

PROSPECTUS

Initial Public Offering

June 29, 2005



SENTRY SELECT COMMODITIES INCOME TRUST

Maximum: \$250,000,000 (25,000,000 Units)

\$10.00 per Unit

This prospectus qualifies the issuance of transferable, redeemable units (the "Units") of Sentry Select Commodities Income Trust (the "Trust"), an investment trust established under the laws of Ontario (the "Offering").

The Trust has been created to provide holders of units (the "Unitholders") with an opportunity for capital appreciation and distributions through: (i) investment in income fund issuers that Sentry Select Capital Corp. (the "Manager" or "Sentry Select") expects will benefit from increases in the market price of commodities; and (ii) indirect exposure to commodities that make up the Rogers International Commodity Index. The Manager believes that commodity prices will continue over the next several years to benefit from a combination of global excess demand and historically low inventories. The Manager also believes that there are strong fundamentals for most commodity prices which should continue for many years, including in particular, the strong anticipated economic growth in Asia. The Manager believes that the Trust will provide investors with an opportunity to enhance diversification and reduce overall portfolio risk through exposure to commodities which, studies have shown, have historically been positively correlated to inflation and not correlated to equity and bond returns.

The Trust's investment objectives are to provide Unitholders with: (i) monthly distributions; and (ii) the opportunity for capital appreciation over the term of the Trust.

The portfolio of the Trust will initially provide approximately 25% exposure to the commodities that make up the Rogers International Commodity Index and approximately 75% exposure to commodity-related income funds (the "Income Fund Portfolio"). The relative exposure to these investments will change as the relative values of the Income Fund Portfolio and the commodities that make up the Rogers International Commodity Index change from time to time.

The Trust intends to pay monthly distributions and the initial cash distribution is anticipated to be payable on August 15, 2005 for Unitholders of record on July 31, 2005. The Trust will annually determine and announce an indicative distribution amount for the following year based upon the prevailing market conditions and the estimate by the Manager of distributable cash flow for the year. The indicative distribution for the first 12 months of the Trust is \$0.05625 per Unit per month (\$0.675 per annum) representing a yield of 6.75% based on the \$10.00 per Unit issue price. The Trust may make additional distributions in any given year. It is anticipated that, under normal market conditions, the distributions to Unitholders will be paid from distributions received from the income funds in the Income Fund Portfolio, from time to time.

Price: \$10.00 per Unit
Minimum Purchase: 200 Units

	Price to the Public ⁽¹⁾	Agents' Fees	Net Proceeds to the Trust ⁽²⁾
Per Unit	\$10.00	\$0.50	\$9.50
Total Minimum Offering ⁽³⁾	\$75,000,000	\$3,750,000	\$71,250,000
Total Maximum Offering ⁽⁴⁾	\$250,000,000	\$12,500,000	\$237,500,000

Notes:

- (1) The offering price was established by negotiation between the Agents (defined below) and the Manager.
- (2) Before deducting the Offering expenses, estimated to be \$950,000, which, together with the Agents' fees, will be paid out of the proceeds of the Offering, provided however that the expenses of the Offering to be borne by the Trust shall not exceed 1.5% of the gross proceeds of the Offering.
- (3) There will be no closing unless a minimum of 7,500,000 Units are sold. If subscriptions for a minimum of 7,500,000 Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date.
- (4) The Trust has granted the Agents an option (the "Over-Allotment Option"), exercisable for a period of 30 days from the closing of the Offering, to purchase up to 15% of the aggregate number of Units issued at the closing of the Offering 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 \$287,500,000, the Agents' fees will be \$14,375,000 and the net proceeds to the Trust will be \$273,125,000. See "Plan of Distribution".

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Approximately 15% of the net proceeds of the Offering will be invested by the Trust in a portfolio consisting of common shares of Canadian public companies (the “Common Share Portfolio”). The Trust intends to obtain enhanced exposure to the commodities that make up the Rogers International Commodity Index by virtue of one or more forward purchase and sale agreements (collectively, the “Forward Agreement”) with Canadian Imperial Bank of Commerce (the “Counterparty”). Under the Forward Agreement, the Counterparty will agree to pay to the Trust on the Termination Date (defined below) as the purchase price for the Common Share Portfolio an amount based upon 100% of the redemption proceeds of the Reference Number of units in a trust (the “Commodities Investment Trust”). The Reference Number is that number of units that as at the date of the Forward Agreement had a net asset value equal to the purchase price of the Common Share Portfolio. The investment objective of the Commodities Investment Trust is to obtain exposure to the commodities that make up the Rogers International Commodity Index on a leveraged basis. CIBC World Markets Inc. is an affiliate of Canadian Imperial Bank of Commerce and is also an Agent (defined below) for the Offering.

Sentry Select will be the manager and trustee of the Trust and the Commodities Investment Trust. Sentry Select will actively manage the Income Fund Portfolio. As of May 31, 2005, Sentry Select had approximately \$7 billion in assets under management, including \$2.5 billion in income funds. Sentry Select intends to appoint Diapason Commodities Management S.A. (“Diapason” or “Sub-Advisor”) as sub-advisor for the Commodities Investment Trust. Diapason, an investment management company in which Jim Rogers is a significant shareholder, specializes in the fields of asset management, commodities markets, futures and option trading. As of May 31, 2005, Diapason had approximately U.S.\$1 billion in assets under management. The Rogers International Commodity Index was developed in 1998 by Jim Rogers to be a balanced, representative, international raw materials index. Diapason has been managing and selling investment products based upon the Rogers International Commodity Index since Diapason’s inception in December of 2003.

There is currently no market through which the Units may be sold.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Units, subject to the Trust fulfilling all of the requirements of the TSX on or before September 14, 2005. The Units will be listed for trading under the symbol “SSJ.UN”.

Provided that the Trust qualifies as a mutual fund trust, or is a registered investment, the Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans. Bill C-43, which has received Royal Assent, eliminates the foreign property rules, as announced in the February 23, 2005 federal budget. See “Eligibility for Investment”.

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 distribution and capital appreciation objectives. In particular, commodity interests trading is volatile and consequently there is a risk that the Trust could lose all of the net proceeds of the Offering that are invested in the Common Share Portfolio.

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. 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.

The Trust will terminate on August 31, 2015 (subject to earlier termination in certain circumstances), and its net assets will be distributed to Unitholders unless the Unitholders determine to continue the Trust by a majority vote at a meeting of Unitholders called for such purpose. See “Termination of the Trust”.

CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Berkshire Securities Inc., Wellington West Capital Inc., Desjardins Securities Inc., Dundee Securities Corporation, First Associates Investments Inc., IPC Securities Corporation, Richardson Partners Financial Limited and Rothenberg Capital Management 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 referred to under “Plan of Distribution” 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 over-allot and may effect transactions to cover their over-allotted position. 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 the Offering is expected to occur on or about July 19, 2005, but no later than August 19, 2005. 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 “Description of Units — Book-Based System”.

The Manager, as promoter of the Commodities Investment Trust, has agreed to obtain a receipt for a prospectus of the Commodities Investment Trust from the Autorité des marchés financiers and deliver a copy of such prospectus to purchasers in the Province of Québec prior to the purchase of Units by any person in the Province of Québec.

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GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated.

“Agency Agreement” means the agency agreement dated as of June 29, 2005 among the Trust, the Manager, the Sub-Advisor and the Agents.

“Agents” means, collectively, CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Berkshire Securities Inc., Wellington West Capital Inc., Desjardins Securities Inc., Dundee Securities Corporation, First Associates Investments Inc., IPC Securities Corporation, Richardson Partners Financial Limited and Rothenberg Capital Management Inc.

“Bank Facility” means the loan facility of the Trust.

“Business Day” means any day on which the TSX is open for business.

“Cash Equivalents” means cash on deposit with the Custodian, evidences of indebtedness that have a remaining term to maturity of less than 365 days and issued or guaranteed by the government of Canada or of a province thereof, the government of the United States or a Canadian financial institution.

“CRA” means the Canada Customs and Revenue Agency.

“CDS” means The Canadian Depository for Securities Limited.

“CDS Participants” means participants in the book based system operated by CDS.

“Closing” means the closing of the Offering on the Closing Date.

“Closing Date” means the date of the Closing, which is expected to be on or about July 19, 2005, or such later date as the Trust and the Agents may agree, but in any event not later than August 19, 2005.

“Commodities” means the raw materials used in international commerce, such as agricultural products (including wheat, corn and cotton), energy products (including crude oil, gasoline and natural gas) and metals and minerals (including gold, silver, aluminium and lead).

“Commodities Investment Trust Portfolio” means the portfolio of the Commodities Investment Trust.

“Commodity-Related Income Fund” means an Income Fund that derives its income primarily from Commodities.

“Commodity Futures” means commodity futures and forward contracts that are listed on an exchange with underlying interests in Commodities.

“Common Share Portfolio” means a portfolio of common shares of Canadian public companies.

“Counterparty” means Canadian Imperial Bank of Commerce, as the counterparty under the Forward Agreement.

“Custodian” means State Street Trust Company Canada, in its capacity as custodian under the Custodian Agreement.

“Declaration of Trust” means the declaration of trust dated as of June 29, 2005 as it may be amended from time to time.

“Forward Agreement” means one or more forward purchase and sale agreements between the Trust and the Counterparty.

“Income Fund” means a trust, limited partnership or other similar entity, the units of which are listed and posted for trading on a Canadian stock exchange, structured to own debt and/or equity of an underlying company or limited partnership, or a royalty in revenues generated by such entity, including royalty trusts, income funds, real estate investment trusts, certain limited partnerships and other income vehicles excluding, for greater certainty, mutual funds and other investment funds; provided that the determination by the Manager that an issuer of securities is an Income Fund shall be conclusive for all purposes herein.

“Income Fund Portfolio” means the assets of the Trust that are not invested in the Common Share Portfolio.

“**Indicative Distribution**” means the annual indicative distribution of the Trust, contemplated to be \$0.675 per Unit for the first 12 months of the Trust and thereafter as determined by the Manager.

“**Investment Advisor**” means Toron Capital Markets Inc.

“**Investment Advisory Agreement**” means the investment advisory agreement between the Trust, Sentry Select and the Investment Advisor.

“**Manager**” means the manager of the Trust, Sentry Select Capital Corp.

“**Net Asset Value**” or “**NAV**” means the net asset value of the Trust, as determined by subtracting the aggregate amount of the liabilities of the Trust from the total assets and as more particularly set forth in the Declaration of Trust.

“**Net Realized Proceeds per Unit**” means the amount obtained by dividing either:

- (i) the aggregate proceeds received by the Trust on the disposition of the *pro rata* share of the Portfolio Securities represented by the Units surrendered for redemption, less brokerage fees, commissions and all other transaction costs relating to such disposition and less the *pro rata* share of the liabilities of the Trust; or
- (ii) if for any reason the Manager determines that it is not practicable for the Trust to effect such disposition, then the *pro rata* share of the Net Asset Value represented by the Units surrendered for redemption, less the brokerage fees, commissions and all other transaction costs that would have resulted from such disposition,

by the number of Units surrendered for redemption. For certainty of interpretation, the disposition of a *pro rata* share of the Portfolio Securities will entail the pre-settlement of a *pro rata* portion of the Forward Agreement.

“**NI 81-102**” means National Instrument 81-102 Mutual Funds of the Canadian Securities Administrators, as it may be amended from time to time.

“**Notice Period**” means the period from August 1 until 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day in August (starting in 2006).

“**October 31 Proposals**” has the meaning ascribed to it under “Canadian Federal Income Tax Considerations”.

“**Offering**” means the offering of a minimum of 7,500,000 Units and a maximum of 25,000,000 Units at the Offering Price, as contemplated in this prospectus.

“**Offering Price**” means a price of \$10.00 per Trust Unit.

“**Over-Allotment Option**” means the option granted by the Trust to the Agents, exercisable for a period of 30 days from Closing, to purchase an aggregate of up to 15% of the aggregate number of Units issued at Closing at the Offering Price, solely to cover over-allotments, if any.

“**Portfolio**” means the securities held by the Trust from time to time.

“**Portfolio Securities**” means the securities of Commodity-Related Income Funds and the Common Share Portfolio.

“**Redemption**” means a redemption of Units pursuant to the procedures described under “Redemption of Units — Redemptions”.

“**Redemption Notice**” means the redemption notice that is given to the CDS Participant.

“**Redemption Payment Date**” means the date on or before the 15th Business Day following the applicable Valuation Date.

“**Reference Number**” means that number of units of the Commodities Investment Trust that as at the date of the Forward Agreement had a net asset value equal to the purchase price of the Common Share Portfolio.

“**Registrar and Transfer Agent**” means Computershare Investor Services Inc.

“**Registered Plans**” means trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans.

“**Rogers International Commodity Index**” means the Rogers International Commodity Index.

“**Sentry Select**” means Sentry Select Capital Corp.

“**Service Fee**” means the service fee the Manager will pay the investment dealers equal to 0.40% per annum of the NAV per Unit for each Unit held by the clients of such registered dealer.

“**Sub-Advisor**” means the sub-advisor, Diapason Commodity Management S.A.

“**Sub-Advisory Agreement**” means the sub-advisory agreement between the Sub-Advisor and the Manager or the Investment Advisor.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder.

“**Termination Date**” means the date the Trust is terminated as more fully described under “Termination of the Trust”.

“**Trust**” means Sentry Select Commodities Income Trust, a closed-end investment trust established under the laws of Ontario pursuant to the Declaration of Trust.

“**Trustee**” means initially Sentry Select, in its capacity as Trustee under the Declaration of Trust, and thereafter such successor as may be appointed Trustee in accordance with the provisions of the Declaration of Trust.

“**TSX**” means the Toronto Stock Exchange.

“**Unit**” means a transferable, redeemable unit of the Trust.

“**Unitholders**” means holders of Units.

“**Valuation Date**” means the last Business Day in August (commencing in 2006).

“**Valuation Time**” means 4:15 p.m. (Toronto time) on each Thursday during the year (or, if a Thursday is not a Business Day, the Business Day following such Thursday) and on the last Business Days of March, June, August, September and December.

INFORMATION REGARDING THE ROGERS INTERNATIONAL COMMODITY INDEX

Certain information contained in this prospectus relating to publicly traded securities and the Rogers International Commodity Index is taken from and based solely upon information published by Reuters and Bloomberg. Neither the Manager, the Trust nor the Agents have independently verified the accuracy or completeness of any such information or assume any responsibility for the completeness or accuracy of such information.

FORWARD LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Trust, the Commodities Investment Trust or the Manager. The forward looking statements are not historical facts but reflect the Trust’s current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risk Factors” and in other sections of this prospectus.

PROSPECTUS SUMMARY

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

THE TRUST

The Trust is an investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. It has been created with the objective of providing monthly distributions and capital appreciation to Unitholders.

