volatility levels, when writing 30 day covered call options that are 4% out-of-the-money, 2% out-of-the-money and 0% out-of-the-money. It assumes that the Credit Facility is utilized. The option premiums have been calculated using the Black-Scholes Model (modified to include dividends) based on the assumptions set out under the heading ''Covered Call Option Writing – Sensitivity Analysis''.

ILLUSTRATIVE DISTRIBUTIONS PER $25.00 UNIT (ANNUALIZED %, NET OF EXPENSES)[1]

AVERAGE VOLATILITY RANGE (30 day)

% Out-of-The-Money	20%	25%	30%	35%	40%	45%	50%
4%	2.8%	5.5%	8.4%	11.4%	14.5%	17.5%	20.7%
2%	6.2%	9.3%	12.4%	15.6%	18.7%	21.9%	25.1%
0%	11.1%	14.2%	17.4%	20.6%	23.7%	26.9%	30.0%

(1) Annualized percentage based on $25.00 per Unit.

The information set forth above is for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis would ever be available or realized.

Use of Proceeds: The Trust will use the proceeds from the sale of Units as follows:

	Maximum Offering	Minimum Offering
Gross proceeds to the Trust	$175,000,000	$100,000,000
Agents' fees	$ 10,062,500	$ 5,750,000
Expenses of issue	$ 700,000	$ 700,000
Organizational expenses	$ 300,000	$ 300,000
Net proceeds to the Trust	$163,937,500	$ 93,250,000

The Trust will use the net proceeds of the offering (including any net proceeds from the exercise of the Over-Allotment Option (as described under ''Plan of Distribution'')) to (i) invest in the Fixed Portfolio which will be subject to the Forward Agreement with NBC, (ii) invest in securities in accordance with the investment objectives, strategy and restrictions of the Managed Portfolio as described herein (see ''Investments of the Trust – Investment Criteria''); and (iii) fund the organizational expenses and ongoing fees and expenses of the Trust as described herein (see ''Fees and Expenses'').

Manager: Sentry Select 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''.

Sentry Select has taken the initiative in founding and organizing the Trust and is a promoter of the Trust within the meaning of applicable securities legislation. See ''Promoter''.

Sub-Advisor: CFG has been retained to act as sub-advisor to the Manager. See ''Management of the Trust – The Sub-Advisor''.

Trustee: Sentry Select is the trustee of the Trust. See ''Management of the Trust – The Trustee''.

Custodian: General Trust of Canada is the 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 Custodian''.

Termination: The Trust will terminate on March 31, 2011 (the ''Termination Date'') and its net assets will be distributed thereafter to Unitholders unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. See ''Termination of the Trust''.

Redemptions: Subject to the Trust's right to suspend redemptions, Units may be surrendered at any time for redemption but will be redeemed only on a monthly Valuation Date (as defined below). Units surrendered for redemption by a Unitholder at least five business days prior to the last business day of the month (a ''Valuation Date'') will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the tenth business day following such Valuation Date. Unitholders whose Units are redeemed on the March Valuation Date in each year (commencing with the March 2002 Valuation Date) will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such Valuation Date. See ''Redemption of Units – Calculation of Net Asset Value''. Unitholders whose Units are redeemed on any other Valuation Date will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of (i) 4% of such NAV per Unit and (ii) $1.00. See ''Redemption of Units''. Unitholders who redeem their Units prior to the Termination Date will receive a redemption price determined with reference to the NAV without the full benefit of the capital repayment provided by the Forward Agreement. As a result, the NAV per Unit may be lower or higher than the original issue price. The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and volatility of the Managed Portfolio securities. See ''Redemption of Units''.

Eligibility for Investment: The Units of the Trust will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or, pursuant to certain proposed amendments to the Tax Act, registered education savings plans. The Units of the Trust will not constitute foreign property for the purposes of such Act. See ''Eligibility for Investment''.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

A Unitholder will generally be required to include the amount of the Trust's income for tax purposes when computing income for a year (including net taxable capital gains), paid or payable to the Unitholder in the year. The Trust, in determining its income for tax purposes, intends to treat gains and losses realized on the disposition of securities in the Managed Portfolio as capital gains and capital losses. The Trust intends to treat option premiums received on the writing of covered call options and cash covered put options (which are not exercised prior to the end of the year) and any losses sustained on closing out options (in accordance with the published administrative position of the Canada Customs and Revenue Agency) as capital gains and losses. The Trust may be required to pay foreign withholding tax on its foreign source dividend income. Subject to rules and limitations in the Tax Act dealing with foreign tax credit rules, and assuming the Trust makes the appropriate designations, a taxable Unitholder may be entitled to a tax credit for foreign withholding taxes paid by the Trust on the Unitholder's share of the Trust's foreign source dividend income. 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 Units and any reasonable costs of disposition (see ''Canadian Federal Income Tax Considerations''). **Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units by obtaining advice from his or her tax advisor.**

RISK FACTORS

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

(i) there can be no assurance that the Trust will be able to achieve its monthly distribution and capital preservation objectives;

(ii) the NAV of the Trust will be sensitive to interest rate fluctuations;

(iii) Units may trade in the market at a premium or a discount to NAV per Unit and there can be no guarantee that Units will trade at a price equal to NAV per Unit;

(iv) the NAV of the Trust will vary according to, among other things, the value of the Managed Portfolio securities acquired by the Trust and the amount of debt outstanding on the Trust's line of credit;

(v) the use of leverage to enhance returns on the Managed Portfolio may result in capital losses or a decrease in net cash distributions to Unitholders or may require the Trust to sell investments or to close out options in order to comply with the terms of the Credit Facility which may adversely impact upon the returns earned by the Trust;

(vi) although the Forward Agreement is designed to return the original issue price to Unitholders on the Termination Date, the Trust will be exposed to the credit risk associated with the counterparty under the Forward Agreement;

(vii) Unitholders who request the redemption of their Units prior to the Termination Date will forgo the full benefit of the capital repayment provided by the Forward Agreement and may receive a redemption amount which is less than the original issue price;

(viii) in the event of early termination of the Forward Agreement or if the Forward Agreement is not entered into, the Trust (and consequently the Unitholders) may not receive an amount at least equal to the original issue price on the Termination Date;

(ix) reliance on the Sub-Advisor;

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

(xi) foreign currency exposure;

(xii) the Trust may suspend the right of Unitholders to redeem from time to time for periods of up to 120 days;

(xiii) counterparty risks associated with securities lending;

(xiv) the Trust's lack of operating history and the current absence of a public trading market for the Units;

(xv) the potential for unlimited liability for obligations incurred by the Trust;

(xvi) the fact that the Trust is relying on the Canada Customs and Revenue Agency's published administrative position regarding the tax treatment of option transactions and has not requested or received an advance income tax ruling relating to the application of this administrative position to the Trust and if, contrary to the advice of counsel to the Trust and to the Agents, the character and timing of the gain under the Forward Agreement were other than a capital gain on sale of the shares thereunder, after-tax returns to Unitholders could be reduced and the Trust could be subject to non-refundable income tax from such transactions; and

(xvii) the lack of an established Canada Customs and Revenue Agency position on the deductibility of certain expenses and outlays. See ''Risk Factors''.

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	$1.4375 per Unit (5.75% of the Unit price)
Expenses of Issue	The Trust will pay the expenses incurred in connection with the offering of Units by the Trust, estimated to be $700,000.
Fee payable to the Manager	Annual fee of 1.10% of the Trust's NAV calculated and payable monthly, plus applicable taxes, plus an amount equal to the Servicing Fee (as described below) payable to dealers. The Manager will pay a fee to the Sub-Advisor out of its management fee.
Operating expenses of the Trust	The Trust will pay all ordinary expenses incurred in connection with the operation and administration of the Trust estimated to be $290,000 per annum. The Trust will also pay an annual fee to NBC under the Forward Agreement of approximately 0.50% of the gross proceeds of the offering payable quarterly. The Trust will also be responsible for certain costs of NBC and for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.
Servicing Fee	The Manager will pay to dealers the Servicing Fee (calculated and paid at the end of each calendar quarter) equal to 0.40% annually of the NAV per Unit for each Unit held by clients of the dealer.

GLOSSARY

ADRs American Depository Receipts issued by a depository that evidence a beneficial interest in securities of an issuer that are held on deposit by the depository.

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.

call spread means a strategy pursuant to which the Trust will write a call option while simultaneously purchasing another call option on the same underlying security, expiring at the same time or after the first-mentioned call option.

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 (low) 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.

Common Shares includes common shares, instalment receipts for common shares and ADRs and other securities that are convertible into, exchangeable for or carry the right to purchase common shares of an issuer.

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

Fixed Portfolio equity securities of the Trust to be acquired with approximately 58% of the gross proceeds of the offering which will be subject to a forward purchase and sale agreement with National Bank of Canada (''NBC'') pursuant to which NBC will agree to pay the Trust an amount equal to the original issue price paid for the Units offered hereby on termination in exchange for the Trust agreeing to deliver such securities to NBC.

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.

Managed Portfolio the Trust's diversified portfolio which will consist principally of Common Shares of companies selected from the S&P/TSE 60 Index with a market capitalization in excess of Cdn$5.0 billion and of companies selected from the S&P 500 Index with a market capitalization in excess of US$5.0 billion.

mark-to-market	to adjust the valuation of a security or portfolio to reflect current market value.
NAV per Unit	the NAV 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 – Calculation of 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 any time during a specified time period or at expiry.
put spread	means a strategy pursuant to which the Trust will write a put option while simultaneously purchasing another put option on the same underlying security, expiring at the same time or after the first-mentioned put option.
Restricted Security	has the meaning ascribed in NI 81-102.
S&P 500 Index	is a market value weighted index of 500 stocks with each stock's weight in the index being proportionate to its market value. Companies selected for the S&P Index represent a broad range of industry segments within the United States economy.
S&P/TSE 60 Index	is a market value weighted index that consists of the shares of 60 large corporations whose shares are listed on The Toronto Stock Exchange. The corporations comprising the index represent leading corporations in their respective industries in Canada. The primary criteria for inclusion in the index are size, liquidity and market sector representation.
settled	when the buyer has delivered the purchase price and the seller has delivered the securities sold.
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	*Income Tax Act* (Canada).
Unitholders	a holder of one or more units of the Trust.
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

Sentry Select Blue-Chip Income Trust (the ‘‘Trust’’) is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of February 27, 2001, as amended between Sentry Select Capital Corp. (‘‘Sentry Select’’ or the ‘‘Manager’’), as manager, and General Trust of Canada, as trustee. By an Amended and Restated Declaration of Trust dated March 30, 2001 (the ‘‘Trust Agreement’’), General Trust of Canada, as trustee, was replaced by Sentry Select (the ‘‘Trustee’’). See ‘‘Management of the Trust’’. The undertaking of the Trust is to own a portfolio of securities and to derive income and capital gains from these securities.

The principal office of the Trust and Sentry Select is located at 130 King Street West, Suite 2850, Toronto, Ontario M5X 1A4.

Status of the Trust

While the Trust is a mutual fund under the securities legislation of certain provinces of Canada, the Trust is not a conventional mutual fund and has been exempted from certain requirements of NI 81-102.

The Trust differs from a conventional mutual fund in a number of respects, most notably as follows: (i) while the units of the Trust (the ‘‘Units’’) may be surrendered at any time for redemption, the redemption price is payable monthly whereas the securities of most conventional mutual funds are redeemable daily; (ii) the Units are to have a stock exchange listing whereas the securities of most conventional mutual funds do not; and (iii) unlike most conventional mutual funds, the Units will not be offered on a continuous basis.

INVESTMENTS OF THE TRUST

Investment Objectives

The Trust’s investment objectives are: (i) to return the original issue price of the Units ($25.00 per Unit) to Unitholders upon March 31, 2011 (the ‘‘Termination Date’’); (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price); and (iii) to preserve and potentially enhance the value of the Trust’s managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price upon the termination of the Trust.

It is the intention of the Trust to borrow funds, when market circumstances are appropriate, to attempt to increase the potential returns from the Managed Portfolio. This would be achieved by taking advantage of the spread between the potential income on an additional investment within the Managed Portfolio and the cost of borrowing. The use of borrowed funds may enable the Net Asset Value of the Trust to increase due to undistributed net unrealized capital gains. If so, the Trust may have the ability to increase the potential cash distributions to Unitholders over the term of the Trust. See ‘‘Investments of the Trust – Credit Facility’’.