THE OFFERING

Offering:	The Offering consists of Units.
Amount:	Minimum: \$75,000,000 (7,500,000 Units) Maximum: \$250,000,000 (25,000,000 Units)
Offering Price:	\$10.00 per Unit
Minimum Purchase:	200 Units (\$2,000)
Rationale for the Trust:	The Trust has been created to provide Unitholders with an opportunity for capital appreciation and distributions through: (i) investment in Commodity-Related Income Fund issuers that the Manager expects will benefit from increases in the market price of commodities; and (ii) indirect exposure to the commodities that make up the Rogers International Commodity Index. The Manager believes that commodity prices will continue over the next several years to benefit from a combination of global excess demand and historically low inventories. The Manager also believes that there are strong fundamentals for most commodity prices which should continue for many years, including in particular, the strong anticipated economic growth in Asia. The Manager believes that the Trust will provide investors with an opportunity to enhance diversification and reduce overall portfolio risk through exposure to commodities which, studies have shown, have historically been positively correlated to inflation and not correlated to equity and bond returns.
Investment Objectives:	The Trust's investment objectives are to provide Unitholders with: (i) monthly distributions; and (ii) the opportunity for capital appreciation over the term of the Trust.
Investment Strategy:	<p>The portfolio of the Trust will be constructed to initially provide approximately 25% exposure to the commodities that make up the Rogers International Commodity Index and approximately 75% exposure to the Income Fund Portfolio. The relative exposure to these investments will change as the relative values of the Income Fund Portfolio and commodities that make up the Rogers International Commodity Index change from time to time. It is anticipated that as a result of the leverage being used by Commodities Investment Trust the initial investment exposure of the Trust's total portfolio will be approximately 115% of the net asset value of the Trust.</p> <p><i>Income Fund Portfolio</i></p> <p>In its analysis of the Commodity-Related Income Fund sector for investments for the Income Fund Portfolio, the Manager will use a disciplined investment approach utilizing a stringent and conservative screening process to identify undervalued and overvalued Commodity-Related Income Funds. This process will incorporate and rate a number of general factors including potential for</p>

appreciation in market value, profitability, liquidity, operating and administrative costs, cash flow and management. In addition, the Manager will use its experience as an active manager in this sector to assess relative valuations in each sub-sector of the Commodity-Related Income Fund sector.

Exposure to the Rogers International Commodity Index

Approximately 15% of the net proceeds of the Offering will be invested by the Trust in a portfolio consisting of common shares of Canadian public companies (the “Common Share Portfolio”). The Trust intends to obtain enhanced exposure to the commodities that make up the Rogers International Commodity Index by virtue of one or more forward purchase and sale agreements (collectively, the “Forward Agreement”) with Canadian Imperial Bank of Commerce (the “Counterparty”). Under the Forward Agreement, the Counterparty will agree to pay to the Trust on the Termination Date as the purchase price for the Common Share Portfolio an amount based upon 100% of the redemption proceeds of the Reference Number of units in a trust (the “Commodities Investment Trust”). The Reference Number is that number of units that as at the date of the Forward Agreement had a net asset value equal to the purchase price of the Common Share Portfolio. The investment objective of the Commodities Investment Trust is to obtain exposure to the commodities that make up the Rogers International Commodity Index on a leveraged basis.

Currency Hedging:

The Manager intends to hedge at least 90% of non-Canadian dollar currency risk under its exposure to the Commodities Investment Trust under the Forward Agreement back to the Canadian dollar at all times.

Rogers International Commodity Index:

The Rogers International Commodity Index was developed in 1998 by Jim Rogers to be a balanced, representative, international, raw materials index. The Rogers International Commodity Index includes most of the raw materials used in international commerce for which futures contracts or forward contracts are regularly traded in recognized markets. The Rogers International Commodity Index represents the value of a basket of commodities employed in the global economy, ranging from agricultural products (such as wheat, corn and cotton) and energy products (including crude oil, gasoline and natural gas) to metals and minerals (including gold, silver, aluminium and lead).

Since August 31, 1998 there have been 35 different commodities represented in the Rogers International Commodity Index. All commodities in the Rogers International Commodity Index are publicly traded on recognized exchanges to ensure ease of tracking and verification. See “Investments of the Trust — The Rogers International Commodity Index”.

As of May 31, 2005, 35 different commodities were represented in the Rogers International Commodity Index as set out below.

**COMPOSITION OF ROGERS INTERNATIONAL
COMMODITY INDEX AS OF
MAY 31, 2005**

<u>Commodity</u>	<u>Weight (%)</u>	<u>Principal Exchange</u>
Crude Oil	35.00%	New York Mercantile Exchange
Heating Oil	3.00%	New York Mercantile Exchange
Unleaded Gasoline	3.00%	New York Mercantile Exchange
Natural Gas	3.00%	New York Mercantile Exchange
Palladium	0.30%	New York Mercantile Exchange
Wheat	7.00%	Chicago Board of Trade
Corn	4.00%	Chicago Board of Trade
Soybeans	3.00%	Chicago Board of Trade
Rice	2.00%	Chicago Board of Trade
Oats	0.50%	Chicago Board of Trade
Aluminium	4.00%	London Metals Exchange
Zinc	2.00%	London Metals Exchange
Nickel	1.00%	London Metals Exchange
Tin	1.00%	London Metals Exchange
Lead	2.00%	London Metals Exchange
Copper	4.00%	Commodities Exchange — NY
Gold	3.00%	Commodities Exchange — NY
Silver	2.00%	Commodities Exchange — NY
Platinum	1.80%	Commodities Exchange — NY
Live Cattle	2.00%	Chicago Mercantile Exchange
Live Hogs	1.00%	Chicago Mercantile Exchange
Lumber	1.00%	Chicago Mercantile Exchange
Coffee	2.00%	Coffee, Sugar and Cocoa Exchange
Sugar	1.00%	Coffee, Sugar and Cocoa Exchange
Cocoa	1.00%	Coffee, Sugar and Cocoa Exchange
Cotton	3.00%	New York Cotton Exchange
Orange Juice	0.66%	New York Cotton Exchange
Barley	0.77%	Winnipeg Commodity Exchange
Canola	0.67%	Winnipeg Commodity Exchange
Soybean Meal	0.15%	Chicago Board of Trade
Soybean Oil	2.00%	Chicago Board of Trade
Azuki Beans	1.00%	Tokyo Commodity Exchange
Wool	1.00%	Sydney Futures Exchange
Rubber	1.00%	Tokyo Commodity Exchange
Raw Silk	0.15%	Yokohama Raw Silk Exchange

Historical Performance of the Rogers International Commodity Index:

Set out below is the historical return of the Rogers International Commodity Index. The Rogers International Commodity Index reflects the return on a fully collateralized investment in the Rogers International Commodity Index by combining the returns on the Rogers International Commodity Index with the returns on cash collateral invested in U.S. Treasury bills.

Rogers International Commodity Index Returns⁽¹⁾

<u>Year-to-Date⁽²⁾</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
7.13%	11.00%	102.36%	97.11%

(1) In U.S. dollars.

(2) To May 27, 2005.

These returns are not intended to be, nor should they be construed as, an indication of future performance of the Rogers International Commodity Index.

The value of the Rogers International Commodity Index is available at and is published daily on Reuters and Bloomberg.

Manager:

Sentry Select will be the manager and trustee of the Trust and the Commodities Investment Trust. Sentry Select will actively manage the Income Fund Portfolio. As of May 31, 2005, Sentry Select had approximately \$7 billion in assets under management, including \$2.5 billion in income funds.

Sentry Select provides investment services to the following exchange listed closed-end funds: Sentry Select Diversified Income Trust, Sentry Select Blue-Chip Income Trust, Sentry Select Global Index Income Trust, Sentry Select Focused Growth & Income Trust, Commercial and Industrial Securities Income Trust, Diversified Income Trust II, Mortgage-Backed Securities Trust, Select 50 S-1 Income Trust, Select 50 S-1 Income Trust II, Pro Vest Growth & Income Fund, Alliance Split Income Trust, Multi Select Income Trust, MBS Adjustable Rate Income Fund, Premier Value Income Trust, Sentry Select MBS Adjustable Rate Income Fund II, Strategic Energy Fund and the NCE Flow Through Limited Partnerships. This list is not intended to suggest that each of these funds has an investment mandate similar to that of the Trust. Ten of these funds are invested to some extent in Income Funds.

Sentry Select has taken the initiative in organizing the Trust and accordingly, may be a “promoter” of the Trust within the meaning of applicable securities legislation. See “Promoter”.

Sub-Advisor:

Diapason, an investment management company of which Jim Rogers is a significant shareholder, specializes in the fields of asset management, commodities markets, futures and option trading. As of May 31, 2005, Diapason had approximately U.S.\$1 billion in assets under management. The Rogers International Commodity Index was developed in 1998 by Jim Rogers to be a balanced, representative, international raw materials index. Diapason has been managing and selling investment products based upon the Rogers International Commodity Index since Diapason’s inception in December of 2003.

Investment Advisor: The Manager has applied to amend its registration with the Ontario Securities Commission to become a registered commodity trading manager under the *Commodity Futures Act* (Ontario). If such registration has not been obtained prior to the closing of the Offering, Toron Capital Markets Inc. (the “Investment Advisor”) will be appointed investment advisor to Commodities Investment Trust and the Investment Advisor will appoint Diapason as its Sub-Advisor under the Sub-Advisory Agreement. When such registration amendment has been obtained, Sentry Select will terminate the Investment Advisory Agreement and thereafter provide investment advisory and portfolio management services to Commodities Investment Trust and assume the Investment Advisor’s rights and obligations under the Sub-Advisory Agreement.

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 initial cash distribution is anticipated to be payable on August 15, 2005 for Unitholders of record on July 31, 2005 which will be pro rated for the month of July. The Trust will annually determine and announce an indicative distribution amount for the following year based upon the prevailing market conditions and the estimate by the Manager of distributable cash flow for the year. The indicative distribution for the first 12 months of the Trust is \$0.05625 per Unit per month (\$0.675 per annum) representing a yield of 6.75% based on the \$10.00 per Unit issue price. The Trust may make additional distributions in any given year. It is anticipated that, under normal market conditions, the distributions to Unitholders will be paid from distributions received from the income funds in the Income Fund Portfolio, from time to time. 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”, “Investments of the Trust — Investment Strategy” and “Risk Factors”.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax under the Tax Act will be automatically payable on December 31 of that year to Unitholders of record on that date.

Redemption Right: Units may be surrendered for redemption during the period from August 1 to 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day in August in each year, beginning in 2006, subject to the Trust’s right to suspend redemptions. Units surrendered for redemption during this period will be redeemed on the Valuation Date and the Unitholder will receive payment on or before the 15th Business Day following such Valuation Date. Unitholders will receive a redemption price per Unit equal to the Net Realized Proceeds per Unit. See “Redemption of Units — Redemption”. The Manager will pre-settle a *pro-rata* share of the Net Asset Value represented by the Forward Agreement to fund redemptions.

Termination: The Trust will terminate on August 31, 2015 (subject to earlier termination in certain circumstances) unless Unitholders determine to continue the Trust by a majority of the votes cast at a meeting of Unitholders called for such purpose.

Bank Facility: The Trust is authorized to borrow an amount not exceeding 5% of the value of the total assets of the Trust for working capital purposes and to pledge its assets to secure such borrowings.

Mandatory Market Purchase Program:

The Trust will undertake a mandatory market purchase program pursuant to which the Trust will purchase any Units offered in the market at prices that are less than 95% of the latest determined NAV per Unit, up to a maximum amount in any calendar quarter of 1.25% of the number of Units outstanding at the beginning of such calendar quarter if on any Business Day following the Closing, the closing price of the Unit is less than 95% of the latest determined NAV per Unit.

Commodities Investment Trust:

Commodities Investment Trust is an investment trust that was established under the laws of the Province of Ontario pursuant to a declaration of trust dated June 29, 2005. The Commodities Investment Trust will terminate on or about August 31, 2015 if not terminated earlier in accordance with its terms. Sentry Select is the manager and trustee of the Commodities Investment Trust. The Commodities Investment Trust intends to appoint the Sub-Adviser to obtain exposure to the commodities that make up the Rogers International Commodity Index on a leveraged basis.

The Commodities Investment Trust will invest on a leveraged basis such that the nominal value of the contracts in which it invests will exceed its net asset value by an amount equal to its initial net asset value, subject to proportional reduction upon redemptions. The contracts in which the Commodities Investment Trust invests will be in essentially the same proportion as their representation in the Rogers International Commodity Index. Accordingly, the performance of the Commodities Investment Trust is expected to roughly track the performance of Rogers International Commodity Index on an enhanced basis. For example, if the value of the Rogers International Commodity Index increases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely increase by a greater percentage. If the Rogers International Commodity Index decreases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely decrease by a greater percentage. See “Commodities Investment Trust”.

Trustee:

Sentry Select is the trustee of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust. See “Management of the Trust — The Trustee”.

Custodian:

State Street Trust Company Canada will be the custodian of the assets of the Trust. See “Management of the Trust — The Custodian”.

Eligibility for Investment:

Provided that the Trust qualifies as a mutual fund trust, or is a registered investment, the Units will be qualified investments for Registered Plans. Bill C-43, which has received Royal Assent, eliminates the foreign property rules, as announced in the February 23, 2005 federal budget. See “Eligibility for Investment”.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

A Unitholder will generally be required to include, in computing the Unitholder's income for the year, the amount of the net income, and the taxable portion of the net realized capital gains of the Trust, that is paid or payable to the Unitholder in the year whether in cash or in Units. Distributions by the Trust to a Unitholder in excess of the Unitholder's share of the Trust's net income and net realized capital gains will not result in an inclusion in income but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of 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 the Units is subject to certain risk factors, including the following:

General Risk Factors of the Trust

1. there can be no assurance that the Trust will be able to achieve its monthly distribution and capital appreciation objectives;
2. Unitholders will have no guaranteed return;
3. the NAV per Unit will vary according to the value of the securities in which the Trust invests;
4. the NAV per Unit will be sensitive to, among other things, commodity price and currency fluctuations;
5. the NAV per Unit will be sensitive to, among other things, interest rate fluctuations;
6. Units may trade in the market at a premium or a discount to the NAV per Unit and there can be no guarantee that Units will trade at a price equal to the NAV per Unit;
7. the Income Fund Portfolio may be less diversified than anticipated;
8. Unitholders must rely on management of the Trust and the Commodities Investment Trust;
9. there is a potential for conflicts of interest;
10. the Trust's lack of operating history and the current absence of a public trading market for the Units;
11. Unitholders may receive distributions of securities *in specie* upon the termination of the Trust, for which there may be an illiquid market;
12. there is no assurance that the Manager will be able to invest the net proceeds of the Offering to reach the proposed initial weightings in a timely manner, which may negatively affect the Trust's ability to fulfil its investment objectives;
13. the Trust is not subject to regulation as a mutual fund or trust company;
14. Unitholders will not have statutory rights normally associated with ownership of shares of a corporation;
15. proposed amendments to the Tax Act could adversely affect the deduction by the Trust of interest and other expenses incurred by it;
16. status as a mutual fund trust for the purposes of the Tax Act could be lost if more than 50% of the Units are held by non-residents;
17. there can be no assurance that income tax laws and government incentive programs relating to the resource industry and the treatment of mutual fund trusts under the Tax Act will not be changed in a manner which

adversely affects the distributions received by the Trust and the Unitholders and/or the value of the Units or the securities in which the Trust invests;

Risk Factors Specific to the Common Share Portfolio and Commodities Investment Trust

18. the NAV will vary according to the performance of the Rogers International Commodity Index and the performance of the commodities that are components of the Rogers International Commodity Index;
19. the volatility in commodities;
20. currency conversion and hedging uncertainty;
21. the composition and maintenance of the Rogers International Commodity Index;
22. any errors in the tracking of the Rogers International Commodity Index;
23. termination of the Rogers International Commodity Index;
24. the impact of market disruption events;
25. the risks of using derivative financial instruments and techniques;
26. the use of leverage;
27. the treatment of proceeds under the Forward Agreement;
28. counterparty risks associated with the Forward Agreement;
29. counterparty risks associated with securities lending;
30. the fact that if, contrary to advice of counsel to the Trust and to the Agents or as a result of a change in law, upon any physical settlement of the Forward Agreement the character and timing of the gain under the Forward Agreement were other than a capital gain on the sale of securities thereunder, after-tax returns to Unitholders could be reduced; and
31. there may be difficulty in enforcing any legal rights against Diapason because it is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.

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. All fees and expenses of the Trust will be paid in cash. For further particulars, see “Fees and Expenses”.

<u>Type of Charge</u>	<u>Description</u>
Fees payable to the Agents	\$0.50 per Unit (5.0% of the Unit price)
Expenses of Issue	The expenses of the Offering are estimated to be \$950,000, subject to a maximum of 1.50% of the gross proceeds of the Offering, which, together with the Agents’ fees, will be paid by the Trust from the proceeds of the Offering. The Manager will pay for any expenses in excess of that amount.
Fee payable to the Manager	The Trust and Commodities Investment Trust will each pay an annual fee of 1.10% of their respective net asset values calculated and payable monthly, plus applicable taxes, plus the Trust will pay to the Manager an amount equal to the Service Fee payable to registered dealers as described below. The Trust’s management fee will be reduced by the amount of management fee payable by Commodities Investment Trust attributable to the Counterparty’s investment in Commodities Investment Trust. The Manager will be responsible for the payment of the Sub-Advisor’s and the Investment Advisor’s fees.
Charges under the Forward Agreement	The Trust will pay to the Counterparty a fee under the Forward Agreement, calculated daily and payable monthly in arrears, of approximately 0.50% per annum of the net asset value of the Reference Number of units of the Commodities Investment Trust, plus a fee, which may vary, based on the value of the Common Share Portfolio, calculated and payable monthly in arrears.
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 \$270,000 per annum. The Trust will also be responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

SUMMARY OF FEES PAYABLE BY THE MANAGER

Service Fee	The Manager will pay to registered dealers a Service Fee (calculated and paid at the end of each calendar quarter) equal to 0.40% per annum of the NAV per Unit for each Unit held by clients of the registered dealer.
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THE TRUST

The Trust is an investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. 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.

RATIONALE FOR THE TRUST

The Trust has been created to provide Unitholders with an opportunity for capital appreciation and distributions through: (i) investment in Commodity-Related Income Funds that the Manager expects will benefit from increases in the market price of commodities; and (ii) indirect exposure to commodities that make up the Rogers International Commodity Index. The Manager believes that commodity prices will continue over the next several years to benefit from a combination of global excess demand and historically low inventories. The Manager also believes that there are strong fundamentals for most commodity prices which should continue for many years, including in particular, the strong anticipated economic growth in Asia. The Manager believes that the Trust will provide investors with an opportunity to enhance diversification and reduce overall portfolio risk through exposure to commodities which, studies have shown, have historically been positively correlated to inflation and not correlated to equity and bond returns.

INVESTMENTS OF THE TRUST

Investment Objectives

The Trust’s investment objectives are to provide Unitholders with: (i) monthly distributions; and (ii) the opportunity for capital appreciation over the term of the Trust.

Investment Strategy

The portfolio of the Trust will initially provide approximately 25% exposure to the commodities that make up the Rogers International Commodity Index and approximately 75% exposure to Commodity-Related Income Funds (the “Income Fund Portfolio”). The relative exposure to these investments will change as the relative values of the Income Fund Portfolio and the commodities that make up the Rogers International Commodity Index change from time to time. It is anticipated that as a result of the leverage being used by Commodities Investment Trust, the initial investment exposure of the Trust’s total portfolio will be approximately 115% of the net asset value of the Trust.

Income Fund Portfolio

In its analysis of the Commodity-Related Income Fund sector, the Manager will use a disciplined investment approach utilizing a stringent and conservative screening process to identify undervalued and overvalued Commodity-Related Income Funds. This process will incorporate and rate a number of general factors including potential for appreciation in market value, profitability, liquidity, operating and administrative costs, cash flow and management. In addition, the Manager will use its experience as an active manager in this sector to assess relative valuations in each sub-sector of the Commodity-Related Income Fund sector.

In determining appropriate weightings in the Income Fund Portfolio, the Manager will utilize a “top-down” strategy that will consider such factors as economic conditions, business factors, commodity prices, interest rates, stability and credit ratings generally attributed to Commodity-Related Income Fund. In addition, the Manager will consider the relative valuation and volatility of each Commodity-Related Income Fund to attempt to maintain an optimal asset allocation mix to achieve the investment objectives of the Trust.

The Manager will continually review the Income Fund Portfolio to determine the appropriate composition and to ensure that the Trust is complying with the investment objectives and investment restrictions of the Trust. In making these determinations, the Manager will use a process that includes assessment and analysis of the overall capital markets, business conditions, asset quality, price fluctuations, market conditions for assets

underlying the investment in the Income Fund Portfolio, the interest rate environment, current yields and the liquidity and volatility of the Income Fund Portfolio.

The Manager's general investment philosophy follows a conservative approach, focusing on issuers that typically possess proven management, proprietary/strategic advantages and financial strength. The key factors to be considered by the Manager in selecting the specific securities in which the Trust will invest its assets are:

- (a) viability and strength of underlying business or investment model;
- (b) attractive relative valuation;
- (c) strength of balance sheet;
- (d) sustainability and growth potential of dividend, income or interest distributions; and
- (e) experience and ability of management to execute the business plan.

In its analysis of the Commodity-Related Income Fund sector, the Manager will use a disciplined investment approach utilizing a stringent and conservative screening process to identify undervalued and overvalued Commodity-Related Income Funds. This process will incorporate and rate a number of general factors including potential for appreciation in market value, profitability, liquidity, operating and administrative costs, cash flow and management. In addition, the Manager will use its experience as an active manager in this sector to assess relative valuations in each sub-sector of the Commodity-Related Income Fund sector.

Exposure to Rogers International Commodity Index

Approximately 15% of the net proceeds of the Offering will be invested by the Trust in a portfolio consisting of common shares of Canadian public companies (the "Common Share Portfolio"). The Trust intends to obtain enhanced exposure to the commodities that make up the Rogers International Commodity Index by virtue of one or more forward purchase and sale agreements (collectively, the "Forward Agreement") with Canadian Imperial Bank of Commerce (the "Counterparty"). Under the Forward Agreement, the Counterparty will agree to pay to the Trust on the Termination Date as the purchase price for the Common Share Portfolio an amount based upon 100% of the redemption proceeds of the Reference Number of units in a trust (the "Commodities Investment Trust"). The Reference Number is that number of units that as at the date of the Forward Agreement had a net asset value equal to the purchase price of the Common Share Portfolio. The investment objective of the Commodities Investment Trust is to obtain exposure to the commodities that make up the Rogers International Commodity Index on a leveraged basis.

The Commodities Investment Trust will invest on a leveraged basis such that the nominal value of the contracts in which it invests will exceed its net asset value by an amount equal to its initial net asset value, subject to proportional reduction upon redemptions. The contracts in which the Commodities Investment Trust invests will be in essentially the same proportion as their representation in the Rogers International Commodity Index. Accordingly, the performance of the Commodities Investment Trust is expected to roughly track the performance of Rogers International Commodity Index on an enhanced basis. For example, if the value of the Rogers International Commodity Index increases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely increase by a greater percentage. If the Rogers International Commodity Index decreases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely decrease by a greater percentage.

The Commodities Investment Trust intends to invest and trade exclusively on the "long side" of the market (i.e., the Commodities Investment Trust does not intend to engage in any short-selling). The Commodities Investment Trust does not intend to take delivery of the actual commodities.

Initially, approximately 20% of the value of the assets of the Commodities Investment Trust will be posted with a commodities futures dealer as margin from time to time. The balance will be held in Cash Equivalents by the custodian of the Commodities Income Trust and will be used to fund margin calls from time to time. Such balance will be available if the Commodities Investment Trust is required to post more margin from time to time. Many of the contracts on the commodities that make up the Rogers International Commodity Index are traded on multiple markets. In placing orders for these commodities, the Commodities Investment Trust intends to

employ the available market which is most advantageous, in terms of depth and/or liquidity, at the time the trading decisions are made. Since the Commodities Investment Trust Portfolio is based on the Rogers International Commodity Index, there will be no active trading by the Commodities Investment Trust in the traditional sense.

The Manager intends to hedge at least 90% of the non-Canadian dollar currency risk related to its exposure to the Commodities Investment Trust under the Forward Agreement back to the Canadian dollar at all times.

Commodities

Overview

Commodities are raw materials that are widely used throughout the world. These materials are of a nature and quality that permits them to be fungible which, in turn, permits them to be traded. The most actively traded commodities are:

- (a) Energy (e.g. crude oil, natural gas, heating oil, gasoline)
- (b) Industrial and Precious Metals (e.g. gold, silver, aluminium, copper, zinc)
- (c) Food and Fiber (e.g. coffee, cocoa, corn, wheat, soybeans, soybean oil, sugar, cotton)
- (d) Livestock (e.g. cattle, hogs)

The trading price of commodities is determined primarily by supply and demand and the perception of future price changes. Forecasting the supply and the ability to change the supply of a commodity varies considerably by each commodity. For example, weather can impact the supply of agricultural commodities, such as sugar or coffee. Some commodities require considerable lead time to increase the global supply, such as base metals. Base metal companies have to convert their exploration activity into feasible projects that can be financed and meet environmental requirements before these companies commence construction of a mine. Generally, it is several years thereafter before production begins.

The demand for commodities can also be affected by new uses for a commodity or the introduction of substitutes for the commodity. For example, sugar can be used to produce ethanol, a gasoline substitute. Thus, the demand for sugar for ethanol production may impact the prices for sugar and gasoline.

Commodity Exchanges

Commodity exchanges have developed over the past 150 years to allow producers and users of the commodities to hedge prices. These commodity markets developed from a spot exchange to include futures contracts thereby establishing prices for future delivery. Commodity exchanges are able to have year-round trading activity based on contractual commitments. This development helped overcome the historical problem faced by seasonal agricultural products that are harvested once a year by allowing the commodity to be stored and delivered later at a price established in advance for both producers and users.

The commodity exchanges also attract financial investors who add liquidity to the market. In general, producers and users seek to hedge risks by using the futures market and the financial investors seek to generate a profit, without taking physical delivery of the commodity.

The commodity exchanges generally specialize in various commodities. The major exchanges are located in the United States, but there are important exchanges in England, Brazil, Canada, Japan and China. The major exchanges in the United States include the Chicago Board of Trade, the Chicago Mercantile Exchange, the New York Board of Trade and the New York Mercantile Exchange.

Commodity Futures

The basic unit of exchange in the commodity market is the futures contract. Each contract is for a set quantity of some commodity or financial asset that can only be traded in multiples of that amount. The futures contract is a legally binding agreement providing for the delivery of a commodity for a specific price at a specific date in the future. However, it is estimated that less than 2% of all futures contracts are met by actual delivery of

the underlying commodity. Rather, investors in futures usually settle by off-set. The off-set is an off-setting sale or purchase of the same number of contracts sold sometime prior to the expiration date of the contract. This can be easily achieved because futures contracts are standardized.

Futures traders are not required to put up margin, or collateral, equal to the entire value of the contract. Rather they are required to post a margin that is typically between 2% and 10% of the total value of the contract. Unlike stock margins, margins in the futures markets are not down payments but are performance bonds that are designed to ensure that traders can meet their financial obligations. When a futures trader enters into a futures position, he or she is required to post initial margin of an amount specified by the exchange or clearing organization. Thereafter, the position is “marked to market” daily. If the futures position loses value, the amount of money in the margin account will decline. If the amount of money in the margin account falls below a specified maintenance margin (which is set at a level less than or equal to the initial margin), the futures trader will be required to post an additional variation margin to bring the account up to the initial margin level.

For financial investors, an efficient and more financially attractive way to invest in commodities is by using futures contracts, rather than owning the physical commodities.

The Rogers International Commodity Index

The Rogers International Commodity Index was developed in 1998 by Jim Rogers, to be a balanced, representative, international, raw materials index. The Rogers International Commodity Index includes most of the publicly traded raw materials used in international commerce for which futures contracts or forward contracts are regularly traded in recognized markets. The Rogers International Commodity Index represents the value of a basket of commodities employed in the global economy, ranging from agricultural products (such as wheat, corn and cotton) and energy products (including crude oil, gasoline and natural gas) to metals and minerals (including gold, silver, aluminium and lead). Since August 31, 1998 there have been 35 different contracts represented in the Rogers International Commodity Index. International commodities are represented, whereas most other indices are regional or US-oriented. All commodities in the Rogers International Commodity Index are publicly traded on recognized exchanges to ensure ease of tracking and verification.

The broad base of representation of commodities contracts is intended to provide the following characteristics: (1) the large number of contracts and underlying raw materials represents diversification and (2) the global coverage of those contracts reflects the current state of international trade and commerce. The Rogers International Commodity Index’s objective is to provide a diverse and consistent measure of the international commodities markets. The Rogers International Commodity Index was developed to reflect the international commodities markets and was designed without a bias to the United States of America or any other particular markets. The weightings of the Rogers International Commodity Index were selected by Mr. Rogers based on his perception of the relative importance of those raw materials. The Rogers International Commodity Index incorporates a number of raw materials represented among North American, European, Asian and Australian commodity contracts.

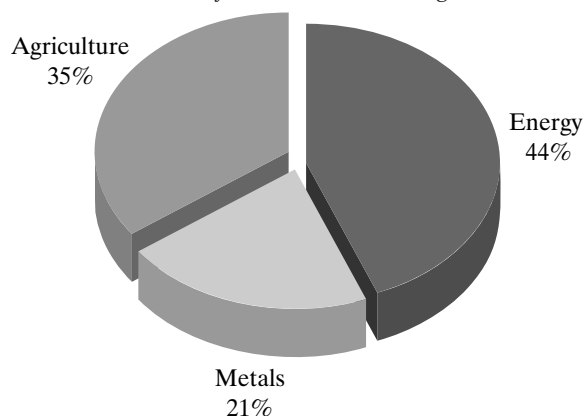
The value of each component of the Rogers International Commodity Index is based on the monthly closing prices of the corresponding futures and/or forward contracts, as described below, and each component is weighted as a fixed percentage of the portfolio. This rebalancing of the Rogers International Commodity Index occurs each month to ensure that the Rogers International Commodity Index is made up of the percentages determined for the year established by a committee chaired by Jim Rogers.

As the creator of the Rogers International Commodity Index, Jim Rogers chairs a committee which determines which commodities should be represented by the Rogers International Commodity Index. The committee reviews the Rogers International Commodity Index periodically to determine whether it may be necessary to change the components or relative weightings of the Rogers International Commodity Index. Any such decision is made in the sole discretion of the committee and in accordance with pre-determined internal rules developed by Jim Rogers International Commodity Index. The committee does not expect to make frequent changes to the components of the Rogers International Commodity Index. Only two adjustments have been made since the Rogers International Commodity Index’s inception. These adjustments consisted of the substitution of soybean oil for palm oil in 2002 and the substitution of soybean meal for flaxseed in 2004. While

there are no legal impediments to changing the Rogers International Commodity Index, the Sub-Advisor will not change the investment philosophy of the Commodities Investment Trust.

ROGERS INTERNATIONAL COMMODITY INDEX COMPOSITION FOR 2005

8 Families of Commodities/3 Segments



As of May 31, 2005, 35 different commodities were represented in the Rogers International Commodity Index as set out below.