Investment Strategy

To provide the Trust the means to return the original issue price of the Units on or about the Termination Date, the Trust will, as soon as practicable following closing, enter into a forward purchase and sale agreement (the ‘‘Forward Agreement’’) with National Bank of Canada (‘‘NBC’’), a Canadian chartered bank, pursuant to which NBC will agree to pay to the Trust an amount equal to $25.00 for each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to NBC equity securities which the Trust will acquire with approximately 58% of the gross proceeds of the offering (the ‘‘Fixed Portfolio’’). The settlement obligations of each of the Trust and NBC under the Forward Agreement with respect to the Fixed Portfolio may be discharged by physical delivery or by the making of a net cash payment to the appropriate party at the election of the Trust.

In order to achieve the Trust’s monthly distribution and preservation objectives, the balance of the net proceeds of the offering will be invested in a diversified portfolio (the ‘‘Managed Portfolio’’) consisting principally of equity securities of companies selected from the S&P/TSE 60 Index with a market capitalization in excess of Cdn$5.0 billion and of companies selected from the S&P 500 Index with a market capitalization in excess of US$5.0 billion.

Monthly cash distributions over the life of the Trust will be derived primarily from net realized capital gains and income from the Trust’s Managed Portfolio, including (a) premiums from writing covered call options from time to time in respect of all or parts of the securities held in the Managed Portfolio; (b) from writing cash covered put options on securities in which the Trust is permitted to invest; (c) from dividends received on the Trust's portfolio; and (d) in certain circumstances, by returning capital. Based on an assumed Managed Portfolio of $44.3 million, in order to achieve the targeted monthly cash distributions (9% of the original issue price of the Units) the Trust is required to generate an average annual return on the Managed Portfolio, assuming no use of the Credit Facility, of:

(a) 25.4%, if the value of the Managed Portfolio is maintained, or

(b) 21.9%, if the value of the Managed Portfolio is used to assist payment of cash distributions throughout the term of the Trust and the value of the Managed Portfolio equals zero upon termination of the Trust.

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. The Trust, from time to time, will employ call spreads, in which the Trust will write a call option while simultaneously purchasing a call option on the same underlying security expiring at the same time or after the short call. The Trust may from time to time use put spreads, in which the Trust will write a put option while simultaneously purchasing a put option on the same underlying security expiring at the same time or after the short put. See ''Covered Call Option Writing – Utilization of Cash Equivalents'' and ''Investments of the Trust – Investment Criteria''.

The Trust intends to become and remain a registered investment for the purposes of the Tax Act and to maintain its investments in foreign property below the 30% threshold, so that it will not be liable for Part XI tax on any excess foreign property content. As the Trust intends to acquire common shares of Canadian public companies for the Fixed Portfolio, the Manager expects that initially approximately 60-70% of the managed Portfolio will be invested in non-Canadian securities.

R.N. Croft Financial Group Inc. (''CFG'' or the ''Sub-Advisor''), which has been retained by the Manager as sub-advisor to provide investment advisory and portfolio management services in respect of the Managed Portfolio, will seek to identify favourable investment opportunities for the Trust.

Credit Facility

The Trust Agreement provides that the Trust may establish a credit facility (the ''Credit Facility'') and may borrow pursuant to the Credit Facility. The Sub-Advisor intends to use the borrowing capability of the Trust in part to attempt to increase the potential returns of the Trust by taking advantage of the spread between the potential income on an additional investment within the Managed Portfolio and the cost of the borrowing, when market conditions are appropriate. It will do so either by purchasing securities on which it would then write covered call options, by purchasing securities in the expectation that they will increase in value or by purchasing cash equivalents in order to write cash covered put options.

The terms of the Credit Facility will be negotiated by the Manager. The Manager expects that borrowings under the Credit Facility will be secured against all or a portion of the Managed Portfolio. Any Credit Facility will provide that the lenders' recourse against the Trust will be limited to the Managed Portfolio. This provision is intended to ensure that the borrowing under the Credit Facility will not adversely affect the benefits to the Trust and the Unitholders of the Forward Agreement. Neither would it affect NBC, as counterparty, under the Forward Agreement. The Trust may borrow an amount up to the lesser of (A) 33% of the value of the Managed Portfolio; and (B) 25% of the value of all the assets of the Trust (the ''Borrowing Capacity''). If the borrowings of the Trust at any time exceeds the Borrowing Capacity, the Trust must immediately take such steps as may be necessary to reduce the amount of borrowings to an amount equal to or less than the Borrowing Capacity. The Trust will not borrow funds unless the Forward Agreement or a replacement agreement has been entered into. If the Forward Agreement is terminated early and not replaced, the Trust must take such steps to repay all borrowings within 30 days. The Credit Facility will provide that Unitholders are in no circumstances and in no way responsible or liable for the obligations of the Trust. It is expected that the lender under the Credit Facility will be NBC, an affiliate of the lead Agent. The standby fee for undrawn amounts payable by the Trust under the Credit Facility is anticipated to be 0.5% per annum. The initial interest rate payable by the Trust under the Credit Facility is anticipated to be a choice of floating rates, including the prime rate plus 0.5% per annum. The commitment fee payable by the Trust is anticipated to be 1% of the maximum amount available under the Credit Facility.

Capital Repayment

As soon as practicable following the closing of the offering, the Trust will enter into the Forward Agreement, which is intended to enable the Trust to meet the objective of returning the original issue price per Unit to Unitholders on the Termination Date. As a result, on or about the Termination Date, Unitholders are expected to receive an amount per Unit equal to the original issue price plus any capital appreciation above the original issue price of $25.00 per Unit generated through management of the Managed Portfolio. See ''Investments of the Trust – Investment Objectives'', ''Investments of the Trust – Investment Strategy'' and ''Termination of the Trust''.

Under the terms of the Forward Agreement, the Trust will be required to deliver on the Termination Date to NBC equity securities which, upon completion of the offering, will represent approximately 58% of the gross proceeds of the Units sold hereunder. This Fixed Portfolio will be segregated from the Managed Portfolio. The Fixed Portfolio securities will be pledged to NBC as security for the obligations of the Trust under the Forward Agreement. NBC will have no right to rehypothecate the pledged securities. If the Trust lends all or part of the Fixed Portfolio, NBC will have a security interest in the Trust's rights under the relevant securities lending agreement, including the collateral. On the Termination Date, all Fixed Portfolio securities will be delivered to NBC in exchange for a cash payment in Canadian dollars equal to $25.00 for each Unit outstanding on the Termination Date. The Trust and NBC have agreed that the settlement obligations under the Forward Agreement may be discharged by physical delivery of Fixed Portfolio securities. As a result, the amount payable to Unitholders on the Termination Date is expected to be $25.00 per Unit plus a pro-rata share of the value of the Managed Portfolio at that time. See ''Investments of the Trust – Investment Objectives''. Under the Forward Agreement, the Trust will pay to NBC an annual fee of approximately 0.50% of the gross proceeds of this offering and will pay certain costs of NBC.

The mark-to-market value of the exposure of the Trust under the Forward Agreement may not exceed 30% of the Trust's net assets for a period of more than 60 days. To avoid such a situation the Trust may seek to amend the terms of the Forward Agreement, partially settle the Forward Agreement and enter into a replacement forward agreement, enter into forward or other derivative transactions with other counterparties or take other actions intended to preserve the original objectives of the Forward Agreement. If the Trust is not able to take any such action the Forward Agreement may be settled in part in order to lower the mark-to-market value of the Trust's exposure to the Forward Agreement counterparty.

To permit the Trust to fund periodic redemptions of Units, the terms of the Forward Agreement will provide that it may be settled in whole or in part in respect of any Valuation Date by the Trust delivering to NBC Fixed Portfolio securities in consideration of a cash payment by NBC equal to the then present value of the portion of the Termination Date payment attributable to such securities less any losses or costs suffered by NBC as a result of the early settlement. Alternatively, at the election of the Trust, the Forward Agreement may be settled in whole or in part by making a net cash payment.

If NBC determines in its sole discretion that it is unable to hedge its position under the Forward Agreement with respect to the securities of a particular issuer held in the Fixed Portfolio, the Forward Agreement will provide that it may be settled with respect to such securities and as a result the amount payable on the Termination Date reduced. However, in such event, the Forward Agreement will permit replacement securities acceptable to NBC to be substituted by the Trust to preserve the value of the forward transaction. If no substitution occurs, the Trust will attempt to enter into one or more additional forward, derivative or other transactions in order to enable it to pay the original issue price to Unitholders on or before the Termination Date.

All dividends and distributions declared and paid on Fixed Portfolio securities will be paid to the Trust and, under the Forward Agreement, the amount payable by NBC on the Termination Date will be reduced by an amount equal to the aggregate of such dividends and distributions. To minimize the likelihood that such dividends or distributions will be paid, the Trust intends to acquire non-dividend paying common shares of Canadian public companies for the Fixed Portfolio. However, if any such dividends or distributions are expected to be received on the Fixed Portfolio securities by the Trust, replacement securities acceptable to NBC may, at the Trust's option, be substituted for the common shares in respect of which the dividend or distribution has been declared, to preserve the value of the forward transaction prior to the occurrence of such event. If such replacement securities are not available, the Trust may consider contributing additional securities to the Fixed Portfolio or entering into additional forward, derivative or other transactions to enable the Trust to receive the original issue price per Unit on the Termination Date. Similar steps may be taken by the Trust if the Trust receives consideration as a consequence of a merger transaction involving any of the securities in the Fixed Portfolio; otherwise the Forward Agreement would be terminated.

The Forward Agreement may be terminated prior to the Termination Date in certain circumstances including: (i) at the option of the Trust in its sole discretion or (ii) by NBC if NBC determines in its sole discretion that it is unable to hedge its position under the Forward Agreement. The amount received by the Trust in the event of such an early termination of the Forward Agreement may be insufficient to enable the Trust to pay an amount at least equal to the original issue price per Unit at the time of such termination or on the Termination Date. However, in the event of an early termination of the Forward Agreement, the Trust will attempt to enter into one or more additional forward, derivative or other transactions in order to enable it to pay such amount to Unitholders on or before the Termination Date. If it has not done so within 30 days or if the Forward Agreement has not been entered into within 30 days following the closing, the Manager shall convene a Unitholder meeting within 75 days to consider a resolution authorizing the termination of the Trust. See ''Risk Factors''.

A default under the Credit Facility or any realization against the Managed Portfolio by the lender under the Credit Facility will not, in itself, trigger a default under the Forward Agreement that would entitle NBC to terminate the Forward Agreement prior to the Termination Date.

Securities Lending

To generate additional returns, the Trust may lend Fixed Portfolio securities to one or more securities borrowers, which may include an affiliate of the lead Agent, acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (the ''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 the collateral security described below.

The Trust will receive, by way of pledge, collateral security either before or at the same time as it delivers the loaned securities to borrowers. Such collateral will consist of cash in Canadian or U.S. dollars or securities issued or guaranteed by the Government of Canada or a province thereof or by the United States government or its agencies. The collateral security shall have an aggregate value of not less than 105% or such lesser amount as may be permitted by the Canadian security regulatory authorities of the market value of the loaned securities and will be held by the custodian, or a sub-custodian on behalf of the Trust. The custodian or the sub-custodian, as the case may be, will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Investment Criteria

The Trust is subject to certain investment criteria that, among other things, limit the equity securities and other securities the Trust may acquire for the Managed Portfolio. The Trust's investment criteria may not be changed without the approval of two-thirds of the votes cast by those Unitholders who attend and 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:

(a) purchase securities of an issuer if:

   (i) such securities are Common Shares issued by corporations selected from the S&P/TSE 60 Index and/or the S&P 500 Index;

   (ii) such securities are listed for trading on a major North American stock exchange or on The NASDAQ Stock Market; and

   (iii) such securities are issued by corporations that have a market capitalization in excess of Cdn$5.0 billion in the case of corporations selected from the S&P/TSE 60 Index or in excess of US$5.0 billion in the case of corporations selected from the S&P 500 Index, in each case determined at the time of purchase

   (the ''Eligible Securities'');

(b) purchase debt securities only if such securities are cash equivalents;

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

(d) dispose of any security included in the Trust's portfolio that is subject to a call option written by the Trust only if such option has either terminated or expired;

(e) write put options in respect of any security if (i) the Trust is permitted to invest in such securities, and (ii) 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;

(f) 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;

(g) not invest in the securities of any non-resident corporation or trust or other non-resident entity if the Trust would be required to mark its investment in such securities to market in accordance with proposed section 94.2 of the Tax Act or to include any amounts in income pursuant to proposed section 94.1 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities released on June 22, 2000 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

(h) purchase call options or put options as specifically permitted under NI 81-102;

(i) use call spreads; and

(j) use put spreads.