COMPOSITION OF ROGERS INTERNATIONAL COMMODITY INDEX AS OF MAY 31, 2005

<u>Commodity</u>	<u>Weight (%)</u>	<u>Principal Exchange</u>
Crude Oil	35.00%	New York Mercantile Exchange
Heating Oil	3.00%	New York Mercantile Exchange
Unleaded Gasoline	3.00%	New York Mercantile Exchange
Natural Gas	3.00%	New York Mercantile Exchange
Palladium	0.30%	New York Mercantile Exchange
Wheat	7.00%	Chicago Board of Trade
Corn	4.00%	Chicago Board of Trade
Soybeans	3.00%	Chicago Board of Trade
Rice	2.00%	Chicago Board of Trade
Oats	0.50%	Chicago Board of Trade
Aluminium	4.00%	London Metals Exchange
Zinc	2.00%	London Metals Exchange
Nickel	1.00%	London Metals Exchange
Tin	1.00%	London Metals Exchange
Lead	2.00%	London Metals Exchange
Copper	4.00%	Commodities Exchange — NY
Gold	3.00%	Commodities Exchange — NY
Silver	2.00%	Commodities Exchange — NY
Platinum	1.80%	Commodities Exchange — NY
Live Cattle	2.00%	Chicago Mercantile Exchange
Live Hogs	1.00%	Chicago Mercantile Exchange
Lumber	1.00%	Chicago Mercantile Exchange
Coffee	2.00%	Coffee, Sugar and Cocoa Exchange
Sugar	1.00%	Coffee, Sugar and Cocoa Exchange
Cocoa	1.00%	Coffee, Sugar and Cocoa Exchange
Cotton	3.00%	New York Cotton Exchange
Orange Juice	0.66%	New York Cotton Exchange
Barley	0.77%	Winnipeg Commodity Exchange
Canola	0.67%	Winnipeg Commodity Exchange

<u>Commodity</u>	<u>Weight (%)</u>	<u>Principal Exchange</u>
Soybean Meal	0.15%	Chicago Board of Trade
Soybean Oil	2.00%	Chicago Board of Trade
Azuki Beans	1.00%	Tokyo Commodity Exchange
Wool	1.00%	Sydney Futures Exchange
Rubber	1.00%	Tokyo Commodity Exchange
Raw Silk	0.15%	Yokohama Raw Silk Exchange

Set out below is the historical return of the Rogers International Commodity Index. The Rogers International Commodity Index reflects the return on a fully collateralized investment in the Rogers International Commodity Index by combining the returns on the Rogers International Commodity Index with the returns on cash collateral invested in U.S. Treasury bills.

Rogers International Commodity Index⁽¹⁾

<u>Year-to-Date⁽²⁾</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
7.13%	11.00%	102.36%	97.11%

(1) In U.S. dollars

(2) To May 27, 2005

These returns are not intended to be, nor should they be construed as, an indication of future performance of the Rogers International Commodity Index.

The value of the Rogers International Commodity Index is available at and is published daily on Reuters and Bloomberg.

The following process is utilized in managing the Rogers International Commodity Index:

- Choice of Commodity Markets and Contracts.* If a commodity is traded on more than one exchange, the most liquid exchange, in terms of volume and open interest combined, is included in the Rogers International Commodity Index. For example, silver is traded at the New York Commodity Exchange, the Chicago Board of Trade and the Mid-America Commodity Exchange. The largest volume and open interests is consistently transacted at the New York Commodity Exchange. Consequently, the contracts traded on this exchange represent the value of the silver component of the Rogers International Commodity Index to the exclusion of the value of the contracts traded on the Chicago Board of Trade and the Mid-America Commodity Exchange.
- Rogers International Commodity Index Weightings.* The fixed weights of each commodity selected for inclusion in the Rogers International Commodity Index are determined in December of each year. These weights are then applied to the month-end price change in the futures or forwards contracts represented by the Rogers International Commodity Index.
- Rolling of Contract Months.* For each commodity represented in the Rogers International Commodity Index, the month-end value of a contract with the next occurring delivery date is used to value the Rogers International Commodity Index; provided, however that if during such month such contract is subject to notice days, delivery days or other contract rules that could affect the holding of a commodity contract for the Rogers International Commodity Index for the entire calendar month, the next occurring delivery contract is used in determining the value of the Rogers International Commodity Index; provided, further that if such contract is subject to notice days or delivery days or historical evidence indicates liquidity migrates to the next occurring delivery contract, the next occurring delivery contract is used for in determining the value of the Rogers International Commodity Index. For example, coffee has a first notice day seven business days prior to the beginning of the delivery month. A coffee delivery contract in March would have a February notice day, and, therefore, the last day that the March contract is included in the calculation of the Rogers International Commodity Index is January 31 (or the last business day of

January). Accordingly, the February return is based on the next contract month, which, in the case of coffee, would be the May contract. In most cases, exposure to a contract concludes two months prior to the expiration month of the contract.

Forward Agreement

As soon as practicable following the closing of the Offering, the Trust will enter into the Forward Agreement. The Trust intends to obtain exposure to the performance of the Rogers International Commodity Index by virtue of one or more forward purchase and sale agreements (collectively, the “Forward Agreement”) with Canadian Imperial Bank of Commerce (the “Counterparty”). The Trust will not invest directly in the Rogers International Commodity Index. The Trust will invest approximately 15% of the net proceeds of the Offering in the Common Share Portfolio. Under the Forward Agreement, the Counterparty will agree to pay to the Trust on the Termination Date as the purchase price for the Common Share Portfolio of an amount based upon 100% of the redemption proceeds of the Reference Number of units in Commodities Investment Trust. The Trust will not enter into the Forward Agreement unless the net asset value represented by the Reference Number of units of the Commodities Investment Trust will be equal to or greater than the initial value of the Common Share Portfolio.

Under the terms of the Forward Agreement, the Trust and the Counterparty have agreed that their settlement obligations under the Forward Agreement with respect to the Common Share Portfolio securities will be discharged, at the election of the Trust, either by physical delivery of the Common Share Portfolio securities by the Trust to the Counterparty against cash payment or by the making of cash payments between the parties. The amount payable by the Counterparty for physical delivery of the Common Share Portfolio may be more or less than the original price of the Common Share Portfolio. If the Trust elects physical delivery of the Common Share Portfolio under the Forward Agreement, the Counterparty will pay to the Trust on or about the Termination Date as the purchase price for the Common Share Portfolio an amount equal to the Canadian dollar equivalent of the redemption proceeds for the Reference Number of units of Commodities Investment Trust. Prior to the Termination Date, Common Share Portfolio securities or other acceptable securities will be pledged to and may be held by the Counterparty as security for the obligations of the Trust under the Forward Agreement.

In order to permit the Trust to fund distributions as well as redemptions and market purchases of Units by Unitholders from time to time, payment for purchases of Units in the market and expenses of the Trust, the terms of the Forward Agreement will provide that the Forward Agreement may be partially settled prior to the Termination Date by the Trust either in cash or by tendering to the Counterparty securities of the Common Share Portfolio. However, it is anticipated that under normal market conditions the distributions will be funded from distributions received from the income funds in the Income Fund Portfolio, from time to time.

Under the Forward Agreement, the forward purchase price may be reduced for all dividends and distributions, including extraordinary distributions, declared and paid on the Common Share Portfolio securities paid to the Trust as owner of the Common Share Portfolio. In order 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 Common Share Portfolio. However, if any such dividends or distributions are to be received by the Trust, the Forward Agreement will provide that replacement securities acceptable to the Counterparty may, at the Trust’s option, be substituted for shares in respect of which the dividend or distribution has been declared prior to the record date for such dividend or distribution to preserve the value of the forward transaction. If such replacement securities are not available, the Trust may consider contributing additional securities to the Common Share Portfolio or entering into additional forward, derivative or other transactions. The Forward Agreement will have similar provisions designed to avoid adjustments of the amount to be paid on or about the Termination Date which might otherwise be required if the Trust receives consideration as a consequence of a merger transaction involving any of the securities in the Common Share Portfolio.

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 the Counterparty if an event occurs which the Counterparty determines has had or would reasonably be expected to have an adverse effect on the Counterparty’s ability to perform its obligations under the Forward Agreement or hedge its position under the

Forward Agreement. The Trust may exercise its right to partially settle the Forward Agreement prior to the Termination Date in order to permit the Trust to fund monthly distributions, redemptions and repurchases of Units and its operating expenses from time to time. See “Risk Factors”.

The Counterparty may also terminate the Forward Agreement prior to the Termination Date if the Counterparty determines (in its sole discretion) that there is an increased risk of loss or liability to, or an increased risk of claims against, the Counterparty or any affiliate of the Counterparty with respect to the Counterparty or any affiliate of the Counterparty acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction(s) or asset(s) (including the units themselves) relative to the units of the Commodities Investment Trust, which increased risk is not acceptable to the Counterparty (as determined by the Counterparty in its sole discretion). Pursuant to the Forward Agreement, the Trust will indemnify the Counterparty and its affiliates for any liability that they may incur in respect of the obligations of the Commodities Investment Trust as a consequence of the Counterparty or any affiliate of the Counterparty acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction(s) or asset(s) (including the units themselves) relative to the units of the Commodities Investment Trust.

The Counterparty may choose to enter into transactions in order to hedge its exposure under the terms of the Forward Agreement to the economic performance of Commodities Investment Trust. There is no assurance that the Counterparty will maintain a hedge or will do so with respect to the full amount or term of the Forward Agreement. The Trust is exposed to the credit risk associated with the Counterparty in respect of the Forward Agreement.

Securities Lending

In order to generate additional returns, the Trust may lend Common Share Portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (each, a “Securities Lending Agreement”). Under a Securities Lending Agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act (as defined under “Canadian Federal Income Tax Considerations”); and (iii) the Trust will receive prescribed collateral security which it may pledge as security under the Forward Agreement. The minimum level of collateralization in respect of a loan of Common Share Portfolio securities will be 105%. Except as provided above, the Trust has adopted the provisions of NI 81-102 with respect to lending portfolio securities.

Bank Facility

The Trust is authorized to borrow an amount not exceeding 5% of the value of the total assets of the Trust for working capital purposes and to pledge its assets to secure such borrowings. The interest rates, fees and expenses under the Bank Facility will be typical of credit facilities of this nature, as will the restrictions contained therein on distributions and payments to the Unitholders after the occurrence of a default under the Bank Facility.

Investment Restrictions

The Declaration of Trust contains investment restrictions to the effect that, on and after the initial investment of the assets of the Trust, the Trust may not:

- (a) purchase any security issued by an issuer (other than short-term debt securities issued or guaranteed by the Government of Canada or any Canadian province or municipality) if as a result more than 10% of the Trust’s total assets would consist of securities issued by such issuer;
- (b) borrow money in excess of 5% of the Trust’s total assets after giving effect to the borrowing;
- (c) make loans or guarantee obligations, except that the Trust may purchase and hold debt obligations (including bonds, debentures or other obligations and certificates of deposit, bankers’ acceptances and fixed time deposits) in accordance with its investment objectives;

- (d) purchase securities on margin or sell securities short;
- (e) invest for the purpose of exercising control over management of any issuer;
- (f) invest more than 10% of its total assets in securities for which a market quotation is not readily available, other than Cash Equivalents;
- (g) make any investment that would result in the Trust failing to qualify as a “unit trust” within the meaning of the Tax Act under the then current definition, which currently provides, among other requirements, that:
 - (i) at least 80% of the property of the Trust at all times must consist of any combination of (a) shares, (b) any property that, under the terms or conditions of which or under an agreement, is convertible into, is exchangeable for or confers a right to acquire shares, (c) cash, (d) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations, (e) marketable securities, (f) real property situated in Canada and interests in such property and (g) rights to and interests in any rental or royalty computed by reference to the amount or value of production from a natural accumulation of petroleum or natural gas in Canada, from an oil or gas well in Canada or from a mineral resource in Canada;
 - (ii) not less than 95% of the income from the Trust (determined without reference to subsections 49(2.1) and 104(6) of the Tax Act) for each year must be derived from, or from the disposition of, investments described in (i) above; and
 - (iii) not more than 10% of the Trust’s property may consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than Her Majesty in Right of Canada or a province or a Canadian municipality;
- (h) hold securities of any non-resident corporation or trust or other 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 or 94.3 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities released on October 30, 2003 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);
- (i) make or retain any investment that is a “tax shelter investment” for the purposes of Section 143.2 of the Tax Act;
- (j) lend Portfolio assets except as permitted by NI 81-102 (as if the Trust were subject to NI 81-102);
- (k) purchase real estate or real estate mortgage loans (other than securities issued by issuers that invest in real estate); or
- (l) act as an underwriter except to the extent that the Trust may be deemed to be an underwriter in connection with the sale of securities in its Portfolio.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or of the total assets of the Trust will not be considered a violation of the restriction (except for the restrictions in paragraphs (g), (h) and (i) which must be complied with at all times and which may necessitate the selling of securities from time to time). If the Trust receives from an issuer subscription rights to purchase securities of that issuer, and if the Trust exercises such subscription rights at a time when the Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Trust has sold at least as many securities of the same class and value as would result in the restriction being complied with.

The foregoing investment restrictions may not be changed without the approval of the Unitholders, by a resolution passed by two-thirds of the votes cast at a meeting of Unitholders called for such purpose, unless such changes are necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time. See “Unitholder Matters”.

COMMODITIES INVESTMENT TRUST

Commodities Investment Trust is an investment trust that will be established under the laws of the Province of Ontario pursuant to a declaration of trust dated June 29, 2005. Commodities Investment Trust will terminate on or about August 31, 2015 (or such later date upon which the Trust terminates) if not terminated earlier in accordance with its terms. The investment objective of the Commodities Investment Trust is to obtain exposure to the commodities that make up the Rogers International Commodity Index.

The Manager will act as manager and trustee of Commodities Investment Trust. See “Management of the Trust”.

The Commodities Investment Trust will invest on a leveraged basis such that the nominal value of the contracts in which it invests will exceed its net asset value by an amount equal to its initial net asset value, subject to proportional reduction upon redemptions. The contracts in which the Commodities Investment Trust invests will be in essentially the same proportion as their representation in the Rogers International Commodity Index. Accordingly, the performance of the Commodities Investment Trust is expected to roughly track the performance of Rogers International Commodity Index on an enhanced basis. For example, if the value of the Rogers International Commodity Index increases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely increase by a greater percentage. If the Rogers International Commodity Index decreases, the value of the Commodities Investment Trust (before deduction of operating expenses) will likely decrease by a greater percentage. The Manager has the discretion to reduce the leverage used by Commodities Investment Trust if it believes there is a material risk that otherwise Commodities Investment Trust could become insolvent.

To explain by way of example, if the net proceeds from the Offering are \$100 million and the Counterparty fully hedges its position, the Commodities Investment Trust will have an initial net asset value of approximately \$15 million. It would invest in futures contracts having nominal value of \$30 million. Accordingly, the initial leverage (expressed as the percentage that the amount by which the total nominal value of the contracts exceeds the cash cover is to the total nominal value of the contracts) is 50%. (i.e. \$15 million/\$30 million). If the value of the contracts increase to \$35 million, the leverage would then be 43% (i.e. \$15 million/\$35 million). If the value of the contracts decreases to \$25 million, the leverage would then be 60% (i.e. \$15 million/\$25 million).

The Commodities Investment Trust intends to invest and trade exclusively on the “long side” of the market (i.e., the Commodities Investment Trust does not intend to engage in any short-selling). The Commodities Investment Trust does not intend to take delivery of the actual commodities.

Initially, approximately 20% of the value of the assets of the Commodities Investment Trust will be posted with a commodities future dealer as margin from time to time. The balance will be held in Cash Equivalents by the custodian of the Commodities Income Trust. Such balance will be available if the Commodities Investment Trust is required to post more margin from time to time. Many of the contracts on the commodities that make up the Rogers International Commodity Index are traded on multiple markets. In placing orders for these commodities, the Commodities Investment Trust intends to employ the available market which is most advantageous, in terms of depth and/or liquidity, at the time the trading decisions are made. Since the Commodities Investment Trust Portfolio is based on the Rogers International Commodity Index, there will be no active trading by the Commodities Investment Trust in the traditional sense.

Commodities Investment Trust will be restricted to, among other things:

- (i) investing in Commodities Futures (or, in unusual circumstances, forward contracts or other derivative instruments designed to replicate Commodities Futures); and
- (ii) holding cash and Cash Equivalents.

Units of the Commodities Investment Trust are redeemable at the demand of its unitholders.

Commodities Investment Trust will distribute all of its net income and net realized capital gains earned in each fiscal year to ensure that it is not liable for income tax under the Tax Act. In such case these distributions will be reinvested in additional units of the Commodities Investment Trust. Immediately after any such

reinvestment, the number of outstanding units of the Commodities Investment Trust will be consolidated into that number of units that were outstanding prior to the reinvestment of the distributions.