In addition, but subject to these investment criteria, the Trust has adopted the standard investment restrictions and practices set forth in NI 81-102 (as it may be amended from time to time). A copy of such standard investment restrictions and practices will be provided by the Manager to any person on request.

The S&P/TSE 60 Index and the S&P 500 Index are maintained by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. Standard & Poor's is not under any obligation to maintain the S&P/TSE 60 Index and the S&P 500 Index, respectively. If the S&P/TSE 60 Index and S&P 500 Index cease to be maintained, the Trust may take such action as is determined by the Manager in its sole discretion in order to continue to operate the Trust in accordance with its investment objectives and investment strategy, including, without limitation, replacing the S&P/TSE 60 Index and the S&P 500 Index with an equivalent replacement or substitute index.

Use of Other Derivative Instruments

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

The Trust may also use derivatives permitted under NI 81-102 to hedge the Trust's foreign currency exposure. Such permitted derivatives may include exchange traded options, futures contracts, options on futures, over-the-counter options and forward contracts.

MANAGED PORTFOLIO

Portfolio Selection and Management Philosophy

The Trust's assets in the Managed Portfolio will be invested in Common Shares except to the extent that cash is retained and/or required to meet expenses, distributions, to protect cash covered put options written on the Managed Portfolio or is temporarily in cash for future investment in Common Shares. The Managed Portfolio selection methodology is based on the proprietary model developed by Sentry Select. Investment selection decisions are based on a combination of growth and value screens that will identify Eligible Securities that are undervalued relative to their growth prospects and that are suitable for the options writing portfolio strategy. The initial approach utilizes a variety of screens including return on equity, price to earnings, price to cash flow, sales growth and stock price volatility. The Eligible Securities are then evaluated for two criteria required to generate the targeted distributions: volatility and liquidity. The higher volatility will result in higher premiums received and thereby fewer options are required to be written to achieve the Trust's investment objectives. Greater liquidity will ensure efficient pricing of the options and improve the flexibility of the Managed Portfolio.

From this potential group further qualitative analysis is performed, at which time the Manager will review with the Sub-Advisor the quality of the company's earnings, management's strengths and business model viability. This will determine how the company will perform in current and expected economic conditions. These selected companies will typically demonstrate characteristics such as pricing leverage, technological advantage and dominant market positions. To further reduce sector risk and provide adequate diversification, the Manager may allocate the Managed Portfolio using the S&P 500 sub-sector weightings as a guideline.

Once the Managed Portfolio is constructed, the Manager will closely monitor the financial performance and development of the securities to assure that they adhere to the investment mandate set out in the selection process. If a security fails to meet the selection criteria it may be removed from the Managed Portfolio.

Representative Securities

The table below sets out, as at February 28, 2001, the following information for corporations whose securities (the ''Representative Securities'') have been selected by the Manager and the Sub-Advisor as being representative of securities in which the Trust may invest as part of the Managed Portfolio: the share price; the market capitalization of the securities; the compound average annual growth rate (''CAGR'') in the price of the securities for the period from February 28, 1996 to February 28, 2001 (unless otherwise noted); and the average 30-day volatilities in the price of the securities during such period.

Representative Securities Selected From The S&P/TSE 60 Index

Company	Share Price	Market Cap(1)	CAGR(2)	30 Day Volatility
	(Cdn$)	(Cdn$ – Millions)		
Alcan Aluminum Ltd.	56.75	18,042	6.6%	31.3%
Barrick Gold Corporation	24.83	9,832	-10.0%	39.6%
BCE Inc.	40.85	32,965	48.6%	22.8%
Biovail Corporation	71.55	9,289	48.2%	47.4%
Bombardier Inc.	21.94	30,065	33.1%	42.1%
Canadian National Railway Co.	57.76	11,009	37.5%	30.8%
Celestica Inc.	73.50	11,976	78.8%(3)	84.4%
Enbridge Inc.	40.50	6,555	19.8%	24.5%
Imperial Oil Ltd.	37.79	15,050	17.4%	20.4%
Manulife Financial Corporation	42.17	20,333	86.4%(4)	41.2%
Nortel Networks Corporation	28.50	90,678	28.6%	137.9%
Petro-Canada	36.06	9,795	16.6%	22.6%
Rogers Communications Inc.	23.70	5,029	11.1%	35.9%
Royal Bank of Canada	46.85	28,869	24.3%	29.6%
Suncor Energy Inc.	39.42	8,749	30.4%	28.1%
Sun Life Financial Services of Canada Inc.	34.25	14,446	114.1%(5)	46.1%
Thomson Corporation (The)	56.00	35,043	23.2%	28.8%
Toronto-Dominion Bank (The)	41.01	25,726	28.5%	23.6%
Canadian Average(6)		21,303	35.7%	40.9%

Representative Securities Selected From The S&P 500 Index

Company	Share Price	Market Cap(1)	CAGR(2)	30 Day Volatility
	(U.S.$)	(U.S.$ – Millions)		
Alcoa Inc.	35.76	30,980	21.2%	40.3%
Amgen Inc.	72.06	75,056	36.9%	49.9%
AOL Time Warner Inc.	44.03	190,528	71.6%	52.8%
AT&T Corp.	23.00	86,470	-4.7%	48.8%
Boeing Co.	62.20	51,899	9.0%	34.8%
Bristol-Meyers Squibb Company	63.41	123,989	24.3%	27.2%
Cisco Systems, Inc.	23.69	172,360	34.9%	82.8%

Company	Share Price	Market Cap(1)	CAGR(2)	30 Day Volatility
	(U.S.$)	(U.S.$ – Millions)		
Citigroup Inc.	49.18	247,646	33.7%	32.9%
The Coca-Cola Company	53.03	131,888	5.4%	31.0%
Colgate-Palmolive Company	59.05	33,791	24.8%	27.0%
Dell Computer Corporation	21.88	56,589	81.2%	82.8%
Dow Chemical Company	32.81	29,463	4.1%	40.6%
Exxon Mobil Corporation	81.05	281,730	15.7%	21.3%
Ford Motor Company	27.81	50,764	19.3%	32.9%
The Gillette Company	32.51	34,265	4.7%	38.1%
Halliburton Company	39.82	17,617	7.9%	38.5%
The Home Depot, Inc.	42.50	98,654	34.5%	61.2%
Honeywell International Inc.	46.73	37,267	11.1%	33.3%
Intel Corporation	28.56	191,883	30.3%	62.0%
International Business Machines Corporation	99.90	175,904	25.7%	51.2%
International Paper Company	37.66	18,128	0.6%	36.3%
J.P. Morgan Chase & Co.	46.66	89,984	14.3%	36.5%
Lehman Brothers Holdings Inc.	68.65	17,174	40.0%	57.9%
The Limited, Inc.	17.65	7,514	16.8%	52.0%
MedImmune, Inc.	43.69	9,264	68.6%	76.6%
Merrill Lynch & Co., Inc.	59.90	49,744	33.0%	55.1%
Micron, Technology Inc.	34.22	20,304	15.5%	83.2%
Microsoft Corporation	59.00	314,788	36.4%	50.7%
Morgan Stanley Dean Witter & Co.	65.13	72,744	36.7%	54.4%
Oracle Corporation	19.00	106,132	37.2%	83.1%
Pfizer Inc.	45.00	283,907	32.5%	25.1%
The Procter & Gamble Company	70.50	91,643	11.4%	31.6%
Raytheon Company	33.21	11,300	-8.0%	44.3%
Texas Instruments Incorporated	29.55	51,246	35.6%	61.0%
Tyco International Ltd.	54.65	95,762	42.8%	30.9%
Wal-Mart Stores, Inc.	50.09	223,735	36.4%	44.4%
U.S. Average(7)		99,503	26.1%	47.6%
Combined Average(8)			29.0%	45.6%

(1) as at February 28, 2001. Market Capitalization based on price multiplied by shares outstanding as displayed by Bloomberg on February 28, 2001

(2) for the period from February 28, 1996 to February 28, 2001, unless otherwise indicated

(3) for the period from July 31, 1998 to February 28, 2001

(4) for the period from September 30, 1999 to February 28, 2001

(5) simple return for the period from March 31, 2000 to February 28, 2001

(6) the simple average of the Representative Securities selected from the S&P/TSE 60 Index (''Canadian Representative Securities'')

(7) the simple average of the Representative Securities selected from the S&P 500 Index (''U.S. Representative Securities'')

(8) the weighted average of the Canadian Representative Securities and the U.S. Representative Securities, using a 30% weighting for the Canadian Representative Securities and a 70% weighting for the U.S. Representative Securities

The information contained in the above section is historical and is not intended to be, nor should it be construed to be, an indication as to the future trading levels or volatility of the securities comprising the Representative Securities.

COVERED CALL 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 equity securities held in the Managed 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 Common Shares that are in the Managed

Portfolio or when the Trust simultaneously purchases a call option on the same underlying security expiring at the same time or after the short call 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 writing 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 would likely 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, the option will expire and the Trust will retain the underlying security. In each case, the Trust will retain the option premium. See ''Covered Call Option Writing – Call Option Pricing''.

The amount of the option premium depends upon, among other factors, the volatility of the price of the underlying security. Generally speaking, 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 less the amount by which the strike price exceeds the market price, the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See ''Covered Call Option Writing – Call Option Pricing''.

If a call option is written on a security in the Managed 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 prior to the exercise of the call option 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 forego 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.

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 between February 28, 1996 and February 28, 2001;
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 or 90 days, respectively (for illustrative purposes only – this assumption is not necessarily indicative of the terms for which and extent to which options will be written by the Trust);
4. the risk-free or benchmark interest rate equals 4.859%; and
5. the return from the dividends paid is 1.244%, assuming equally weighted positions.

ANNUALIZED PREMIUMS FROM WRITING 30 AND 90 DAY CALL OPTIONS

AVERAGE VOLATILITY RANGE (30 day)

% Out-of-The-Money	20%	25%	30%	35%	40%	45%	50%
4%	11.5%	17.5%	23.9%	30.5%	37.2%	44.0%	50.8%
2%	19.1%	25.9%	32.7%	39.6%	46.6%	53.5%	60.5%
0%	29.8%	36.7%	43.7%	50.6%	57.6%	64.5%	71.5%

AVERAGE VOLATILITY RANGE (90 day)

% Out-of-The-Money	20%	25%	30%	35%	40%	45%	50%
4%	10.9%	14.8%	18.8%	22.8%	26.8%	30.8%	34.9%
2%	14.1%	18.1%	22.1%	26.2%	30.2%	34.2%	38.2%
0%	17.9%	21.9%	25.9%	29.9%	33.9%	37.8%	41.8%

The information set forth above is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the annualized option premiums shown in this sensitivity analysis would ever be available or realized. The range of percentage out-of-the-money shown in the above table is based on the range generally utilized by CFG in writing call options. In practice, actual option premiums are determined in the market place and may not necessarily reflect the figures shown in these tables.