Together with this prospectus, the Trust will deliver a copy of a prospectus of the Commodities Investment Trust for which a receipt will be obtained from the Autorité des marchés financiers to purchasers in the Province of Québec.

The Custodian

State Street Trust Company Canada will act as custodian of the assets of the Commodities Investment Trust pursuant to a custodian agreement (the “Commodities Investment Trust Custodian Agreement”) and has the power to appoint sub-custodians. The custodian of the Commodities Investment Trust will also carry out, on behalf of the trustee of the Commodities Investment Trust, certain aspects of the day-to-day administration of the Commodities Investment Trust, including calculating net income and net realized capital gains of the Commodities Investment Trust and maintaining the books and records of the Trust concerning the assets of the Commodities Investment Trust that are under its custodianship. State Street Fund Services Toronto Inc. will calculate NAV, on behalf of the trustee of the Commodities Investment Trust, pursuant to an accounting services agreement with the trustee of the Commodities Investment Trust.

The Sub-Advisor

Diapason, an investment management company of which Jim Rogers is a significant shareholder, specializes in the fields of asset management, commodities markets, futures and option trading. As of May 31, 2005, Diapason had approximately U.S.\$1 billion in assets under management. The Rogers International Commodity Index was developed in 1998 by Jim Rogers to be a balanced, representative, international raw materials index. Diapason has been managing and selling investment products based upon the Rogers International Commodity Index since Diapason’s inception at the end of 2003.

The Sub-Advisory Agreement

The services to be provided by the Sub-Advisor pursuant to the sub-advisory agreement (the “Sub-Advisory Agreement”) include making investment decisions for the Commodities Investment Trust, in accordance with the investment strategy and investment restrictions of Commodities Investment Trust.

Under the Sub-Advisory Agreement, the Sub-Advisor is required to discharge its duties in a manner that is fair and reasonable to the Commodities Investment Trust, to act honestly and in good faith with a view to the best interests of Sentry Select, the Commodities Investment Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. Sentry Select will be responsible to the Commodities Investment Trust for any loss arising out of the failure of the Sub-Advisor to satisfy this standard of care. The Sub-Advisory Agreement provides that the Sub-Advisor shall not be liable in any way for any default, failure or defect in any of the securities of the Commodities Investment Trust, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above.

Sentry Select or the Investment Advisor, as applicable, has responsibility for the investment advice given or the portfolio management services provided by Diapason. There may be difficulty in enforcing any legal rights against Diapason because it is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.

The Sub-Advisory Agreement provides that the Sub-Advisor will take the appropriate measures to require the Sub-Advisor and each officer and director of the Sub-Advisor to: (i) file insider reports about trades in Units of the Trust, and (ii) comply with statutory prohibitions against insider trading with respect to Units of the Trust.

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

The Sub-Advisor 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 the Sub-Advisor. In addition, the Sub-Advisor and each of its directors, officers, employees and agents will be indemnified by Commodities Investment 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 the Sub-Advisor or any of its officers, directors, employees or agents in the exercise of its duties as Sub-Advisor, if they do not result from the Sub-Advisor'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.

MANAGEMENT OF THE TRUST

The Manager

Sentry Select will be the manager and trustee of the Trust and the Commodities Investment Trust. Sentry Select will actively manage the Income Fund Portfolio. As of May 31, 2005, Sentry Select had approximately \$7 billion in assets under management, including \$2.5 billion in income funds.

Sentry Select provides investment services to the following exchange listed closed-end funds: Sentry Select Diversified Income Trust, Sentry Select Blue-Chip Income Trust, Sentry Select Global Index Income Trust, Sentry Select Focused Growth & Income Trust, Commercial and Industrial Securities Income Trust, Diversified Income Trust II, Mortgage-Backed Securities Trust, Select 50 S-1 Income Trust, Select 50 S-1 Income Trust II, Pro Vest Growth & Income Fund, Alliance Split Income Trust, Multi Select Income Trust, MBS Adjustable Rate Income Fund, Premier Value Income Trust, Sentry Select MBS Adjustable Rate Income Fund II, Strategic Energy Fund and the NCE Flow Through Limited Partnerships. This list is not intended to suggest that each of these funds has an investment mandate similar to that of the Trust. Ten of these funds are invested to some extent in Income Funds.

Pursuant to the Declaration of Trust, Sentry Select is the manager of the Trust and, as such, is responsible for making all investment decisions of the Trust in accordance with the investment objectives, strategy and criteria and for arranging for the execution of all Portfolio transactions. The Manager is also 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 unaudited interim and audited 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; determining the amount of distributions to be made by the Trust; negotiating contractual agreements with third party providers of services, including registrars, transfer agents, auditors and printers, and retain the Investment Advisor to provide investment advisory and portfolio management services including appointing Diapason as Sub-Advisor.

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.

Sentry Select may resign as manager of the Trust upon 60 days' notice to the Unitholders. 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 the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor manager.

Sentry Select is entitled to fees for its services under the Declaration of Trust 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 Declaration of Trust 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 Declaration of Trust are not exclusive and nothing in the Declaration of Trust 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. See “Conflicts of Interest”.

The name and municipality of residence of each of the directors, applicable officers and senior management of Sentry Select and their principal occupation are as follows:

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
JOHN F. DRISCOLL Toronto, Ontario	Chairman, President, Chief Executive Officer and Director	Chairman, President, Chief Executive Officer and Director, Sentry Select
HON. MICHAEL A. MEIGHEN . . . Toronto, Ontario	Director	Counsel to Ogilvy Renault (law firm) and Member of the Senate of Canada
SIMON B. SCOTT Oakville, Ontario	Director	Partner, Borden Ladner Gervais LLP (law firm)
DONALD J. WORTH Willowdale, Ontario	Director	Independent businessman
FRANK POTTER Toronto, Ontario	Director	Chairman, Emerging Markets Advisors Inc. (consulting firm)
DAVID M. SCHWARTZ Toronto, Ontario	Senior Vice-President and Chief Operating Officer	Senior Vice-President and Chief Operating Officer, Sentry Select
JOHN VOUGLAID King City, Ontario	Vice-President, Chief Financial Office and Treasurer	Vice-President, Chief Financial Officer and Treasurer, Sentry Select
GLENN G. MACNEILL Unionville, Ontario	Vice-President, Investments	Vice-President, Investments, Sentry Select
J.A. (SANDY) MCINTYRE Toronto, Ontario	Vice-President and Senior Portfolio Manager	Vice-President and Senior Portfolio Manager, Sentry Select
GORDON R. HIGGINS Toronto, Ontario	Vice-President, Equities	Vice-President, Equities, Sentry Select
KEVIN R. MACLEAN Oakville, Ontario	Senior Portfolio Manager	Senior Portfolio Manager, Sentry Select
ARA NALBANDIAN Toronto, Ontario	Portfolio Manager	Portfolio Manager, Sentry Select
MICHAEL SIMPSON Toronto, Ontario	Portfolio Manager	Portfolio Manager, Sentry Select
GORDON M. THOMPSON Toronto, Ontario	Senior Vice-President, Corporate Development	Senior Vice-President, Corporate Development, Sentry Select
AL CANALE Vancouver, British Columbia	Senior Vice-President, Corporate Development	Senior Vice-President, Sentry Select
MICHAEL KOVACS Ancaster, Ontario	Senior Vice-President, Sales	Senior Vice-President, Sales, Sentry Select

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
RANIERO CORSINI Mississauga, Ontario	Vice-President, International Business Development	Vice-President, International Business Development, Sentry Select
BRIAN J. MCOSTRICH Mississauga, Ontario	Vice-President, Marketing	Vice-President, Marketing, Sentry Select

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

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

Mr. Driscoll is the founding President, Chairman and Chief Executive Officer of Sentry Select. He also founded and has been Chairman of NCE Resources Group since 1984, and Chairman and Founder of Petrofund Energy Trust since 1988. He has been Chairman of Inter Pipeline Fund and Strategic Energy Fund since October 2002 and May 2002 respectively. Mr. Driscoll has been president, since 1981, of J.F. Driscoll Investment Corp., a company specializing in investment management and related advisory and consulting services. Mr. Driscoll received his Bachelor of Sciences degree from the Boston College Business School and attended the New York Institute of Finance for advanced business studies. He has more than 30 years of diversified business experience. He is a member of the CFA Institute (formerly the Association for Investment Management and Research) and also attained the professional manager designation with Canadian Institute of Management. He has founded numerous public partnerships as well as public and private energy and investment related companies. During the last 20 years, issuers of which Mr. Driscoll was chairman or CEO have invested or managed the investment of more than \$6 billion. He is Vice-Chair of the Royal Ontario Museum Foundation Board of Directors.

Honourable Michael A. Meighen Q.C., Director

Mr. Meighen is a director of Sentry Select. He is currently a Director of Paribas Participations Limited, Toronto and of J.C. Clark Ltd., Toronto. Senator Meighen was appointed to the Senate of Canada in 1990 where he serves on the Senate Standing Committees of Banking Trade and Commerce, and of National Security and Defence, and chairs the Subcommittee on Veterans Affairs. He is counsel to the law firm Ogilvy Renault and has practised litigation and commercial law in Montreal and Toronto. Senator Meighen is a graduate of McGill University and Université Laval and has been awarded an Honorary Doctorate of Laws from both Mount Allison University and the University of New Brunswick.

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 acquisitions 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.

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 retirement in August 1997 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 a 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 several resource companies and is also a trustee of Labrador Iron Ore Royalty Income Fund from 1995 to present.

Frank Potter, Director

Frank Potter is Chairman of Emerging Markets Advisors Inc. in Toronto. He has an extensive background in international banking and is a former Executive Director of The World Bank. More recently he was senior

advisor at the Department of Finance in Ottawa. He sits on a number of boards, both corporate and not-for-profit, including Canadian Tire Corporation, Canadian Institute of International Affairs and the Ontario Financing Authority.

David M. Schwartz, Senior Vice-President and Chief Operating Officer

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 Senior Vice-President and Chief Operating Officer of Sentry Select. Mr. Schwartz made an assignment into bankruptcy on June 15, 1995 in Ontario. On April 16, 1996 he received an absolute order of discharge from bankruptcy.

John Vooglaid, Vice-President, Chief Financial Officer and Treasurer

Mr. Vooglaid received his Chartered Accountant's diploma in 1982. Since 1997, he has been Vice-President, Chief Financial Officer and Treasurer of Sentry Select. 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.

Glenn G. MacNeill, Vice-President, Investments

Mr. MacNeill joined Sentry Select in April 1999 as Vice-President, Investments. He has more than 25 years of financial experience including portfolio management, corporate finance and equity/debt analysis. In 1998, he joined HSBC Securities as an oil and gas research analyst. 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. From January 1997 to April 1997 Mr. MacNeill was Vice-President Deutsche Bank Canada. 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.

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

Mr. McIntyre has over 30 years of investment management experience and he specializes in oil and gas royalty trusts, commercial and industrial income trusts and REITs. Mr. McIntyre and his team of analysts manage approximately \$2.3 billion in Income Fund assets. Prior to joining Sentry Select, Mr. McIntyre 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.

Gordon R. Higgins, Vice President, Equities

Mr. Higgins, Vice-President, Equities joined Sentry Select Capital Corp. in May 2004. Previously Mr. Higgins was at Howson Tattersall/Lancet Asset Management in June 2001 as Vice-President, North American Equities. Previously he was Vice-President, Canadian Equities of Elliott & Page/Manulife Insurance. He graduated from the University of Toronto in 1983 with a Bachelor of Commerce degree and received his Masters in Business Management from York University in 1987. Mr. Higgins also holds both the Chartered Accountant and Chartered Financial Analyst designations.

Kevin R. MacLean, Senior Portfolio Manager

Mr. MacLean has over 26 years of relevant experience in the Canadian resource sector, with particular emphasis on mining and precious metals and energy. From 1989 to 1997, he was Vice-President and Senior Portfolio Manager at Cavelti Capital Management Ltd., where he managed almost \$500 million in precious

metals and resource investments. From 1997 to 2001, he was a Gold Mining Equity Analyst for RBC Capital Markets, and in 2001, received number one analyst rankings in the Precious Metals and Diamonds category by Brendan Woods Analyst Rankings. He obtained a B.Ap.Sc Degree in Engineering Science from the University of Toronto in 1977 and received his CFA designation in 1988.

Ara Nalbandian, Portfolio Manager

Mr. Nalbandian is a Portfolio Manager with Sentry Select Capital Corp. He joined Sentry Select Capital Corp. in 2000 after spending five years in the private client divisions of Richardson Greenshields, RBC Dominion Securities, and BMO Nesbitt Burns. Mr. Nalbandian was awarded his CFA designation in 2000, received his Derivatives Market Specialist designation in 2002, and the Fellow of the Canadian Securities Institute designation in 2003. He specializes in large capitalization U.S. and Canadian equities and portfolio management strategies employing derivatives.

Michael Simpson, Portfolio Manager

Mr. Simpson is a portfolio manager for Sentry Select, where he provides investment analysis for several of Sentry Select's investment funds, including Sentry Select Diversified Income Trust, Commercial and Industrial Securities Trust and the Select 50 S-1 Income Trust series. He has more than 11 years of experience in the financial industry. Prior to joining Sentry Select in 2002, he worked for an investment firm providing analytical expertise and specializing in building material stocks and real estate investment trusts. Mr. Simpson earned a Bachelor of Arts from York University and he holds the Chartered Financial Analyst designation. He specializes in commercial and industrial income trusts as well as resource-based income trusts other than oil and gas trusts.

Gordon M. Thompson, Senior Vice-President, Corporate Development

Mr. Thompson, FICB, is the Senior Vice-President, Corporate Development of Sentry Select. He has 35 years experience in the financial services sector. From 1997 to 2000, Mr. Thompson was a Director of the CIT Group (formerly Newcourt Capital Inc.) where he was responsible for developing asset financing opportunities in the public and private sectors across Canada. From 1995 to 1997, Mr. Thompson was a key executive in the successful growth of Newcourt Credit Group as Vice-President Business Development. He is the former President and Chief Executive Officer of the Canadian Finance and Leasing Association and was Vice-President, Toronto District, with a Canadian chartered bank. He is also a director of a number of non-profit organizations, and recently served as co-chair of the Toronto Waterfront Revitalization Task Force. He was appointed the President of Strategic Energy Management Corp. in May 2003.

Al Canale, Senior Vice-President, Corporate Development

Mr. Canale brings over 20 years of experience in finance and marketing to his current position of Senior Vice-President, Corporate Development for Sentry Select. A graduate of Douglas College in 1980, Mr. Canale was active in sales and marketing early in his career. In 1990-1994, as President of Canale, Keyes and Associates, he specialized in corporate restructuring and business development. In 1992, he authored and published: A Consumer Guide to Credit and Debt. In 1995, Mr. Canale joined NCE Resources Group as Vice-President, Business Development. After five years with NCE, he assumed his present senior management position with Sentry Select.

Michael Kovacs, Senior Vice-President, Sales

Mr. Kovacs joined Sentry Select's sales management team in 2002 as Senior Vice-President, Sales. Mr. Kovacs has more than 20 years experience in the industry and he has held national sales leadership roles at two leading financial institutions. Prior to joining Sentry Select, Mr. Kovacs was Senior Vice-President, National Sales and Distribution for ING Funds from November 2000 to November 2002. Prior to that, he was Vice President National Sales Manager for The AIC Group of Funds from April 1995 to 2000. In 1985 he obtained his Bachelor of Arts in Economics from York University and since then has received a number of awards and certificates related to financial services including IFIC's "Officer, Partners and Director's" in 1994. He has also

completed the Canadian Securities Course, Canadian Options Course, Canadian Branch Managers Course and the Officers, Partners and Directors Exam.

Raniero Corsini, Vice-President, International Business Development

Mr. Corsini received his Bachelor of Science degree in Business Administration from United States International University. He joined Sentry Select in 2001 as Vice-President of International Business Development. Prior to joining Sentry Select, he was the Managing Director, National Sales for Bonham & Co. Asset Management and before that, he was Managing Director, National Sales for SVC O'Donnell from 1999 to 2001. Prior to this, Mr. Corsini was Vice President, Sales with BPI Mutual Funds from 1994 to 1999.

Brian J. McOstrich, Vice-President, Marketing

Mr. McOstrich joined Sentry Select in March, 2004 as Vice-President, Marketing. He has over 10 years experience within the financial services industry developing national marketing and advertising programs for some of Canada's leading financial services companies including AGF Management Ltd., AIM Funds Management Inc. and AIC Limited. Prior to joining Sentry Select he was Vice-President, Brand Management and Advertising and before that Vice-President, Advisor and Client Communications for Assante Asset Management Ltd. from August 2000 to March 2004. Prior to that he was Associate Vice-President, Marketing for AIC Limited from March 1999 to July 2000. He received an Honours Bachelor of Arts degree in English Literature from the University of Toronto.

The Investment Advisory Agreement

The Manager has applied to amend its registration with the Ontario Securities Commission to become a registered commodity trading manager under the *Commodity Futures Act* (Ontario). If such registration has not been obtained prior to the closing of the Offering, the Investment Advisor will be appointed investment advisor to Commodities Investment Trust pursuant to the Investor Advisory Agreement and it will appoint Diapason as its Sub-Advisor under the Sub-Advisory Agreement. When such registration amendment has been obtained, Sentry Select will terminate the Investment Advisory Agreement and thereafter provide investment advisory and portfolio management services to Commodities Investment Trust and assume the Investment Advisor's rights and obligations under the Sub-Advisory Agreement.

Under the Investment Advisory Agreement, the Investment Advisor is required to discharge its duties in a manner that is fair and reasonable to the Commodities Investment Trust, to act honestly and in good faith with a view to the best interests of Sentry Select, the Commodities Investment Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances.

The Investment Advisory Agreement provides that the Investment Advisor will take the appropriate measures to require the Investment Advisor and each officer and director of the Investment Advisor to: (i) file insider reports about trades in Units of the Trust, and (ii) comply with statutory prohibitions against insider trading with respect to Units of the Trust.

The Investment Advisory Agent may be terminated by the Manager immediately upon its being registered as a commodity trading manager under the *Commodity Futures Act* (Ontario). The Investment Advisory Agreement may be terminated by the Manager or by the Investment Advisor by providing the other party to the Investment Advisory Agreement with no less than 60 days' written notice of such termination.

The Investment Advisor is entitled to fees for its services under the Investment 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 the Investment Advisor. In addition, the Investment Advisor and each of its directors, officers, employees and agents will be indemnified by Commodities Investment 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 the Investment Advisor or any of its officers, directors, employees or agents in the exercise of its duties as Investment Advisor, if they do not result from the Investment Advisor'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 will act as trustee of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Declaration of Trust, including calculating NAV, net income and net realized capital gains of the Trust, and executing instruments on behalf of the Trust.

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 called for such purpose or by the Manager (if the Manager is then not the Trustee) if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Declaration of Trust 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 Declaration of Trust provides that the Trustee shall not be liable in carrying out its duties under the Declaration of Trust except where it is in breach of its obligations under the Declaration of Trust 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 corporate trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust 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.

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

State Street Trust Company Canada will act as custodian of the assets of the Trust pursuant to a custodian agreement (the "Custodian Agreement") and has the power to appoint sub-custodians. The Custodian will also carry out, on behalf of the Trustee, certain aspects of the day-to-day administration of the Trust, including calculating net income and net realized capital gains of the Trust and maintaining the books and records of the Trust concerning the assets of the Trust that are under its custodianship. State Street Fund Services Toronto Inc. will calculate NAV, on behalf of the Trustee, pursuant to an accounting services agreement with the Trustee.

CONFLICTS OF INTEREST

The management services of Sentry Select and the Sub-Advisor under the Declaration of Trust and/or Sub-Advisory Agreement (as applicable) are not exclusive and nothing in the Declaration of Trust and/or Sub-Advisory Agreement prevents Sentry Select or the Sub-Advisor 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 the Commodities Investment Trust) or from engaging in other activities. Investments in securities purchased by the Manager on behalf of the Trust and other investment funds or trusts managed by the Manager will be allocated to the Trust and such other clients on a pro-rata basis according to the size of the order and the applicable investment restrictions and policies of the Trust and the other clients.

The Sub-Advisor and its respective affiliates may face certain conflicts of interest in relation to the Commodities Investment Trust, including, without limitation, involvement with other entities utilizing investment strategies similar to those of the Commodities Investment Trust and with other businesses in general in which the Commodities Investment Trust will have interests (collectively, "Other Accounts"). The Sub-Advisor and its respective affiliates may from time to time conduct business with Other Accounts that invest in the Commodities Investment Trust, may deal with the Commodities Investment Trust, may have dealings with

others doing business with the Commodities Investment Trust or engaged in competitive activities and may earn fees from or receive or provide other consideration from or to any of the foregoing.

The Sub-Advisor may act as portfolio manager, managing member, general partner, investment manager, trading advisor or in a similar capacity for Other Accounts that utilize investment strategies similar to those of the Commodities Investment Trust. There is no limit on the number of Other Accounts that may be managed or advised by the Sub-Advisor or any of its affiliates. Certain investment opportunities may have capacity constraints. As a result, the Commodities Investment Trust's allocation of such investment opportunities may be limited by those capacity constraints. In any such case, participation in such opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the respective investment programs and portfolio positions of the Commodities Investment Trust and the Other Accounts for which participation is appropriate. Such considerations may result in allocations of certain investments among the Commodities Investment Trust and Other Accounts on other than a *pari passu* basis.

Any question or matter arising before the Trustee that may involve or create a conflict of interest or potential conflict of interest, or a related party transaction with Sentry Select, or any of its affiliates, as determined solely by the audit committee of Sentry Select (the "Audit Committee") shall only be passed by a resolution of the Audit Committee. The annual reports of Commodities Investment Trust will include a report by the Audit Committee which will summarize any recommendations made by the Audit Committee to the Trustee, including recommendations not followed by the Trustee, and any other matter that the Audit Committee determines appropriate in the circumstances. Notwithstanding the foregoing, if any securities laws come into effect dealing with the independent review of conflicts of interest for investment funds then the Trust will conform to such securities laws instead of the foregoing.

The Declaration of Trust acknowledges that the Trustee may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm's length for comparable services.

Certain directors of the Manager are insiders of certain Income Funds and, as such, may from time to time have knowledge of undisclosed material information with respect to such Income Funds. If required by applicable legislation, the Trustee will consent to investments in such Income Funds. The Manager has implemented and maintains policies and procedures to prevent any such director from making or influencing investment decisions made by the Manager and to prevent the transmission of such information to those officers and employees of the Manager who make or participate in making such investment decisions including those made on behalf of the Trust.

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 initial cash distribution is anticipated to be payable on August 15, 2005 for Unitholders of record on July 31, 2005 which will be pro rated for the month of July. The Trust will annually determine and announce an indicative distribution amount for the following year based upon the prevailing market conditions and the estimate by the Manager of distributable cash flow for the year. The indicative distribution for the first 12 months of the Trust is \$0.05625 per Unit per month (\$0.675 per annum) representing a yield of 6.75% based on the \$10.00 per Unit issue price. The Trust may make additional distributions in any given year. It is anticipated that, under normal market conditions, the distributions to Unitholders will be paid from distributions received from the income funds in the Income Fund Portfolio, from time to time.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax under the Tax Act will be automatically payable on December 31 of that year to Unitholders of record on that date. 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 CDS or paid in such other manner as may be agreed to by the Trustee. See “Description of the 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”.

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. Units will only be issued through the book-based system administered by The Canadian Depository for Securities Limited (“CDS”) as described below.

The Declaration of Trust will provide that the Trust will not issue additional Units following completion of the Offering, except: (i) where the net proceeds per Unit is not less than the NAV per Unit calculated on the date immediately prior to the pricing of the offering, or; (ii) by way of Unit distributions. Immediately after a pro-rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution. Subject to the foregoing, the Trust may also allot and issue other securities at such time or times and in such manner as the Manager in its sole discretion shall determine, provided that such issuance is not dilutive to the Unitholders.

Book-Based System

Registration of interests in and transfers of the Units will be made only through the book-entry only system of CDS. On the date of Closing, the Trust will deliver to CDS a certificate evidencing the aggregate number of Units subscribed for under the Offering. Units must be purchased, transferred and surrendered for retraction only 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 and 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.

Neither the Trust, the Trustee, the Custodian, the Manager nor the Agents will 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.

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 securities or to their nominees.

Mandatory Market Purchase Program

The Trust will undertake a mandatory market purchase program pursuant to which, subject to “Redemption of Units — Suspension of Redemptions and Purchases”, the Trust will purchase any Units offered in the market

at prices that are less than 95% of the latest determined NAV per Unit, up to a maximum amount in any calendar quarter of 1.25% of the number of Units outstanding at the beginning of such calendar quarter if on any Business Day following the Closing, the closing price of the Unit is less than 95% of the latest determined NAV per Unit. The Manager believes that such a program will be effective in decreasing any potential spread between the NAV per Unit and the market price of the Units and will enhance the liquidity of the Units. Also, it is anticipated that the program will increase NAV per Unit held by Unitholders who remain invested in the Trust because Units will be repurchased for cancellation at market prices that are less than 95% of the NAV per Unit.

Purchase for Cancellation

Subject to applicable law, the Trust may at any time or times purchase Units for cancellation at prices not exceeding the most recently calculated NAV per Unit.

REDEMPTION OF UNITS

Redemptions

Starting in August, 2006, Units may be surrendered during the Notice Period for redemption by the registered Unitholder to the Registrar and Transfer Agent (“Redemption”) subject to the Trust’s right to suspend redemptions (described below). Units surrendered for redemption by a Unitholder during the Notice Period will be redeemed on the Valuation Date and the Unitholder will receive payment on the Redemption Payment Date.

Redeeming Unitholders will be entitled to receive a redemption price per Unit equal to the Net Realized Proceeds per Unit determined as at such Valuation Date.

Exercise of Redemption Right

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

An owner of Units who desires to exercise redemption privileges 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 or her intention to exercise his or her 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 Registrar and Transfer Agent, in advance of the required time. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

Except as provided under “Suspension of Redemptions and Purchases” below, 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 or her Units for redemption and appointed such CDS Participant to act as his or her 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 delivered by a CDS Participant regarding an owner’s intent to redeem 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.

Suspension of Redemptions and Purchases

The Manager may direct the Trustee to suspend the redemption of Units and mandatory market purchases of Units by the Trust or payment of redemption proceeds for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of 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 Business Day 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, as applicable. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of suspension made by the Manager shall be conclusive.

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 will be 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 each Valuation Time. 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. Such information will be provided by Sentry Select to Unitholders on request by calling toll-free 1-888-739-4623 or through the Internet at www.sentryselect.com.

In determining the NAV of the Trust, the Trustee will take into account:

- (a) the value of the Forward Agreement shall be the gain or loss with respect thereto that would be realized if, at that time, the Forward Agreement were to be closed out in accordance with its terms;
- (b) the value of any cash on hand or on deposit, prepaid expenses, cash distributions declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;
- (c) bonds, debentures, notes, money market instruments and other debt securities shall be valued by taking the bid price at the Valuation Time;
- (d) on any day other than a Valuation Date, any 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 ask price rather than the last quoted closing price;
- (e) on a Valuation Date, any security that is listed or dealt in on a stock exchange shall be valued at the volume weighted average trading price of that security during the three consecutive trading days ending on the Valuation Date on the principal stock exchange on which such security is traded on such date or, if no trading takes place on such date, the last closing price quoted for the security, but if bid and ask quotes are available, at the average of the last bid and ask price rather than the last quoted closing price;
- (f) 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;
- (g) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;

- (h) Restricted Securities (as that term is defined in NI 81-102) 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) if any date on which NAV is determined is not a Business Day, then the securities comprising the Portfolio and other property of the Trust will be valued as if such date were the preceding Business Day;
- (j) 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;
- (k) 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 NAV is determined; and
- (l) estimated operating expenses of the Trust shall be accrued to the date as of which NAV is being determined.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by Sentry Select 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' and not more than 50 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 (d) under "Unitholder Matters — Acts Requiring Unitholder Approval" in which case the quorum shall be Unitholders holding 15% 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 (d), 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 Declaration of Trust, the following matters require the approval of two-thirds of the votes cast by Unitholders voting thereon (other than items (e), (i) 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 of the Trust as described under "Investments of the Trust — Investment Objectives";
- (b) a change in the investment restrictions of the Trust as described under "Investments of the Trust — Investment Restrictions";
- (c) 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;

- (d) 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;
- (e) a change of the auditors of the Trust;
- (f) a reorganization with, or transfer of assets to, a 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 mutual fund trust;
- (g) a reorganization with, or acquisition of assets of, a mutual fund trust, if
 - (i) the Trust continues after the reorganization or acquisition of assets;
 - (ii) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the Trust; and
 - (iii) the transaction would be a significant change to the Trust;
- (h) except in certain circumstances as set forth under the heading "Termination of the Trust", the termination of the Trust prior to the Termination Date;
 - (i) an extension of the Trust beyond the Termination Date;
- (j) an amendment, modification or variation in the provisions or rights attaching to the Units; and
- (k) a reduction in the frequency of calculating the NAV per Unit.

Sentry Select may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Trust;
- (b) make any change or correction in the Declaration of Trust 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) reflect changes to the Tax Act or the interpretation thereof or bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of the Unitholders;
- (d) maintain, or permit the Trustee to take such steps as may be desirable or necessary to maintain, the status of the Trust as a "mutual fund trust" and a "registered investment" for the purposes of the Tax Act; or
- (e) provide added protection to Unitholders.

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

Reporting to Unitholders

The Trust will provide to Unitholders unaudited interim and audited annual financial statements of the Trust and Commodities Investment Trust unless the financial statements of Commodities Investment Trust are consolidated with the financial statements of the Trust.

Non-Resident Unitholders

The Trust was not established and shall not be maintained for the benefit of one or more non-resident persons within the meaning of the Tax Act. At no time may non-residents of Canada and partnerships (other than “Canadian partnerships” as defined in the Tax Act) be the beneficial owners of more than 50% of the Units and the Trustee shall inform the Registrar and Transfer Agent of this restriction. The Trustee may require a declaration as to the jurisdiction in which a beneficial owner of Units is resident and, if a partnership, as to its status as a “Canadian partnership”. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% or more of the Units then outstanding are, or may be, non-residents and/or partnerships (other than “Canadian partnerships”), or that such a situation is imminent, the Trustee may make a public announcement thereof and the Trustee may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Trustee may consider equitable and practicable, requiring them to sell their Units or a portion thereof to residents of Canada within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustee with satisfactory evidence that they are not non-residents or partnerships (other than “Canadian partnerships”) within such period, the Trustee may redeem or, on behalf of such Unitholders, sell such Units. Upon such redemption or sale, the affected Unitholders shall cease to be beneficial Unitholders of Units and their rights shall be limited to receiving the redemption price or the net proceeds of sale of such Units.

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

TERMINATION OF THE TRUST

The Trust will terminate on August 31, 2015 unless Unitholders determine to continue the Trust by a majority of the votes cast at a meeting of Unitholders called for such purpose. Immediately prior to the Termination Date, or unless Unitholders have approved or are deemed to have approved an earlier termination of the Trust, 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.

Pursuant to the Declaration of Trust the Trust may also be terminated if the Manager resigns or is removed by the Unitholders and a successor Manager is not appointed. If such failure to appoint a successor Manager should occur, the Trust shall be terminated upon the effective date of the resignation or removal of the Manager, the assets of the Trust shall be distributed in accordance with the Trust termination provisions and the Trustee shall continue to act as trustee of the Trust until all of the assets of the Trust have been so distributed.