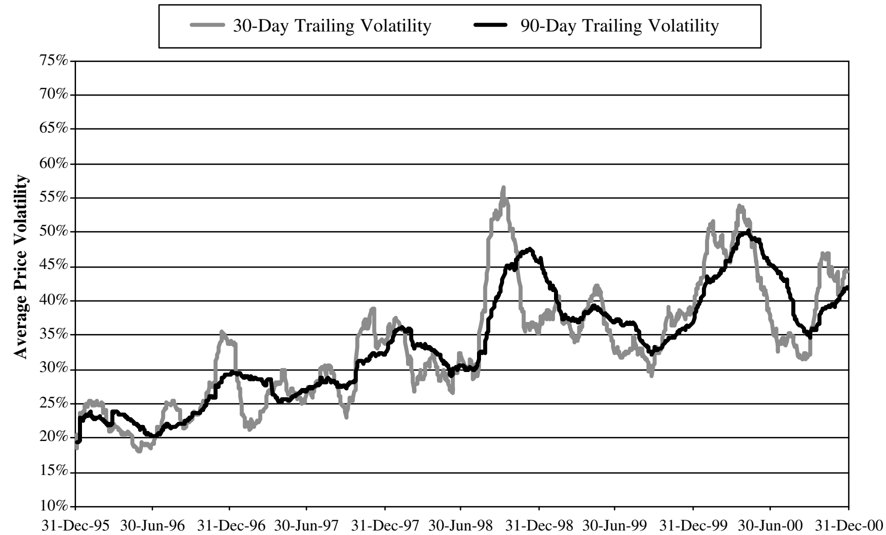
Volatility History

The historical simple average of the trailing 30 and 90-day volatility (expressed in percentage terms on an annualized basis) of the Representative Securities selected from the S&P/TSE 60 Index and the S&P 500 Index, for the five years ended December 31, 2000 is as follows:

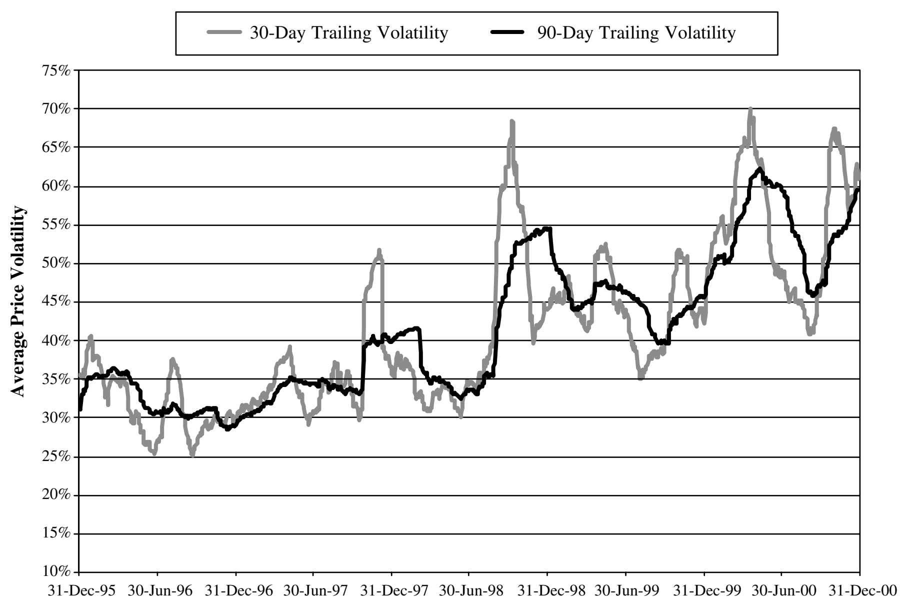
	Low	High	Average
S&P/TSE 60 Index (30 day)	17.9%	56.4%	33.4%
S&P/TSE 60 Index (90 day)	20.1%	50.4%	33.6%
S&P 500 Index (30 day)	25.2%	70.0%	41.4%
S&P 500 Index (90 day)	28.5%	62.4%	41.4%

HISTORICAL PRICE VOLATILITY OF THE REPRESENTATIVE SECURITIES (30 day and 90 day)

Average 30 & 90-Day Price Volatility of Representative Securities Selected From S&P/TSE 60 Index



Average 30 & 90-Day Price Volatility of Representative Securities Selected From S&P 500 Index



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 Representative Securities.

Sensitivity Analysis

The table below represents an assessment of the sensitivity of the net return to Unitholders from dividends and option premiums of the Trust (excluding any gains or losses on the Trust's portfolio investments, dividend increases or decreases and any amounts paid to close out in-the-money options) to: (i) the average volatility of the individual securities that may comprise the Managed Portfolio; and (ii) the excess of the strike price over the market price of the securities expressed as a percentage of such market price at the time the option is written (or percentage out-of-the money) using the Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the gross proceeds of the offering are $125 million;
2. the amount originally invested, in the Managed Portfolio, including amounts borrowed under the Credit Facility, is $56.8 million and is fully invested;
3. the range of volatility shown in the table approximates the range of the historical 30-day trailing average volatility of the securities of the Representative Securities listed under the heading ''Managed Portfolio-Representative Securities'';
4. all call options are exercisable only at maturity and are written at the same percentage out-of-the-money;
5. all securities comprising the Trust's Managed Portfolio are subject to 30-day call options throughout the relevant period (for illustrative purposes only – this assumption is not necessarily indicative of the extent to which covered call options will be written by the Trust);
6. the risk-free or benchmark interest rate equals 4.859%;
7. the average return from the dividends paid on the securities is 1.244%, assuming equally weighted positions;
8. dividends on the U.S. securities are subject to a 15% withholding tax;
9. there are no changes in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar throughout the relevant period;
10. the Trust draws upon the Credit Facility such that 10% of the gross proceeds of the offering ($12.5 million) is invested in the Managed Portfolio;
11. the interest expense of the Credit Facility is 7.0%;
12. there are no realized capital gains or losses on the securities in the Managed Portfolio or the Fixed Portfolio for the period during which the call options are outstanding;
13. the annual fee payable under the Forward Agreement is 0.50% of the gross proceeds of the offering; and
14. annual expenses (ordinary and extraordinary), including the standby fee, for the Trust are $290,000 plus the management fee payable to Sentry Select of 1.10% of the NAV of the Trust and a servicing fee (the ''Servicing Fee'') of 0.40% of the NAV of the Trust, plus applicable tax.

As the information given below excludes any gains on the Managed Portfolio securities, to the extent that the value of the Managed Portfolio is greater than zero on the Termination Date, capital appreciation in the value of the Units above their original issue price will have occurred.

This information is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis will ever be available or realized. The range of percentage out-of-the-money shown in the following table is based on the range expected to be utilized by CFG in writing call options.

ILLUSTRATIVE DISTRIBUTIONS PER $25.00 UNIT
(ANNUALIZED %, NET OF EXPENSES)(1)

AVERAGE VOLATILITY RANGE (30 day)

Out-of-The-Money	20%	25%	30%	35%	40%	45%	50%
4%	2.8%	5.5%	8.4%	11.4%	14.5%	17.5%	20.7%
2%	6.2%	9.3%	12.4%	15.6%	18.7%	21.9%	25.1%
0%	11.1%	14.2%	17.4%	20.6%	23.7%	26.9%	30.0%

(1) Annualized percentage is based on $25.00 per Unit.

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, or have purchased put options on the same underlying securities expiring at the same time as or after the expiry time of the short puts. 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 exceeds 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

Sentry Select was incorporated in Ontario on March 20, 1986 and is a mutual fund manager and dealer. It is presently engaged in the business of sponsoring and managing investment funds in Canada. Sentry Select provides investment, administrative and marketing services to Sentry Select mutual funds. In its capacity as manager, Sentry Select is responsible for the investment policies of Sentry Select mutual funds and providing administrative services to such funds. In addition, Sentry Select provides investment services to the Sentry Select Diversified Income Trust. As at February 28, 2001 Sentry Select had approximately $300 million in assets under management.

Pursuant to the Trust Agreement, Sentry Select 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 semi-annual 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.

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

The Manager may resign as manager of the Trust upon 60 days' notice to the Trustee and to the Unitholders or upon such lesser notice period as the Trustee may accept. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of Sentry Select, its successor must be approved by Unitholders. If the Manager 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 the Manager, the Trustee shall give notice thereof to Unitholders and the Unitholders may direct the Trustee to remove the Manager and appoint a successor manager.

Sentry Select 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 Sentry Select on behalf of the Trust. In addition, Sentry Select 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 Sentry Select or any of its officers, directors, employees or agents in the exercise of its duties as Manager, if they do not result from Sentry Select's wilful misconduct, bad faith, negligence or breach of its obligations under the Trust Agreement and the Trust has reasonable grounds to believe that the action or inaction that gave rise to the claim was in the best interests of the Trust.

The management services of Sentry Select under the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents Sentry Select 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 Sentry Select and their principal occupation for the last 5 years are as follows:

Name and Municipality of Residence	Office	Principal Occupation
JOHN F. DRISCOLL .... Toronto, Ontario	President, Chief Executive Officer and Director	President and Chief Executive Officer and Director, Sentry Select since September, 1997 and President and Chief Executive Officer, NCE Resources Group since March, 1984.
DAVID M. SCHWARTZ .... Toronto, Ontario	Executive Vice-President and Chief Operating Officer	Chief Operating Officer, Sentry Select since September, 1997 and Vice-President, NCE Resources Group since April, 1995.
JOHN VOOGLAID .... King City, Ontario	Chief Financial Officer and Secretary-Treasurer	Chief Financial Officer and Secretary-Treasurer of Sentry Select since September, 1997 and Vice-President and Treasurer, NCE Resources Group since June, 1988.
GLENN GORDON MACNEILL ..... Unionville, Ontario	Vice-President, Investments	Vice-President, Investments, Sentry Select since April, 1999 and Vice-President, Investments, NCE Resources Group since April, 1999.
		Research Analyst, Oil and Gas, HSBC Securities, 1998.
		Energy Equity Analyst, Scotia Capital Markets, 1997.
		Vice-President, Corporate Finance, of Deutsche Bank/Morgan Grenfell Canada Ltd. from January, 1997 to April, 1997.
		Assistant Vice-President, Corporate Finance, Imperial/Laurentian Financial Inc. 1990-1996.
J. ALEXANDER (SANDY) MCINTYRE. Toronto, Ontario	Vice-President and Senior Portfolio Manager	Vice-President and Senior Portfolio Manager , Sentry Select since August, 2000.
		Vice-President and Portfolio Manager, Jones Heward Investment Management Inc. (now BMO Harris Investment Counsel Inc.) 1985 to 2000.

Name and Municipality of Residence	Office	Principal Occupation
JOHN SINKINS . . . . Toronto, Ontario	Senior Portfolio Manager	Portfolio Manager, Sentry Select since November, 1999. Investment Analyst, NCE Resources Group November, 1997 to November, 1999. Supervisor, Investor and Dealer Service, working Ventures Canadian Fund, August, 1996 to October, 1997.
DAVID GLUCKSTEIN . . . . Thornhill, Ontario	Vice-President, Sales	Vice-President, Sales of Sentry Select since June, 2000. From 1994 to June, 2000, an officer and member of the senior leadership team responsible for sales of three wholly-owned subsidiaries of the Canadian Imperial Bank of Commerce.
DONALD J. WORTH . . . . Willowdale, Ontario	Director	Independent businessman; Vice-President, Global Mining Group of Canadian Imperial Bank of Commerce from July, 1984 to August, 1997.
SIMON B. SCOTT . . . . Oakville, Ontario	Director	Partner, Borden Ladner Gervais LLP Barristers and Solicitors.

The following is a brief description of the background of the key management and directors of Sentry Select.

John F. Driscoll, President, Chief Executive Officer and Director

Mr. Driscoll founded and has been President of NCE Resources Group since 1984. He is also the President, Chief Executive Officer and a director of Sentry Select Capital Corp. He specializes in oil and gas investments and petroleum related advisory, management and consulting services. Mr. Driscoll received his Bachelor of Science degree from the Boston College Business School in 1964 and in 1967 attended the New York Institute of Finance. During the last 15 years, resource issuers of which Mr. Driscoll was an officer and/or director or in respect of which he was an officer and/or director of their managers raised gross proceeds of approximately $1.2 billion which were expended in acquiring interests in or participating in drilling approximately 5,000 oil and/or gas wells. Mr. Driscoll also founded and has been President, since 1981, of J.F. Driscoll Investment Corp., a company specializing in investment management.

David M. Schwartz, Executive Vice-President

Mr. Schwartz received his Bachelor of Arts degree in Economics from McGill University. He has over 25 years of experience in the mutual fund industry. He served as Vice-President, Sales, Spectrum United Mutual Funds from January, 1991 to December, 1994. Prior to that he was President, The Guardian Group of Funds Ltd., and Senior Vice-President, Investors Group. In April 1995 he joined NCE Resources Group as Vice-President. He is also Senior Vice-President, Chief Operating Officer and a director of Sentry Select Capital Corp.

John Vooglaid, Chief Financial Officer and Secretary-Treasurer

Mr. Vooglaid received his Chartered Accountant's diploma in 1982. Since June, 1988 he has been a Vice-President and Treasurer of the NCE Resources Group. From 1978 to June, 1986 he was with the resource audit group of a major public accounting firm. He earned a Bachelor of Arts (Honours) Degree in Economics from the University of Toronto in 1977. He is also the Chief Financial Officer, Secretary-Treasurer and a director of Sentry Select.

Glenn Gordon MacNeill, Vice-President, Investments

Mr. MacNeill joined Sentry Select Capital Corp. in April 1999 as Vice-President, Investments. He has more than 25 years of financial and petroleum-related experience including portfolio management, corporate finance and equity/debt analysis. In 1997, Mr. MacNeill served as Energy Equity Analyst with Scotia Capital Markets, where he covered integrated oil companies and a selection of petroleum companies. In 1998, he joined HSBC Securities as an oil and gas research analyst. His prior experience includes six years as a portfolio manager with Imperial Life/Laurentian Financial Inc. He is a Professional Engineer and received a Bachelor of Science Degree in Mechanical Engineering from Queen's University in Kingston, Ontario. He has also completed the Canadian Securities Course and the Conduct and Practices Handbook Course.