If the term of the Trust is extended beyond the Termination Date, Unitholders may 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 under the Tax Act generally applicable to a person who is an individual (other than a trust), who acquires Units pursuant to the Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm’s length with the Trust and the Agents and holds the Units as capital property.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “Regulations”), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the “Proposed Amendments”), and counsel’s understanding of the current administrative practices of the CRA. On October 31, 2003, the Department of Finance released, for public consultation, draft proposed amendments (the “October 31 Proposals”) to the

Tax Act that would require, for taxation years commencing after 2004, that there be a “reasonable expectation of profit” from a business or property for a taxpayer to realize a loss from such business or property, and that makes it clear that profit in this sense does not include capital gains. The October 31 Proposals could, among other things, adversely affect a Unitholder who has borrowed funds in connection with the acquisition of Units. On February 23, 2005 the Department of Finance announced that it has developed an alternative proposal to the October 31 Proposals which it intends to release at the earliest opportunity for comment. This summary does not address any special considerations for such Unitholders and any such Unitholders should consult their own tax advisors.

This summary assumes that the Proposed Amendments will be enacted as currently proposed although no assurance can be given in that regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in the law or administrative practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account provincial or foreign tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor’s own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular investor. **Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon the investor’s particular circumstances.**

Status of the Trust

This summary assumes that the Trust will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. In order to so qualify, the Trust must comply on a continuous basis with certain investment criteria referred to under “Investments of the Trust — Investment Restrictions” and certain minimum distribution requirements relating to the Units. In addition, the Trust may not reasonably at any time be considered to be established or maintained primarily for the benefit of non-resident persons, unless, at all times, all or substantially all of its property is property other than taxable Canadian property as defined in the Tax Act. On September 16, 2004, the Minister of Finance (Canada) released Proposed Amendments that propose that a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-resident persons or partnerships that are not Canadian partnerships, or any combination thereof, is more than 50% of the aggregate fair market value of all units issued by the trust where, at that time or any previous time, more than 10% (based on fair market value) of the trust’s property is taxable Canadian property or certain other specified property. The Manager has informed counsel that, taking into consideration the anticipated investors in the Trust and the restrictions on ownership of Units by non-residents, the Manager does not believe that the Trust will be adversely affected by this proposal. On December 6, 2004, the Minister of Finance (Canada) suspended implementation of this proposal pending further discussions with the private sector concerning the appropriate Canadian tax treatment of non-residents investing in certain property through Canadian mutual funds.

The Manager has advised counsel that the Trust intends to make an election so that it will qualify under the Tax Act as a mutual fund trust, from the commencement of its first taxation year. If the Trust were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially different.

Taxation of the Trust

The Trust will be subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for the year, including net taxable capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. Provided the net income and net realized capital gains of the Trust are paid or payable to the Unitholders in each year, and provided the Trust deducts in computing its income the full amount available for deduction in each year, the Trust will not generally be liable for income tax under Part I of the Tax Act.

Income Fund Portfolio

When the Trust holds an interest in an Income Fund that is a trust resident in Canada, the Trust will be required to include in the calculation of its income such portion of the net income and the taxable portion of net realized capital gains of such Income Fund as is paid or becomes payable to the Trust in the year, notwithstanding that certain of such amounts may be reinvested in additional securities of the Income Fund. Provided appropriate designations are made by the Income Fund, any net taxable capital gains realized by the Income Fund and taxable dividends received by the Income Fund from taxable Canadian corporations that are paid or become payable to the Trust and are designated by the Income Fund will effectively retain their character as such in the hands of the Trust.

In addition, the Trust will be required to include in the calculation of its income any amount designated under subsection 104(29) of the Tax Act by such Income Fund in respect of certain Crown royalties and charges in excess of the resource allowance deductible in computing the Income Fund's income. The Manager has advised counsel that any such deemed income will be made payable by the Trust to Unitholders. The Trust may deduct the amount it designates as payable to the Unitholders, who will be required to include their share of such amount in their income.

The Trust will generally be required to reduce the adjusted cost base of the securities of such Income Fund to the extent that all amounts paid or payable in a year by the Income Fund to the Trust exceed the amounts included in the income of the Trust for the year plus the Trust's share of the non-taxable portion of capital gains of such Income Fund for the year, the taxable portion of which was designated in respect of the Trust. To the extent that the adjusted cost base of those securities would otherwise become negative, the amount by which such adjusted cost base would otherwise become negative will be deemed to be a capital gain realized by the Trust and the Trust's adjusted cost base of such securities will be increased by the same amount.

Where the Trust holds an interest in an Income Fund that is a limited partnership, the Trust will be required to include or, subject to certain restrictions, will be entitled to deduct, in computing its income, its share of the net income or loss for tax purposes of the limited partnership allocated to the Trust for the fiscal period of the limited partnership ending in the Trust's taxation year, whether or not a distribution is received. In general, the adjusted cost base to the Trust of an interest in the limited partnership at a particular time will be equal to the actual cost of such interest plus the share of the income of the limited partnership allocated to the Trust for fiscal years of the limited partnership ending before the particular time less the share of losses of the limited partnership allocated to the Trust for fiscal years of the limited partnership ending before the particular time, and less the Trust's share of any distributions received from the limited partnership before the particular time. If the adjusted cost base to the Trust of its interest in the limited partnership is negative, the amount by which it is negative will be deemed to be a capital gain realized by the Trust and the Trust's adjusted cost base of such interest will be increased by the amount of such deemed capital gain.

The Trust will also be required to include in its income for each taxation year, all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

Forward Agreement

The Trust will not realize any income, gain or loss as a result of entering into the Forward Agreement. Provided that the Common Share Portfolio consists of Canadian securities within the meaning of the Tax Act and the Trust elects in accordance with the Tax Act to have each of its Canadian securities treated as capital property, gains or losses realized by the Trust on the sale of Canadian securities will be taxed as capital gains or capital losses. The Manager has advised counsel that the Trust intends to make an election under subsection 39(4) of the Tax Act so that all Common Shares that are Canadian securities will be deemed to be capital property. If the obligations of the Trust and the Counterparties under the Forward Agreement are settled by making cash payments, a payment made or received by the Trust may be treated as an income outlay or receipt, as applicable. If the Trust delivers securities in the Common Share Portfolio to the Counterparties in satisfaction of its obligations under the Forward Agreement and receives a payment from the Counterparties equal to the price stipulated in the Forward Agreement, the Trust will realize capital gains (or capital losses)

equal to the amount by which such purchase price (less reasonable costs of disposition) exceeds (or is less than) the aggregate adjusted cost base of such securities.

Losses

Under the October 31 Proposals, for taxation years beginning after 2004 a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, and can reasonably be expected to carry on, the business or has held, and can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. The October 31 Proposals, if enacted in the form proposed, could limit losses of the Trust from a particular source that is a business or property or deductions that would otherwise reduce the Trust's taxable income, including management fees and issues expenses, in taxation years commencing after 2004, thereby reducing after tax returns to Unitholders. On February 23, 2005, the Department of Finance announced that it had developed an alternative proposal to the October 31 Proposals which are expected to be released for comments at an early opportunity.

Deductibility of Expenses

In computing its income for tax purposes, the Trust may deduct reasonable administrative, interest and other expenses incurred to earn income and may deduct over a five-year period the costs and expenses of the Offering paid by the Trust and not reimbursed. The October 31 Proposals, if enacted in the form proposed, could limit losses of the Trust from a particular source that is a business or property in taxation years commencing after 2004.

Upon the actual or deemed disposition of a Portfolio Security held by the Trust as capital property, the Trust will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such asset and any reasonable costs of disposition.

The CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed and used to invest in units of an Income Fund may be reduced on a pro rata basis in respect of distributions from the Income Fund that are a return of capital that are not reinvested for an income earning purpose. If the CRA's position were to prevail and apply to the Trust based upon its facts, part of the interest payable by the Trust in connection with money borrowed to acquire Income Fund securities could be non-deductible, increasing the net income of the Trust for tax purposes. Counsel to the Trust and the Agents are of the view that, while the ability to deduct interest will always be a question of fact, based on the jurisprudence and the proposed use of borrowed funds, the CRA's position should not generally impact on the Trust's ability to deduct interest on money borrowed to acquire Income Fund securities.

The Manager has advised counsel that the Trust intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year. Therefore, provided that the Trust makes a distribution in each year of its net income and net realized capital gains as described under "Distributions", it will generally not be liable in such year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that would be recovered by it in such year by reason of the capital gains refund.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income, and the taxable portion of the net realized capital gains, of the Trust for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year whether in cash or in additional Units. Provided that appropriate designations are made by the Trust, such portion of (a) the net realized taxable capital gains of the Trust, (b) the foreign source income for the Trust and foreign taxes eligible for the foreign tax credit and (c) the taxable dividends received by the Trust on shares of taxable Canadian corporations as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder. 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. The

non-taxable portion of net realized capital gains of the Trust that are paid or become payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any amount in excess of a Unitholder's share of the net income and the net realized capital gains of the Trust for a taxation year that is paid or becomes payable to the Unitholder in such year will not generally be included in computing the Unitholder's income for the year. However, the payment by the Trust of such excess amount will reduce the adjusted cost base of Units to the Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

Upon the disposition or deemed disposition by a Unitholder of a Unit, whether on a sale, redemption, repurchase or otherwise, a capital gain (or capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before the disposition. For the purposes 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 Units owned by the Unitholder as capital property before that time. The cost of Units acquired as a distribution of income or capital gains or on a reinvestment of distributions from the Trust will be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units. See "Description of the Units".

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an "allowable capital loss") realized by a Unitholder in a taxation year may be deducted from taxable capital gains realized by the Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, against taxable capital gains realized in those years, including taxable capital gains realized on the disposition of Units or amounts designated by the Trust to a Unitholder as taxable capital gains.

Amounts designated as net realized capital gains paid or payable to a Unitholder by the Trust or realized on the disposition of Units may give rise to a liability for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

Provided that the Trust qualifies as a mutual fund trust, or is a registered investment, the Units will be qualified investments for Registered Plans. Bill C-43, which has received Royal Assent, eliminates the foreign property rules, as announced in the February 23, 2005 federal budget.

On March 23, 2004, the Minister of Finance (Canada) proposed amendments to the Tax Act to restrict direct and indirect holdings by registered pension plans and tax exempt registered pension plan corporations in certain "business income trusts" (as defined in the proposals). On May 18, 2004, the Minister announced that the implementation of these proposed amendments was suspended pending further consultation with interested parties, following which further legislative proposals will be announced. Such investors should consult their own tax advisors before purchasing Units.

USE OF PROCEEDS

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

	Minimum Offering	Maximum Offering
Gross proceeds to the Trust	\$75,000,000	\$250,000,000
Agents' fees	\$ 3,750,000	\$ 12,500,000
Expenses of issue	\$ 950,000	\$ 950,000
Net proceeds to the Trust	<u>\$70,300,000</u>	<u>\$236,550,000</u>

The Trust will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) to invest 85% of such proceeds in the Income Fund Portfolio and 15% of such proceeds in the Common Share Portfolio. See "Investments of the Trust". The Manager anticipates that the net proceeds of the Offering will be substantially invested within 60 days from the Closing Date. Pending such investment, the cash portion of the net proceeds will be invested in money market instruments.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to offer the Units for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee equal to \$0.50 for each Unit sold 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 Over-Allotment Option, exercisable in whole or in part at any time and from time to time during the period of 30 days following the Closing, to purchase up to 15% of the aggregate number of Units issued at the Closing on the same terms set forth above, which additional Units are qualified for sale hereunder. To the extent that the Over-Allotment Option is exercised, the additional Units will be purchased at the Offering Price and the Agents will be entitled to a fee of \$0.50 per Unit in respect of each Unit purchased.

If subscriptions for a minimum of 7,500,000 Units have not been received within 90 days following the date of issuance of a final receipt for the prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed for Units 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. Cash proceeds from subscriptions will be held by the Agents until Closing. If the minimum Offering is not achieved and the necessary consents are not obtained or if the Closing 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 is expected to take place on or about July 19, 2005, or such later date that is on or before August 19, 2005 as may be agreed upon by the Trust and the Agents.

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 the Offering, the Agents may over-allot and may effect transactions to cover their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

FEES AND EXPENSES

Initial Expenses

The expenses of the 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) are estimated to be \$950,000, subject to a maximum of 1.50% of the gross proceeds of the Offering, which, together with the Agents' fees, will be paid by the Trust from the proceeds of the Offering. The Manager will pay for any expenses in excess of that amount.

Fees and Other Expenses

Pursuant to the terms of the respective declarations of trust, Sentry Select is entitled to a fee from each of Trust and Commodities Investment Trust at an annual rate of 1.10% of their respective net asset values. The Trust shall pay to the Manager an amount equal to the Service Fee payable to registered dealers. Fees payable to Sentry Select will be calculated and payable monthly based on the average NAV calculated at each Valuation Time during that month. The Manager will pay to registered dealers the Service 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 Trust's management fee will be reduced by the amount of management fee payable by Commodities Investment Trust attributable to the Counterparty's investment in Commodities Investment Trust. The Manager will be responsible for the payment of the Sub-Advisor's and the Investment Advisor's fees.

The Trust will pay for all expenses incurred in connection with the operation and administration of the Trust. All fees and expenses of the Trust will be paid in cash. 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 Registrar and Transfer Agent; (d) fees payable to the Custodian for acting as custodian of the assets of the Trust; (e) banking fees and interest with respect to any borrowing under the Loan 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, 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 \$270,000, excluding any banking fees and interest which will increase with the Trust's utilization of the Loan Facility. The Trust will also be responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

The Trust will pay to the Counterparty a fee under the Forward Agreement, calculated daily and payable monthly in arrears, of approximately 0.50% per annum of the net asset value of the Reference Number of units of the Commodities Investment Trust, plus a fee, which may vary, based on the value of the Common Share Portfolio, calculated and payable monthly in arrears. The fee which may vary is intended to compensate the Counterparty for the costs of hedging their exposure under the Forward Agreement, if they choose to do so, and will equal the fees that would be charged to the Counterparty for borrowing securities matching the securities in the Common Share Portfolio.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Sentry Select will receive the fees described under "Fees and Expenses" for its services to the Trust and will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

MATERIAL CONTRACTS

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

- (a) the Declaration of Trust described under "The Trust";
- (b) the Forward Agreement described under "The Trust — Forward Agreement";
- (c) the Sub-Advisory Agreement described under "The Sub-Advisory Agreement";
- (d) the Agency Agreement described under "Plan of Distribution";
- (e) the Custodian Agreement described under "Management of the Trust — The Custodian"; and
- (f) the Investment Advisory Agreement described under "The Investment Advisor".

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:

General Risks Factors of the Trust

No Assurances on Achieving Objectives

There is no assurance that the Trust will be able to achieve its monthly distribution or capital appreciation objectives.

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 levels of distributions paid on the securities held in the Income Fund Portfolio and the value of those securities.

No Guaranteed Return

There is no guarantee that an investment in the Trust will earn any positive return in the short term or long term.

Performance of Issuers

The NAV per Unit will vary in part according to the value of the Income Fund Portfolio securities in which the Trust invests, which will depend, in part, upon the performance of the issuers of such securities. Additionally, external economic forces can affect the competitive strength and profitability of the businesses represented by these securities which would significantly affect the value of such securities. The amount of distributions available for payment to Unitholders will depend in part on the amount of distributions paid by the issuers of the securities held by the Trust in the Portfolio. The Trust cannot predict whether the securities of issuers held by it will trade at a discount from, a premium to, or at the net asset values of the issuers of such securities or when or if distributions on such securities will be made.