J. Alexander (Sandy) McIntyre, Vice-President and Senior Portfolio Manager

Mr. McIntyre has over 25 years of experience managing portfolios for high net worth individuals and charitable foundations, and pooled fund portfolios. Prior to joining Sentry Select, Sandy spent 20 years with Jones Heward Investment Management Inc., a wholly-owned subsidiary of the Bank of Montreal, where he was a member of the Investment Policy Committee with responsibility for high yield investments including royalty and income trusts. He received a Bachelor of Arts from the University of Toronto in 1974, where he majored in English and Philosophy. He has completed the Canadian Securities Course, the Ontario Mortgage Brokers Course and the Canadian Options Course.

John Sinkins, Senior Portfolio Manager

Mr. Sinkins is Senior Financial Analyst for Sentry Select Capital Corp. He is currently the portfolio manager for Sentry Select's Defined Asset Funds. Using a quantitative stock selection methodology, Mr. Sinkins identifies companies with significant long-term growth potential. Prior to joining Sentry Select, Mr. Sinkins worked for a larger financial planning firm. He graduated from the University of Toronto in 1988 with a Bachelor of Arts and was awarded his CFA designation from The Association for Investment Management and Research in 1998. He has also completed the Canadian Securities Course, the Conduct and Practices Handbook Course, Derivatives Fundamentals Course, and the Options Licensing Course.

David Gluckstein, Vice-President, Sales

Mr. Gluckstein has over 25 years of experience in the financial services industry, including 19 years specifically in mutual fund industry. Prior to joining Sentry Select Capital Corp. in June, 2000, Mr. Gluckstein was employed since 1994 as an officer and member of the senior leadership team responsible for sales for three wholly-owned subsidiaries of the Canadian Imperial Bank of Commerce. From 1990 to 1994, he held the position of National Sales Manager of CIBC Securities Inc. Immediately prior to joining the CIBC, Mr. Gluckstein was Senior Vice-President Sales for a mid-sized Canadian mutual fund company.

Donald J. Worth, Director

Mr. Worth held the position of Vice-President, Global Mining Group at the Canadian Imperial Bank of Commerce prior to his recent retirement following over 30 years at such bank. Earlier in his career, Mr. Worth held various positions in the mining operations of Asarco Mexicana, Lake Asbestos of Québec and Canadian Gypsum. He is the immediate past President of the Canadian Institute of Mining, Metallurgy and Petroleum and holds a Masters of Applied Science degree in Mining Engineering from the University of Toronto. Mr. Worth is presently a director of Tiomin Resources Inc., Canarc Resource Corp., Cominco Ltd and Royal Gold Inc., with the shares of each such corporation being listed and posted for trading on The Toronto Stock Exchange, and in certain instances, being interlisted on other exchanges. Mr. Worth is also a director of Cornerstone Capital Resources Inc., with the shares of such corporation being listed and posted for trading on The Canadian Venture Exchange Inc. Mr. Worth has also been a trustee of Labrador Iron Ore Royalty Income Fund from 1995 to present.

Simon B. Scott, Q.C., Director

Mr. Scott has been a partner of Borden Ladner Gervais LLP or a predecessor firm since 1972 where he practices corporate law with a primary focus on merger and acquisition transactions and reorganizations. Mr. Scott received his

Bachelor of Laws degree from Osgoode Hall Law School, Toronto, in 1964 and was appointed Queen's Counsel in 1984.

The Advisory Board

Sentry Select has established an advisory board (the ''Advisory Board'') consisting of three members appointed by Sentry Select to provide advice in connection with investment products offered under the Sentry Select name, including the Trust. The Advisory Board will assist Sentry Select in performing its services under the Trust Agreement. The members of the Advisory Board are Richard Croft, Robert McLeish and Josef Schachter. The fees and expenses of the Advisory Board will be paid by the Manager.

Richard Croft

Mr. Croft is the President, Chief Executive and Secretary Treasurer of CFG and has been in the investment business for more than 25 years. Since 1993, he has been an investment counselor/portfolio manager providing personal portfolio management services to high net worth individuals and mutual funds. He specializes in option strategies and asset allocation and describes his investment philosophy as ''passive-plus''. His portfolios provide diversification in sectors that he anticipates will outperform the market over the long term. In order to enhance returns and smooth out the fluctuations in the business cycle, he employs conservative option strategies based on a benchmarked portfolio objective. These strategies include covered call writing, cash covered put writing as well as long and short spread and combination strategies. Currently, he manages assets in excess of $140 million using investment strategies consistent with the Trust's objectives. Mr. Croft has taught and developed courses for the Competitive Options Trader and the Canadian Securities Institute. Mr. Croft currently writes for numerous publications, including the National Post, Investors Business Daily, Investment Executive, The Fundletter and The Money Letter and has authored several books on investments including *Aggressive Investing, Proven Strategies for Investors*. He provides commentary on a number of web-sites related to option writing strategies and speaks extensively on portfolio management using options and asset allocation.

Robert McLeish

Mr. McLeish has spent 31 years in the investment business and has recently retired as Vice-Chairman and director of Merrill Lynch Canada. During his career, Mr. McLeish has been involved in may facets of the investment business, ranging from head of trading to head of investment banking, spending the last eight years in the investment banking area. Mr. McLeish graduated with a Bachelor of Commerce from the University of Toronto in 1968 and was awarded his Chartered Financial Analyst designation from the Association for Investment Management and Research in 1974.

Josef I. Schachter

After a successful investment stewardship at Richardson Greenshields of Canada Limited (''RGCL''), and the Royal Bank purchase of the firm, Mr. Schachter set up his own investment management business, Schachter Asset Management Inc. (SAMI), in late 1996. Mr. Schacter has over 25 years' experience in the Canadian investment management industry, having served in senior equity portfolio management positions with insurance, mutual fund and trust organizations. Mr. Schachter was RGCL's Market Strategist, and was also a Director of RGCL and a member of its Investment Policy Committee. He holds the Chartered Financial Analyst and Certified Management Accountant designations, and is a Past Chairman of the Canadian Council of Financial Analysts. Mr. Schachter is a frequent guest on CBC's Business World, and is regularly quoted in news publications and financial reporting agencies such as Standard & Poor's, Reuters, Bloomberg, the Dow Jones News Service, as well as the Globe & Mail, Wall Street Journal, Financial Post newspapers; Business Week and Smart Money magazines.

The Sub-Advisor

CFG specializes in asset allocation and option strategies. CFG will assist in making investment decisions for the Trust with regard to the Managed Portfolio and advising the Manager in the call option writing and put option writing program of the Trust, all in a manner consistent with the investment objectives, strategy and criteria of the Trust pursuant to a sub-advisory agreement (the ''Sub-Advisory Agreement'') made between Sentry Select as Manager and on behalf of the Trust and CFG.

The name and municipality of residence of the director and each of the officers of CFG and their principal occupation for the last 5 years are as follows:

Name and Municipality of Residence	Office	Principal Occupation
RICHARD N. CROFT . . . . . . Toronto, Ontario	Director, Chief Executive Officer and Secretary Treasurer	Investment Counsellor Portfolio Manager, R.N. Croft Financial Group Inc. since 1993
WARREN J. HUNTLEY . . . . . Oakville, Ontario	Chief Financial Officer	President, Croft Capital Management Inc. since July, 1999
JULIE M. BROUGH	Director and Assistant Vice-President	Assistant Vice-President, R.N. Croft Financial Group Inc. since January, 2000

The following is a brief description of the background of the key management and directors of CFG.

Richard Croft, President and Chief Executive Officer

Mr. Croft is the President, Chief Executive Officer and Secretary Treasurer of CFG and has been in the investment business for more than 25 years. Since 1993, he has been an investment counselor/ portfolio manager providing personal portfolio management services to high net worth individuals and mutual funds. He specializes in option strategies and asset allocation and describes his investment philosophy as ''passive-plus''. His portfolios provide diversification in sectors that he anticipates will outperform the market over the long term. In order to enhance returns and smooth out the fluctuations in the business cycle, he employs conservative option strategies based on a benchmarked portfolio objective. These strategies include covered call writing, cash covered put writing as well as long and short spread and combination strategies. Currently, he manages assets in excess of $140 million using investment strategies consistent with the Trust's objectives. Mr. Croft has taught and developed courses for the Competitive Options Trader and the Canadian Securities Institute. Mr. Croft currently writes for numerous publications, including the National Post, Investors Business Daily, Investment Executive, The Fundletter and The Money Letter and has authored several books on investments including *Aggressive Investing, Proven Strategies for Investors*. He provides commentary on a number of web-sites related to option writing strategies and speaks extensively on portfolio management using options and asset allocation.

Warren J. Huntley, Chief Financial Officer

Mr. Huntley was Vice-President of Manulife Bank of Canada from 1994 to February, 1999. In July, 1999, Mr. Huntley became President of Croft Capital Management Inc. which provides marketing and administration services to CFG.

Julie M. Brough, Director

Ms. Brough was an Executive Assistant from 1995 to 1997 and a Financial Planning Consultant from 1998 to December, 1999 at E.E.S. Financial Services Ltd. Ms. Brough has been in her present position with CFG since January, 2000.

Sub-Advisory Agreement

The services to be provided by CFG pursuant to the Sub-Advisory Agreement will include making investment decisions for the Trust with regard to the Managed Portfolio and advising the Manager on the call option writing and put option writing program of the Trust, all in accordance with the investment objectives, strategy and criteria of the Trust. Execution of all Managed Portfolio transactions will be made by CFG. In the purchase and sale of securities for the Trust and the writing of option contracts, CFG will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Sub-Advisory Agreement, CFG 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 Manager, the Trust and Unitholders 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 Sub-Advisory Agreement provides that CFG 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. CFG will, however, incur liability in cases of wilful misconduct, bad faith, negligence or breach of its obligations under the Sub-Advisory Agreement.

The Sub-Advisory Agreement, may be terminated by the Manager or the Sub-Advisor by providing the other party to the Sub-Advisory Agreement with no less than 60 days written notice of such termination.

CFG is entitled to fees for its services under the Sub-Advisory Agreement which will be paid by the Manager out of its management fee and will be reimbursed for all reasonable costs and expenses incurred by CFG on behalf of the Trust. In addition, CFG 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 CFG or any of its officers, directors, employees or agents in the exercise of its duties as Sub-Advisor, if they do not result from CFG's wilful misconduct, bad faith, negligence or breach of its obligations and the Trust has reasonable grounds to believe that the action or inaction that gave rise to the claim was in the best interests of the Trust.

The Trustee

Sentry Select is the Trustee of the Trust under the Trust Agreement.

The Trustee may resign upon 60 days' notice to Unitholders. 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 the Manager if 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 its successor may be appointed by the Manager. 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, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

If the Trustee and the Manager are the same entity then the Trustee will receive no Trustee fee. Otherwise the Trustee is entitled to receive fees from the Trust as described under ''Fees and Expenses.'' The Trustee is entitled to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

The Custodian

General Trust of Canada will act as custodian (the ''Custodian'') of the assets of the Trust pursuant to a custodian agreement (the ''Custodian Agreement'') and has the power to appoint sub-custodians. General Trust of Canada is also 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, processing redemptions, calculating NAV, net income and net realized capital gains of the Trust and maintaining the books and records of the Trust.

The address of the Custodian is 1100 University Street, 9th Floor, Montreal, Quebec.

CONFLICTS OF INTEREST

CFG is engaged in a wide range of investment management, investment advisory and other business activities. The services of CFG under the Sub-Advisory Agreement are not exclusive and nothing in the Sub-Advisory Agreement prevents CFG or any of its affiliates from providing similar services to other investment funds and other clients or from engaging in other activities. However, under the terms of the Sub-Advisory Agreement CFG shall not provide investment advice, manage, or otherwise promote an investment with a similar investment structure, as described in this prospectus, the securities of which are sold to the public pursuant to a syndicated prospectus in a province or territory of Canada other than on an open-end basis, unless prior written approval is received from the Manager. CFG 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, CFG 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 CFG 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. 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.

The Trust does not currently intend to issue additional Units following completion of this offering, except (i) by way of a rights offering to existing Unitholders, provided that the net proceeds per Unit issued pursuant to the exercise of such rights is not less than the most recently calculated NAV per Unit prior to the issue of such rights, (ii) by way of Unit distributions, or (iii) with the approval of Unitholders.

MONTHLY DISTRIBUTIONS

The Trust intends to make monthly cash distributions targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price) to Unitholders of record on the last business day of each month. Such cash distributions will be made on approximately the 15th day following month end. The initial cash distribution is anticipated to be payable on May 15, 2001 for the Unitholders of record on April 30, 2001 in the amount of $0.1125 per Unit. The Trust may also, in the discretion of the Manager, make other distributions at any time in addition to monthly cash distributions, if it considers it appropriate. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Trust will make any distributions in any particular month or months.

Monthly cash distributions over the life of the Trust will be derived primarily from net realized capital gains and income from the Trust's Managed Portfolio, including (a) premiums from writing covered call options from time to time on the securities held in the Managed Portfolio; (b) from writing cash covered put options on securities in which the Trust is permitted to invest; (c) from dividends received on the Trust's portfolio; and (d) in certain circumstances, by returning capital. Based on an assumed Managed Portfolio of $44.3 million, in order to achieve the targeted monthly cash distributions (9% of the original issue price of the Units), the Trust is required to generate an average annual return on the Managed Portfolio, assuming no use of the Credit Facility, of:

(a) 25.4%, if the value of the Managed Portfolio is maintained, or

(b) 21.9%, if the value of the Managed Portfolio is used to assist payment of cash distributions throughout the term of the Trust and the value of the Managed Portfolio equals zero upon termination of the Trust.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends, after December 14 but on or before December 31 of that year, to distribute 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 last business day of each month. All cash distributions will be paid by cheque to The Canadian Depository for

Securities Limited (''CDS'') or paid in such other manner as may be agreed to by the Trustee. See ''Redemption of Units – Book-Based System''.

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

Subject to the Trust's right to suspend redemptions (described below), Units may be surrendered at any time for redemption by the registered holder of the Units to General Trust of Canada, 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 five business days prior to the last business day of a month (a ''Valuation Date'') will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the tenth business day following such Valuation Date (the ''Redemption Payment Date''). If a Unitholder makes such surrender after 5:00 p.m. (Toronto time) on the fifth business day immediately preceding a Valuation Date, the Units will be redeemed on the 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. The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and the volatility of the Managed Portfolio securities.

Unitholders whose Units are redeemed on the March Valuation Date in each year (commencing with the March 2002 Valuation Date) 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. Unitholders whose Units are redeemed on any other Valuation Date will be entitled to receive a Unit Redemption Price equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of (i) 4% of the NAV per Unit as of such other Valuation Date and (ii) $1.00. Any unpaid distribution payable on or before a Valuation Date in respect of Units tendered for redemption on such Valuation Date will also be paid on the Redemption Payment Date. Unitholders who redeem their Units prior to the Termination Date will receive a Unit Redemption Price determined with reference to the NAV without the full benefit of the capital repayment provided by the Forward Agreement. As a result, the NAV per Unit may be lower than the original issue price. The NAV per unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and volatility of the Managed Portfolio securities.

To permit the Trust to fund periodic redemptions of Units, the terms of the Forward Agreement will provide that it may be settled in whole or in part in respect of any Valuation Date by the Trust tendering to NBC securities of the Fixed Portfolio at a price equal to the then current market value of the tendered securities plus or minus the value of the portion of the Forward Agreement attributable to such securities. See ''Investments of the Trust – Capital Repayment''.

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 ''Redemption of Units – Book-Based System''. Such surrender will be irrevocable upon the delivery of notice to CDS through a participant therein (a ''CDS Participant''), except with respect to those Units which are not paid for by the Trust on the relevant Redemption Payment Date.

Calculation of Net Asset Value

The NAV 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 or 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 as of 4:15 pm (Toronto time) (''Valuation Time'') on each business day during the year. If the Trust elects to have a December 15 year end for tax purposes as permitted by the Tax Act, the NAV per Unit will also be calculated on December 15 if it is not otherwise the last business day in a week. Such information will be provided by Sentry Select to Unitholders on request by calling toll-free 1-888-246-6656 or through the Internet at www.sentryselect.com.

In determining the NAV of the Trust at any time the Trustee will take into account:

(a) the value of any cash on hand or on deposit, prepaid expenses, cash dividends 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;

(b) bonds, debentures, notes, money market instruments and other debt securities shall be valued by taking the bid price at the Valuation Time;

(c) any Common Share or other security that is listed or dealt in on a stock exchange shall be valued at the sale price applicable to a board lot last reported at the Valuation Time on the principal stock exchange on which such security is traded or if no sale price is available at that time, the last closing price quoted for the security, but if bid and ask quotes are available, at the average of the latest bid and asked price rather than the last quoted closing price;

(d) an option premium received by the Trust relating to a covered clearing corporation option, an option on futures or an over-the-counter option shall, so long as the option is outstanding, be reflected as a deferred credit, which shall be valued at an amount equal to the current market value of an option that would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at Net Asset Value;

(e) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Trust;

(f) the value of a forward contract, including the Forward Agreement, or of a futures contract, shall be the gain or loss with respect thereto that would be realized if, on the date on which Net Asset Value is determined, the position in the forward contract or the futures 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, provided that the valuation of the Forward Agreement may be postponed for up to five business days if trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such time;

(g) 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;

(h) Restricted Securities shall be valued at the lesser of:

    (i) the value thereof based on reported quotations of such Restricted Securities in common use; and

    (ii) that percentage of the market value of securities of the class or series of a class of which the Restricted Securities form part that are not Restricted Securities equal to the percentage that the Trust's acquisition cost was of the market value of such securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the Restricted Securities will cease to be Restricted Securities;

(i) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;

(j) if any date on which Net Asset Value is determined is not a business day, then the securities comprising the Trust's portfolio and other Trust Property will be valued as if such date were the preceding business day;

(k) if any 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 the foregoing rules, the Trustee shall make such valuation as it considers fair and reasonable;

(l) 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 applicable date on which Net Asset Value is determined; and

(m) estimated operating expenses of the Trust shall be accrued to the date as of which the Net Asset Value is being determined.

Book-Based System

Registration of interests in and transfers of the Units will be made only through the book-entry only system. On or about April 12, 2001, but no later than May 12, 2001, 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 Trust, NBC, CFG, the Trustee, the Custodian, the Manager and the Agents will not have any liability for (i) records maintained by CDS relating to the beneficial interests in the Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS participants.

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. 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 and so as to permit CDS to deliver notice to the Transfer Agent by the required time. The Redemption Notice will be available from a CDS Participant or General Trust of Canada, 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 Units or to their nominees.

Suspension of Redemptions

The Manager may, with the prior permission of the applicable securities regulatory authorities, 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 or New York stock exchanges; or (ii) for any period not exceeding 120 days during which the Manager 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 Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first 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 and provided that redemptions shall not be suspended for more than 4 Valuation Dates within any 12 month period. 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 the Manager 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 Valuation Date immediately prior to such purchase.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders of the Trust may be convened by the Manager 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 except for the purpose of any meeting called to consider item (e) under ''Unitholder Matters – Acts Requiring Unitholder Approval'' in which case the quorum shall be Unitholders holding 50% of the outstanding Units. If no quorum is present at such meeting when called, the meeting, if called on the requisition of Unitholders or for the purpose of item (e), 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 two-thirds of the votes cast by Unitholders voting thereon (other than items (c), (f), (g) and (k), which require approval by a simple majority vote) at a meeting called and held for such purpose:

(a) a change in the fundamental investment objectives and strategy of the Trust as described under ''Investments of the Trust – Investment Objectives'' and ''Investments of the Trust – Investment Strategy'' including any determination by the Trust, at its option, to terminate the Forward Agreement;

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

(c) the entering into by the Trust of transactions involving derivatives other than: (i) the entering into of the Forward Agreement and any modification, amendment or replacement thereof or any replacement of the Forward Agreement counterparty; (ii) the writing of covered call options or cash covered put options; (iii) the purchase of call options or put options and the entering into of trades by the Trust to close out positions in such derivatives; (iv) the writing and purchasing of call options or put options as part of a call spread or a put spread (v) the purchase of put options to protect the Trust from declines in the market prices of individual securities or in the value of its securities as a whole; and (vi) the use of derivatives permitted under NI 81-102 to hedge the Trust's foreign exchange exposure;

(d) 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 other than a fee or expense charged by a person or company that is at arm's length to the Trust and for which Unitholders are sent a written notice of such change at least 60 days before the effective date of such change;

(e) 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 trustee of the Trust, other than a change resulting in an affiliate of such person assuming such position;

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

(g) change of the auditors of the Trust;

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

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

  (ii) the transaction results in Unitholders becoming securityholders in the other mutual fund trust;

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

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

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

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

(j) a termination of the Trust prior to the Termination Date;

(k) an extension of the Trust beyond the Termination Date; and

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

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

(a) 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;

(b) 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;

(c) bring the Trust Agreement into conformity with NI 81-102 or other 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 rights, privileges or interests of the Unitholders;

(d) maintain the status of the Trust as a ''mutual fund trust'' for the purposes of the Tax Act; or

(e) 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 of or prior notice to Unitholders, the Trust Agreement may be amended from time to time by Sentry Select and the Trustee upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

The Trust will deliver to Unitholders semi-annual and annual audited financial statements of the Trust.

TERMINATION OF THE TRUST

The Trust will terminate on March 31, 2011 (the ''Termination Date'') unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. Immediately prior to the Termination Date, Sentry Select 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. Even if the term of the Trust is extended beyond the Termination Date, Unitholders will have the opportunity to redeem their Units on the Termination Date for the NAV per Unit.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the Trust, and Blake, Cassels & Graydon LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus.

This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act is resident in Canada, deals at arm's length with the Trust, and who holds the Units as capital property.

This summary is also based on the assumptions that:

(a) none of the issuers of the securities in the portfolio will be foreign affiliates of the Trust or any Unitholder; and

(b) that none of the securities in the portfolio:

(i) will be participating interests in foreign investment entities (other than exempt interests) under the proposals to amend the Tax Act released June 22, 2000 (or such proposals as amended or enacted, or successor provisions thereto) (the ''FIE Proposals''),

(ii) will entitle the Trust to receive payments from the issuer of the security determined primarily by reference to amounts determined in respect of property that is ''tracked property'' within the meaning of the FIE Proposals, or

(iii) will otherwise be affected by the FIE proposals.

This summary is based on the current provisions of the Tax Act and its regulations, counsel's understanding of the current administrative and assessing practices of the Canada Customs and Revenue Agency, and all specific proposals to amend the Tax Act and its regulations as publicly announced by the Minister of Finance (Canada) prior to the date hereof (such proposals will be referred to hereafter as the ''Tax Proposals''). There can be no assurance that any of the Tax Proposals will be implemented in their current form, or at all.

This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province or provinces in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Trust

This summary is based on the assumption that the Trust will qualify at all times as a ''mutual fund trust'' within the meaning of the Tax Act, and that the Trust will elect to be a mutual fund trust from the date it was established.

To qualify as a mutual fund trust:

- the sole undertaking of the Trust must be the investing of its funds in property (other than real property or interests in real property);
- the Units must be redeemable at the demand of the Unitholders;
- the Trust must comply on a continuous basis with certain requirements relating to the qualification of Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units; and
- the Trust must not have been established or maintained primarily for the benefit of non-residents of Canada.

It is a condition of this offering that the Trust will qualify as a mutual fund trust immediately after the closing. If the Trust were not to qualify as a mutual fund trust, the income tax considerations below would in some respects be materially different.

Taxation of the Trust

The Trust will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year (including net realized capital gains) less the portion of its income that it claims in respect of the amount paid or payable to Unitholders in the year. The Trust intends to deduct in computing its income in each taxation year the full amount available for deduction in each year and, therefore, provided the Trust makes distributions in each year of its net income and net realized capital gains as described under the heading ''Monthly Distributions'', it will generally not be liable in such year for income tax under Part I of the Tax Act.

The Trust will not realize any income, gain or loss as a result of entering into the Forward Agreement. Gains or losses realized by the Trust on the sale or other disposition of the securities in the Fixed Portfolio will be treated as capital gains or capital losses. If the obligations of the Trust and NBC under the Forward Agreement are settled by making cash payments as described above under ''Investments of the Trust – Capital Repayment'', a payment made or received by the Trust may be treated as an income outlay or receipt, as applicable. If, on the maturity or a partial settlement of the Forward Agreement, the Trust or NBC elects physical settlement and, as a result, the Trust delivers securities in the Fixed Portfolio and receives a payment from NBC equal to the price stipulated in the Forward Agreement, the gain realized by the Trust will be a capital gain.

The Trust will elect in accordance with the Tax Act to have each of its properties which are ''Canadian securities'' within the meaning of the Tax Act treated as capital property. Such an election will ensure that gains or losses realized by the Trust on the sale of Canadian securities are taxed as capital gains or capital losses.

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. 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 Managed Portfolio with the objective of:

- earning dividends on the Managed Portfolio over the life of the Trust including dividends on securities acquired upon the exercise of cash covered put options written by the Trust;
- writing covered call options with the objective of increasing the yield on the investment portfolio beyond the dividends received on the investment portfolio; and,
- writing cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options.

In accordance with the Canada Customs and Revenue Agency's published administrative practice, transactions undertaken by the Trust in respect of options will likely be treated and reported for purposes of the Tax Act on capital account and designations with respect to its income and capital gains, as described below, will be made and reported to Unitholders on this basis.

Gains and losses in respect of other derivatives may be treated as being on income account.

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.

The portfolio will include securities in denominations other than Canadian dollars. Option premiums, the cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Trust may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Trust will derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Trust exceeds 15%

of the amount included in the Trust's income from such investments, such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Trust's income, the Trust may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Trust's net income for the taxation year (including net realized taxable capital gains) paid or payable to the Unitholder in the taxation year.

The non-taxable portion of the Trust's net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Trust's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units, except to the extent such amount is the non-taxable portion of a capital gain of the Trust the taxable portion of which was designated to the Unitholder.

Provided that appropriate designations are made by the Trust, such portion of:

(i) the net realized taxable capital gains of the Trust;

(ii) the foreign source income of the Trust and foreign taxes eligible for the foreign tax credit; and

(iii) the taxable dividends received by the Trust on shares of taxable Canadian corporations,

as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. 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.

Under the Tax Act, the Trust is permitted to deduct in computing its income for a taxation year an amount which is less than the amount of its distributions for the year. This will enable the Trust to utilize, in a taxation 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 included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by that amount.

On the disposition or deemed disposition of Units, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Trust which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Units and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a Unitholder of Units, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property before that time.

Three-quarters (reduced to one-half under the Tax Proposals) of any capital gain (a ''taxable capital gain'') realized on the disposition of Units will be included in the Unitholder's income and three-quarters (reduced to one-half under the Tax Proposals) of any capital loss (an ''allowable capital loss'') realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

In computing a Unitholder's income for purposes of the Tax Act, any taxable capital gain designated to the Unitholder in accordance with the provisions of the Tax Act, arising from the settlement of the Forward Agreement (or otherwise), may be netted against any allowable capital loss realized by the Unitholder, including any allowable capital loss realized on the disposition of Units to the Trust on redemption.

In general terms, net income of the Trust paid or payable to a Unitholder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP and Blake, Cassels & Graydon LLP, provided that the Trust becomes a registered investment for the purposes of the Tax Act on or before closing, the Units of the Trust will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or, pursuant to the Tax Proposals, registered education savings plans and will not constitute foreign property for the purposes of the Tax Act.

USE OF PROCEEDS

The Trust will use the proceeds from the sale of Units as follows:

	Maximum Offering	Minimum Offering
Gross proceeds to the Trust	$175,000,000	$100,000,000
Agents' fees	$ 10,062,500	$ 5,750,000
Expenses of issue	$ 700,000	$ 700,000
Organizational expenses	$ 300,000	$ 300,000
Net proceeds to the Trust	$163,937,500	$ 93,250,000

The Trust will use the net proceeds of the offering (including any net proceeds from the exercise of the Over-Allotment Option (as described below)) to (i) invest in the Fixed Portfolio which will be subject to the Forward Agreement with NBC; (ii) invest in securities in accordance with the investment objectives, strategy and restrictions of the Managed Portfolio as described herein (see ''Investments of the Trust – Investment Criteria'') as soon as possible after closing; and (iii) fund organizational costs and the ongoing fees and expenses of the Trust as described herein. See ''Fees and Expenses''.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of March 30, 2001 (the ''Agency Agreement'') between National Bank Financial Inc., CIBC World Markets Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Raymond James Ltd., Desjardins Securities Inc., Research Capital Corporation and Yorkton Securities Inc. (collectively, the ''Agents'') and Sentry Select 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 $1.4375 for each Unit sold 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 that are not sold.

The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable in whole or in part at any time and from time to time during the period of 60 days following the closing of this offering, to offer up to 1,050,000 additional Units on the same terms set forth above, which additional Units are qualified hereunder. To the extent that the Over-Allotment Option is exercised, the additional Units will be offered at the offering price hereunder and the Agents will be entitled to a fee of $1.4375 per Unit in respect of each Unit purchased.

If subscriptions for a minimum of 4,000,000 Units have not been received within 60 days following the date of issuance of a final receipt for the prospectus, such offering may not continue without the consent of the securities authorities and 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. If the minimum offering is not achieved 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 April 12, 2001 or such later date that is on or before May 12, 2001 as may be agreed upon by the Trust and the Agents.

Proceeds from subscriptions will be held by the Agents until closing. If the minimum amount is not obtained, and the closing does not occur, subscription proceeds received from prospective purchasers will be returned promptly without interest or deduction.

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 which stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

FEES AND EXPENSES

Initial Expenses

The expenses of this offering (including the costs of creating 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) will, together with the Agents' fees, be paid from the gross proceeds of this offering. The costs of organizing the Trust will also be paid from the gross proceeds of this offering. The organizational expenses will include the establishment of the Credit Facility and the Forward Agreement. The offering expenses are estimated to be $700,000. The organizational expenses are estimated to be $300,000.

Fees and Other Expenses

Pursuant to the terms of the Trust Agreement, Sentry Select is entitled to a fee at an annual rate of 1.10% of the NAV plus an amount equal to the Servicing Fee payable to dealers. Fees payable to Sentry Select will be calculated and payable monthly based on the NAV as at the Valuation Date of each month. The Manager will pay to dealers the Servicing Fee (calculated and paid at the end of each calendar quarter) equal to 0.40% annually of the NAV per Unit for each Unit held by clients of the dealers. The Manager will pay to CFG a sub-advisory fee out of the management fee.

The Trust will pay to NBC an annual fee under the Forward Agreement of approximately 0.50% of the gross proceeds of the offering, payable quarterly. The Trust will also be responsible for certain costs of NBC. The Manager negotiated the terms of the Forward Agreement with NBC in the best interests of the Trust, including the fee payable to NBC under the Forward Agreement and certain costs of NBC. Based on the market conditions and the size of this offering the Manager believes that such fees are reasonable. NBC is an arm's length entity to the Manager. National Bank Financial Inc., the lead Agent, is an indirect wholly-owned subsidiary of NBC.

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 (except when the Manager is the Trustee); (c) fees payable to the Custodian for acting as custodian of the assets of the Trust and performing certain administrative services; (d) fees payable to General Trust of Canada for acting as registrar and transfer agent with respect to Units; (e) banking fees and interest with respect to the Credit Facility; (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 Sentry Select, CFG or the Trustee is entitled to indemnity by the Trust. See ''Management of the Trust''. The aggregate annual amount of these fees and expenses is estimated to be $250,000, excluding any standby fees and interest expense on the Credit Facility. The Trust will also be responsible for certain costs of NBC and for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time. All such expenses will be subject to an independent audit and report thereon to the Trustee and Sentry Select will provide reasonable access to its books and records for such purpose.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Sentry Select and CFG 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.

In accordance with the requirements of the provincial securities regulatory authorities in connection with this offering, Sentry Select and CFG have undertaken to file insider trading reports, as if the Trust were not a mutual fund, in accordance with applicable securities legislation for Sentry Select and CFG and for each of Sentry Select and CFG, its directors and senior officers, and to cause its affiliates and the directors and senior officers of its affiliates who might ordinarily receive knowledge of material facts or changes with respect to the Trust prior to the general disclosure of such facts and changes to file insider trading reports, as if the Trust were not a mutual fund, in accordance with applicable securities legislation in respect of trades made by them in Units. The foregoing undertakings shall remain in full force until such time as all the Units have been redeemed.

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 Sub-Advisory Agreement described under ''Management of the Trust – Sub-Advisory Agreement'';

(c) the Custodian Agreement described under ''Management of the Trust – The Custodian'';

(d) the Agency Agreement described under ''Plan of Distribution''; and

(e) the Forward Agreement described under ''Investments of the Trust – Capital Repayment''.

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. Any of the foregoing contracts that are not executed prior to the filing of this prospectus will be filed with the securities regulatory authorities forthwith after such contract is entered into.

RISK FACTORS

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

No Assurances on Achieving Objectives

Based on an assumed Managed Portfolio of $44.3 million, in order to achieve the targeted monthly cash distributions (9% of the original issue price of the Units), the Trust is required to generate an average annual return on the Managed Portfolio, assuming no use of the Credit Facility, of :

(a) 25.4%, if the value of the Managed Portfolio is maintained, or

(b) 21.9%, if the value of the Managed Portfolio is used to assist payment of cash distributions throughout the term of the Trust and the value of the Managed Portfolio equals zero upon termination of the Trust.

There is no assurance that the Trust will be able to achieve its distribution and Managed Portfolio preservation objectives or that the Managed Portfolio will earn any return or will return to investors an amount in excess of the original issue price of the Units. The Trust will forgo the benefits of any increase in the value of the Fixed Portfolio and only Managed Portfolio securities will be available to generate option premiums from covered call and cash covered put option writing.

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 paid on all of the securities comprising the Managed Portfolio, the level of option premiums received and the value of the securities comprising the Managed Portfolio. As the dividends received by the Trust will not be sufficient to meet the Trust's objectives 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 pricing model can be attained.

Sensitivity to Interest Rates

As the Trust is targeting monthly distributions of at least $0.1875 per Unit (9% per annum on the original issue price), the market price of the Units may be affected by the level of interest rates prevailing from time to time. In addition, prior to the Termination Date, the Trust's NAV may be highly sensitive to interest rate fluctuations because the value of the Forward Agreement will fluctuate based on interest rates. In addition, any decrease in the NAV of the Trust resulting from an increase in interest rates may also negatively affect the market price of the Units. Unitholders who wish to redeem or sell their Units prior to the Termination Date will therefore be exposed to the risk that NAV per Unit or the market price of the Units will be negatively affected by interest rate fluctuations.

Fluctuations in Net Asset Value

The NAV per Unit and the funds available for distribution will vary according to, among other things, the value of the Managed Portfolio securities acquired by the Trust, the value of the Fixed Portfolio and Forward Agreement, the dividends paid and interest earned thereon, the volatility of such securities and the levels of option premiums received. Fluctuations in the market values of the Managed Portfolio securities in which the Trust invests may occur for a number of reasons beyond the control of the Manager, CFG or the Trust. Over-weighting investments in certain sectors or industries of the U.S. stock market involves risk that the Trust will suffer a loss because of general advances or declines in the prices of stocks in those sectors or industries. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice, actual option premiums are determined based on market factors, including interest rate levels, and there is no assurance that the premiums predicted by such pricing model can be attained.

Units may trade in the market at a premium or discount to NAV per Unit and there can be no assurance that Units will trade at a price equal to NAV per Unit.

Use of Leverage

The use of leverage to enhance returns on the Managed Portfolio may result in capital losses or a decrease in net cash distributions to Unitholders. If the value of the Managed Portfolio or the total assets of the Trust decreases such that the Borrowing Capacity of the Trust decreases, the Trust may be required to sell investments or close out option positions in order to comply with such conditions. Such sales or closing out of positions may be required to be done at prices which may adversely affect the value of the Managed Portfolio and the return to the Trust. The interest expense and banking fees incurred on the Credit Facility may exceed the incremental capital gains/losses and income generated by the incremental investment of debt proceeds in the Managed Portfolio.

Loss of Full Capital Repayment

Early Redemption

Unitholders who request the redemption of their Units prior to the Termination Date will forgo the full benefit of the capital repayment provided by the Forward Agreement on the Termination Date and may receive a redemption amount which is less than the original issue price.

Forward Agreement

The Trust will enter into the Forward Agreement with NBC with respect to the Fixed Portfolio in order to provide the Trust with the means to return the original issue price of the Units to Unitholders on the Termination Date. The possibility exists that NBC will default on its payment obligations under the Forward Agreement or that the proceeds of the Forward Agreement will be used to satisfy other liabilities of the Trust, which liabilities could include obligations to third-party creditors in the event the Trust has insufficient assets, excluding the proceeds of the Forward Agreement, to pay its liabilities. If any of these eventualities should occur, investors in the Units may not receive the original issue price on the Termination Date. The Trust will not grant the lender under a Credit Facility recourse to the proceeds of the Forward Agreement.

A consequence of entering into the Forward Agreement is that the Trust will in effect forgo the benefits of any appreciation of the value of the Fixed Portfolio. If the Trust receives dividends or other distributions on the Fixed

Portfolio securities or if the Trust receives consideration in respect of such securities as a consequence of a merger transaction, the amount payable by NBC under the Forward Agreement will be reduced by an amount equal to such payments. If, in these circumstances, the Trust is unable to amend the Forward Agreement or enter into another transaction to enable it to receive an amount at least equal to the original issue price on or about the Termination Date, Unitholders may not receive an amount at least equal to the original issue price per Unit on or about the Termination Date. In the event of an early termination of the Forward Agreement or if the Forward Agreement is not entered into, the Trust may be unable to pay Unitholders an amount at least equal to the original issue price per Unit on the Termination Date. However, in the event of an early termination of the Forward Agreement, the Trust will attempt to enter into additional forward, derivative or other transactions in order to enable it to pay to Unitholders the original issue price on or before the Termination Date. See ''Investments of the Trust – Capital Repayment''.

Reliance on the Sub-Advisor

CFG will manage the Trust in a manner consistent with the investment objectives, strategy and criteria of the Trust. The officers of CFG 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 CFG throughout the term of the Sub-Advisory Agreement. In addition, there is no certainty that the Sub-Advisory Agreement will not be terminated prior to the termination of the Trust.

Use of Options and Other Derivative Instruments

The Trust is subject to the full risk of its investment position in the securities comprising the Trust's Managed 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.

There is 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 or purchase cash secured put options on desired terms or to close out option positions should CFG 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.

Suspension of Redemptions

The Trust may suspend the right of Unitholders to redeem from time to time provided that redemptions may not be suspended for more than 120 days or in more than 4 Valuation Days in any 12 month period. See ''Redemption of Units – Suspension of Redemptions''.

Foreign Currency Exposure

As the Trust's Managed Portfolio will be comprised of some securities and options which are traded in U.S. dollars, the NAV of the Trust and the value of the dividends and option premiums received by the Trust will, when measured in Canadian dollars, be affected by fluctuations in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

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.

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 the offering.

Unitholder Liability

The Trust Agreement provides that no Unitholder shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with Trust property or the obligations or the affairs of the Trust and all such persons shall look solely to the Trust property for satisfaction of claims of any nature arising out of or in connection therewith and the Trust property only shall be subject to levy or execution. Notwithstanding the foregoing statement in the Trust Agreement, because of uncertainties in the law relating to investment trusts such as the Trust, there is a risk that a Unitholder could be held personally liable for obligations of the Trust. It is intended that the Trust's operations be conducted in such a way as to minimize any such risk. In particular, the Sub-Advisor will follow the investment objectives and the investment strategy of the Trust and, where feasible, will cause every written instrument creating an obligation of the Trust, including any agreement related to the borrowing of money, to contain an express disavowal of liability upon the Unitholders. In any event, it is considered that the risk of any personal liability of Unitholders is minimal in view of the anticipated equity of the Trust, the nature of its activities, the intention of the Manager, where feasible, to require that any agreement which is related to the borrowing of money by the Trust include an express disavowal of liability of Unitholders and the limit of any indebtedness which may be incurred by the Trust. In the event that a Unitholder should be required to satisfy any obligation of the Trust, such Unitholder will be entitled to reimbursement from any available assets of the Trust.

Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Trust will treat 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 its understanding of Canada Customs and Revenue Agency's published administrative and assessing practice. Gains or losses on the disposition of shares, including disposition of shares held in the Managed Portfolio upon exercise of a call option and disposition of shares in the Fixed Portfolio upon delivery under the Forward Agreement, will be treated as capital gains or losses. The Canada Customs and Revenue Agency's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained.

If, contrary to the Canada Customs and Revenue Agency's published administrative practice, some or all of the transactions undertaken by the Trust in respect of options were treated on income rather than capital account, or if, contrary to the advice of counsel to the Trust and to the Agents, the character and timing of the gain under the Forward Agreement were other than a capital gain on sale of the shares thereunder, after-tax returns to Unitholders could be reduced and the Trust could be subject to non-refundable income tax from such transactions.

Deductibility of Expenses

There is no established Canada Customs and Revenue Agency administrative position on the deductibility of certain expenses and outlays which may be incurred by the Trust from time to time in connection with its investment activities. The Manager generally intends to adopt a tax filing position which is consistent with the characterization of such fees and expenses under generally accepted accounting principles.

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 Borden Ladner Gervais LLP, on behalf of the Trust, and Blake, Cassels & Graydon LLP, on behalf of the Agents.

PROMOTER

Sentry Select 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. Sentry Select 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 Arthur Andersen LLP, Suite 1900, 79 Wellington Street West, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

Pursuant to the Administrative Services Agreement to be signed on or prior to closing, General Trust of Canada at its principal offices in Montreal will be appointed the registrar and transfer agent for the Units.

PURCHASERS' STATUTORY RIGHTS

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

AUDITORS' REPORT

To the Trustee of
SENTRY SELECT BLUE-CHIP INCOME TRUST

We have audited the statement of financial position of Sentry Select Blue-Chip Income Trust (the ''Trust'') as at March 30, 2001. This statement of financial position is the responsibility of the Trust's management. Our responsibility is to express an opinion on this statement of financial position 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, the statement of financial position presents fairly, in all material respects, the financial position of the Trust as at March 30, 2001 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 30, 2001

ARTHUR ANDERSEN LLP
Chartered Accountants

COMPILATION REPORT

To the Trustee of
SENTRY SELECT BLUE-CHIP INCOME TRUST

We have reviewed, as to compilation only, the accompanying pro-forma statement of financial position of Sentry Select Blue-Chip Income Trust as at March 30, 2001 which has been prepared for inclusion in the prospectus relating to the issue of Units of the Trust. In our opinion, the pro-forma statement of financial position has been properly compiled to give effect to the transactions and assumptions described in the notes thereto.

Toronto, Canada
March 30, 2001

ARTHUR ANDERSEN LLP
Chartered Accountants

SENTRY SELECT BLUE-CHIP INCOME TRUST

STATEMENT OF FINANCIAL POSITION
March 30, 2001

	Actual	Pro Forma (Unaudited)[3]
ASSETS		
Cash	$25.00	$ —
Investment in portfolio securities	$ —	$163,937,500
Total	$25.00	$163,937,500
UNITHOLDERS' EQUITY		
Unitholders Equity (Notes 1 and 3):		
Units (Actual: 1 Unit, Pro Forma: 7,000,000 Units)	$25.00	$163,937,500

Approved by the Manager:

(Signed) JOHN F. DRISCOLL
Director

(Signed) SIMON B. SCOTT
Director

SENTRY SELECT BLUE-CHIP INCOME TRUST

NOTES TO STATEMENT OF FINANCIAL POSITION
March 30, 2001

1. NATURE OF OPERATIONS

Sentry Select Blue-Chip Income Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated February 27, 2001, as amended (the ''Trust Agreement''). The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class (the ''Units''), each of which represents an equal, undivided interest in the net assets of the Trust.

The net asset value (''NAV'') per unit will be calculated as of 4:15 pm (Toronto time) on each business day during the year.

The Trust will terminate on March 31, 2011 and its net assets will be distributed thereafter to Unitholders unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The Trust's investment objective are:

(a) To return the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust;

(b) To provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1875 per Unit ($2.25 per annum or 9% on the original issue price); and

(c) To preserve and potentially enhance the value of the Trust's managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price upon the termination of the Trust.

To provide the Trust with the means to return the original issue price of the Units on termination, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with National Bank of Canada (''NBC'') pursuant to which NBC will agree to pay to the Trust an amount equal to $25.00 for each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to NBC equity securities which the Trust will acquire with approximately 58% of the gross proceeds of the offering (the ''Fixed Portfolio''). The Forward Agreement will be a direct obligation of NBC. The Trust will pay to NBC an annual fee under the Forward Agreement of approximately 0.50% of the gross proceeds of the offering payable quarterly. The balance of the net proceeds of the offering (after expenses of the offering) will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index with a market capitalization in excess of Cdn $5.0 billion and of companies selected from the S&P 500 Index with a market capitalization in excess of US $5.0 billion.

The Trust may enter into derivative contracts that are consistent with its investment objectives to the extent and for the purposes permitted by Canadian securities regulators. There can be no assurance that any particular derivative strategy will be effective. In addition, there can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Trust to realize its profits or limit is losses by closing out positions. Furthermore, the Trust is subject to the credit risk that the counterparties may be unable to meet their obligations.

The net asset value of the Trust will fluctuate with changes in the market value of the Trust's investments. In addition, as the Trust's Managed Portfolio will be comprised of securities and options denominated in U.S. dollars or other foreign currencies, the NAV of the Trust and the value of the dividends and option premiums received by the Trust will, when measured in Canadian dollars, be adversely affected by reductions in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

2. MANAGEMENT FEES, SUB-ADVISORY FEES AND OTHER EXPENSES

Pursuant to the Trust Agreement, Sentry Select Capital Corp. (''Sentry Select'' or ''Manager'') is the manager of the Trust and, as such, is responsible for providing or arranging for required general and administrative services to the Trust including the management of its portfolio investments. Sentry Select has engaged R.N. Croft Financial Group Inc. (''CFG'') to provide investment advice under a sub-advisory agreement dated March 30, 2001 made between Sentry Select as Manager and on behalf of the Trust and CFG.

Pursuant to the Trust Agreement, Sentry Select is entitled to a fee at an annual rate of 1.10% of the NAV plus an amount equal to the Servicing Fee payable to dealers. Fees payable to Sentry Select will be calculated and payable monthly based on the NAV as at the Valuation Date of each month. The Manager will pay to dealers the Servicing Fee (calculated and paid at the end of each calendar quarter) equal to 0.40% annually of the NAV per Unit for each Unit held by clients of the dealers. The Manager will pay to CFG a sub-advisory fee out of the management fee.

General Trust of Canada acts as 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 General Trust of Canada, the Trust will pay a monthly fee to be agreed upon between General Trust of Canada and Sentry Select.

Pursuant to the Trust Agreement, the Trust is responsible for all expenses incurred in connection with the operation and administration of the Trust. Sentry Select and CFG will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

3. PRO FORMA STATEMENT OF FINANCIAL POSITION (UNAUDITED)

The pro forma statement of financial position gives effect, as at March 30, 2001, to the following transactions:

(a) The issue of 7,000,000 Units for total gross proceeds of $175,000,000;

(b) The payment of estimated costs relating to this offering of $11,062,500, which amount is comprised of the fee payable to the agents in this offering of $10,062,500, issue costs of $700,000 and organizational costs of $300,000; and

(c) The completion of the purchase of an investment portfolio at a cost of $163,937,500.

CERTIFICATE OF THE MANAGER AND THE PROMOTER

Dated: March 30, 2001

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 13 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of The *Securities Act* (Newfoundland) and by Part 11 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.

SENTRY SELECT CAPITAL CORP.

(as Manager, Promoter and on behalf of Sentry Select Blue-Chip Income Trust)

(Signed) JOHN F. DRISCOLL Chief Executive Officer and President	(Signed) JOHN VOOGLAID Chief Financial Officer

On behalf of the Board of Directors of Sentry Select Capital Corp.

(Signed) SIMON B. SCOTT Director	(Signed) DONALD J. WORTH Director

CERTIFICATE OF THE AGENTS

Dated: March 30, 2001

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 13 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of The *Securities Act* (Newfoundland) 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.

NATIONAL BANK FINANCIAL INC.

(Signed) IAN MCPHERSON

CIBC WORLD MARKETS INC.

(Signed) EARL I. ROTMAN

CANACCORD CAPITAL CORPORATION	**DUNDEE SECURITIES CORPORATION**	**RAYMOND JAMES LTD.**
(Signed) DOUGLAS A. DOIRON	(Signed) DAVID G. ANDERSON	(Signed) DAVID E. ROBERTS
DESJARDINS SECURITIES INC.	**RESEARCH CAPITAL CORPORATION**	**YORKTON SECURITIES INC.**
(Signed) ERIC DESORMEAUX	(Signed) BETH SHAW	(Signed) MARILIA COSTA

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