The Trust may make investments in Commodity-Related Income Funds that have low trading volumes. Accordingly, it may be difficult for the Trust to make trades in these Commodity- Related Income Funds without adversely affecting the price of such Commodity-Related Income Funds and consequently the NAV of the Trust.

The market value of Commodity-Related Income Funds in which the Trust invests may deteriorate materially if such Income Funds are unable to meet their cash distribution targets in the future.

Commodity Price and Currency Fluctuations

The operations and financial condition of Commodity-Related Income Funds in which the Trust will invest and, accordingly, the amount of distributions paid on their securities will be dependent on prices applicable to the commodities sold by such Income Funds. Prices for commodities may vary and are determined by supply and demand factors, including weather and general economic and political conditions and other conditions or circumstances beyond the control of the issuers of these securities. A decline in commodity prices could have an adverse effect on the operations and financial condition of such issuers and the value of, and amount of distributions paid on, their securities. In addition, energy prices are denominated generally in U.S. dollars. Accordingly, a decrease in the value of the U.S. dollar against the Canadian dollar could reduce the amount of distributions paid on such securities.

As the Portfolio may include securities traded in U.S. dollars or other foreign currencies, the NAV of the Trust and distributable cash, when measured in Canadian dollars, will be affected by changes in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

Interest Rate Fluctuations

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

Trading Price of the Units Relative to Net Asset Value

Units of certain closed-end trusts in Canada have traded at a discount from their net asset values. This risk associated with units of a closed-end trust is a risk separate and distinct from the risk that the Trust's NAV may decrease. The Trust cannot predict whether the Units will trade at a discount from, a premium to, or at the Trust's NAV.

Composition of Portfolio

The composition of the Portfolio taken as a whole may vary widely from time to time and may be concentrated by type of security, commodity, industry or geography, resulting in the Portfolio being less diversified than anticipated.

Reliance on Management

Unitholders will be dependent on the management of the Manager and Sub-Advisor. Investors who are not willing to rely on the management of the Manager and Sub-Advisor should not invest in the Units.

Conflict of Interest

The directors and officers of the Manager and its affiliates and associates may engage in the promotion, management or investment management of any other fund or trust which invests primarily in royalty trusts, income funds, real estate investment trusts, limited partnerships, debt instruments and equity instruments.

The Sub-Advisor and its affiliates face certain conflicts of interest in relation to the Commodities Investment Trust, including, without limitation, involvement with other entities utilizing investment strategies similar to those of the Commodities Investment Trust and with other businesses in general in which the Commodities Investment Trust will have interests (collectively, "Other Accounts"). The Sub-Advisor and its affiliates may from time to time conduct business with Other Accounts that invest in the Commodities Investment Trust, may deal with the Commodities Investment Trust, may have dealings with others doing business with the Commodities Investment Trust or engaged in competitive activities and may earn fees from or receive or provide other consideration from or to any of the foregoing. In particular, the Sub-Advisor and its affiliates may provide services similar to those provided to the Commodities Investment Trust to Other Accounts and may have other business dealings with Other Accounts, each other, or other persons dealing with the Commodities Investment Trust or such Other Accounts.

The Sub-Advisor may act as portfolio manager, managing member, general partner, investment manager, trading advisor or in a similar capacity for Other Accounts that utilize investment strategies similar to those of the Commodities Investment Trust. There is no limit on the number of Other Accounts that may be managed or advised by the Sub-Advisor or any of its affiliates. Certain investment opportunities may have capacity constraints. As a result, the Commodities Investment Trust's allocation of such investment opportunities may be limited by those capacity constraints. In such case, participation in such opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the respective investment programs and portfolio positions of the Commodities Investment Trust and the Other Accounts for which participation is appropriate. Such considerations may result in allocations of certain investments among the Commodities Investment Trust and Other Accounts on other than a *pari passu* basis.

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.

Illiquid Securities

If the Manager is unable or determines that it is inappropriate to dispose of some or all of the Portfolio Securities prior to the Termination Date, Unitholders may, subject to applicable laws, receive distributions of

securities *in specie* upon the termination of the Trust, for which there may be an illiquid market or which may be subject to resale restrictions. In addition, if the Manager determines that it is appropriate to acquire certain securities for the Portfolio, the Manager may be unable to acquire such securities in quantities or at prices which are acceptable to the Manager, if the market for such securities is particularly illiquid. Also, there is no assurance that the Manager will be able to invest the net proceeds of the Offering to reach the proposed initial weightings in a timely manner, which may negatively affect the Trust's investment objectives.

Status of the Trust

As the Trust is not a mutual fund as defined under Canadian securities laws, the Trust is not subject to the Canadian policies and regulations that apply to open-end mutual funds.

The Trust is not a trust company and is not registered under legislation of any jurisdiction governing trust companies as it does not carry on, nor does it intend to carry on, the business of a trust company. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that Act or any other legislation.

Nature of Units

The Units share certain attributes common to both equity securities and debt instruments. The Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. The Units represent a fractional interest in the assets of the Trust. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Taxation of the Trust

In determining its income for tax purposes, the Trust will treat gains or losses on the dispositions of securities in the Common Share Portfolio under the Forward Agreement as capital gains or losses. CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If, contrary to the advice of counsel to the trust and to the Agents or as a result of a change of law, upon physical settlement of the Forward Agreement the classification of the gain under the Forward Agreement is deemed to be something other than a capital gain on the sale of common shares thereunder, after-tax returns to Unitholders could be reduced.

Under the October 31 Proposals, for taxation years beginning after 2004 a taxpayer will be considered to have a loss from a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on, and can reasonably be expected to carry on, the business or has held, and can reasonably be expected to hold, the property. Profit, for this purpose, does not include capital gains or capital losses. The October 31 Proposals, if enacted in the form proposed, could limit losses or adversely affect the deduction of expenses of the Trust from a particular source that is a business or property in taxation years commencing after 2004, thereby reducing after tax returns to Unitholders. On February 23, 2005 the Department of Finance announced that it has developed an alternative proposal to the October 31 Proposals which it intends to release at the earliest opportunity for comment.

CRA has expressed a view that the amount of interest on money borrowed and used to invest in units of an income fund may not be fully deductible in certain circumstances. Counsel is of the view that, based on the jurisprudence and CRA's published administrative positions, the situation described in this view will not have an impact on the ability of the Trust to fully deduct the amount of any interest expenses incurred in connection with the acquisition and holding of the Portfolio for the foreseeable future.

There is a possibility that the Trust's status as a mutual fund trust for the purposes of the Tax Act could be lost if more than 50% of the Units are held by non-residents.

If the Trust ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects.

The Department of Finance has indicated that it will continue to evaluate the development of the income fund market as part of its ongoing monitoring and assessment of Canadian financial markets and the Canadian tax system. Accordingly, changes in this area are possible. Such changes could result in the income tax considerations described under the heading “Canadian Federal Income Tax Considerations” being materially different in certain respects.

Changes in Legislation

There can be no assurance that income tax laws and government incentive programs relating to the businesses of Income Funds and the treatment of mutual fund trusts under the Tax Act will not be changed in a manner which adversely affects the distributions received by the Trust and the Unitholders and/or the value of the Units or the securities in which the Trust invests.

Risk Factors Specific to the Common Share Portfolio and Commodities Investment Trust

Fluctuations in NAV

The value of the Forward Agreement and, therefore, the NAV will vary according to, among other things, the performance of the Rogers International Commodity Index, which will depend, in part, upon the performance of commodities generally.

Fluctuations in the values of the Rogers International Commodity Index may occur for a number of reasons beyond the control of the Trust. It is possible that, due to declines in the value of the Rogers International Commodity Index, the NAV of the Trust may decline.

Commodity Interests Trading is Volatile

Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary and exchange control programs and policies of governments; political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and re-evaluations; and emotions of the marketplace.

Changing crop prospects occasioned by unexpected weather or damage by insects and plant diseases make it difficult to forecast future supplies of agricultural commodities. Similarly, demand is also difficult to forecast due to such factors as unexpected purchases by the U.S. or other foreign countries. Metals prices can be affected by all such factors and by the effects of production. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly. The Trust is also subject to the risk of failure of any of the exchanges on which such contracts trade or of the exchange’s clearinghouses, if any.

Currency Conversion and Hedging

Commodities Investment Trust invests in securities and instruments denominated in currencies other than the Canadian dollar. Such investments are subject to the risk that the value of a particular currency will change in relation to the Canadian dollar. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Although the Manager intends to hedge at least 90% of the Canadian dollar currency risk related to its exposure to the Commodities Investment Trust back to the Canadian dollar, there can be no guarantee that the hedging transactions will be implemented properly or that such transactions will be successful or achieve the desired result.

Rogers International Commodity Index Calculation

The committee, which is chaired by Mr. Rogers, determines which commodities should be represented by the Rogers International Commodity Index and reviews the Rogers International Commodity Index periodically to determine whether it may be necessary to change the components or relative weightings of the Rogers

International Commodity Index. The investment strategy and investment objective of the Trust may be adversely affected to the extent that Mr. Rogers becomes unavailable to and other persons are not able to maintain the composition and weightings of the Rogers International Commodity Index.

Rogers International Commodity Index Tracking Error Risk

The value of the Forward Agreement will depend upon the performance of the Commodities Investment Trust. The performance of the Commodities Investment Trust is expected to roughly track the performance of the Rogers International Commodity Index on an enhanced basis. That is, the value of the Commodities Investment Trust (before operating expenses) should increase more or decrease more than the value of the Rogers International Commodity Index. The Sub-Advisor may not be able to cause the performance of the Commodities Investment Trust to track that of the Rogers International Commodity Index in that fashion, either on a daily or aggregate basis. Tracking error may cause the performance of the Trust to be less than expected.

Although the Commodities Investment Trust seeks to track the performance of the Rogers International Commodity Index on an enhanced basis, certain factors can cause a deviation between the performance of the Commodities Investment Trust and the performance of the Rogers International Commodity Index, including, among others: (i) the fees and expenses of the Commodities Investment Trust, including transaction and investment costs and organizational and operating expenses; (ii) the ability of the Commodities Investment Trust to time its investments so as to correspond to changes in the Rogers International Commodity Index; (iii) limitations due to the Commodities Investment Trust's size and minimum investment requirements; (iv) limitations on the Commodities Investment Trust's investments resulting from the need to comply with regulatory or tax requirements; (v) the need to maintain a portion of the Commodities Investment Trust's assets in cash or short-term investments to maintain liquidity to effect redemptions of Units to make investments or pay expenses; (vi) the frequency, timing of rebalancing transactions and the timing and size of subscriptions and redemptions; (vii) minimum investment requirements for commodity futures and forward contracts; (viii) the return on its Cash Equivalents; and (ix) the leverage used by the Commodities Investment Trust.

Termination of the Rogers International Commodity Index

The Rogers International Commodity Index may be terminated.

Impact of Market Disruption Events

Futures contracts occasionally experience disruptions in trading including the cessation, for a material time, of trading in the futures contracts included in the Rogers International Commodity Index or the imposition by the futures exchange on which one or more of such futures contracts are traded of a "limit price" (outside of which such futures contracts is not permitted to trade). In addition, a futures exchange may replace or delist a futures contract included in the Index. While procedures have been established in the rules governing the Rogers International Commodity Index, there can be no assurance that a market disruption event or the replacement or delisting of a commodity contract will not have an adverse or distortive effect on the value of the Index or the manner in which it is calculated.

Derivative Financial Instruments and Techniques

The Commodities Investment Trust uses futures contracts and may use other derivative financial instruments, including, without limitation, futures and forward contracts, swaps, notional principal contracts, contracts for differences. The risks posed by such instruments and techniques, which can be extremely complex include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk

(the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); and (8) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Futures trading also involves the additional risk of potential clearing house and clearing broker default.

The Sub-Advisor anticipates trading in certain non-U.S. commodity exchanges which, in certain countries, are essentially “principals’ markets” in which performance of the commodity future contract is the sole responsibility of the individual member with whom the trader has entered into a commodity contract and not of an exchange or clearing house. In such cases, the Commodities Investment Trust is exposed to the risk of the inability of, or refusal by, the counterparty to settle the transaction or perform its obligations under such contract. In addition, certain non-U.S. commodity exchanges may impose price fluctuation limits and/or speculative position limits on the number of positions that may be held in particular commodities.

Leverage

It is intended that the Commodities Investment Trust’s futures trading will use leverage, and accordingly, a relatively small price decline in a futures contract may result in an immediate and substantial loss to the Commodities Investment Trust.

A decline in initial value of the contracts in which Commodities Investment Trust invests of 50% would cause the net asset value of Commodities Investment Trust to become zero and accordingly the Trust would be required to sell the Common Share Portfolio under the Forward Agreement for no consideration.

Treatment of Proceeds under the Forward Agreement

In determining its income for tax purposes, the Trust will treat gains or losses on any disposition of securities in the Common Share Portfolio under the Forward Agreement as capital gains and losses. No advance income tax ruling has been requested or obtained from the CRA regarding the timing or characterization of the Trust’s gains or losses.

Counterparty Risk

The Trust will enter into the Forward Agreement with the Counterparty pursuant to which the Trust will be required to deliver to the Counterparty on the Termination Date the Common Share Portfolio in exchange for a payment in an amount based upon 100% of the redemption proceeds of the Reference Number of units in the Commodities Investment Trust. In entering into the Forward Agreement, the Trust will be exposed to the credit risk associated with the Counterparty. Depending on the value of the Common Share Portfolio, the Trust’s exposure to the credit risk of the Counterparty may be significant. In addition, the Counterparty may terminate the Forward Agreement in certain circumstances, in which case the Trust may not be able to meet its investment objectives. Furthermore, the possibility exists that the Counterparty or any guarantor of the obligations of the Counterparty pursuant to the Forward Agreement will default on their 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 if the Trust has insufficient assets, excluding the proceeds of the Forward Agreement, to pay its liabilities.

Securities Lending

The Trust may engage in securities lending as described under “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. The Partnership may also engage in securities lending, and is subject to the same risks described above.

Jurisdiction

There may be difficulty in enforcing any legal rights against Diapason because it is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.

LEGAL PROCEEDINGS

The Manager and one of its affiliates has brought a claim against a former employee and his new employer, which seeks, among other things, monetary damages and injunctions restraining the former employee and his employer from communicating with or servicing clients of the Manager and from using confidential information acquired from the Manager. That new employer and an affiliate (the “Counterclaimants”) have counterclaimed against the Manager and two of its officers seeking, among other things, monetary damages and injunctions restraining the Manager and its affiliate and their employees, including the officers, from making false, statements to purchasers or prospective purchasers of an investment fund being managed and advised by the Counterclaimants. The Manager believes that the claims made by the Counterclaimants are entirely without merit and intends to defend the matter vigorously.

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 Deloitte & Touche LLP, Suite 1400, BCE Place, 181 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc. 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' CONSENT

We have read the prospectus (the "Prospectus") of Sentry Select Commodities Income Trust (the "Trust") dated June 29, 2005 relating to the issue and sale of units of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with an offering document.

We consent to the use in the above mentioned Prospectus of our report to the Trustee of the Trust on the statement of financial position of the Trust as at June 29, 2005. Our report is dated June 29, 2005.

Toronto, Ontario
June 29, 2005

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

AUDITORS' REPORT

To the Trustee of Sentry Select Commodities Income Trust

We have audited the statement of financial position of Sentry Select Commodities Income Trust (the "Trust") as at June 29, 2005. This financial statement 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, this financial statement presents fairly, in all material respects, the financial position of the Trust as at June 29, 2005 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
June 29, 2005

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

SENTRY SELECT COMMODITIES INCOME TRUST
STATEMENT OF FINANCIAL POSITION
June 29, 2005

ASSETS

Cash	\$10
Investment in portfolio securities	<u>\$—</u>
Total	<u>\$10</u>

UNITHOLDERS' EQUITY

Unitholders' Equity Note: Unit (Actual: 1 Unit)	<u>\$10</u>
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Approved by the Manager:

(Signed) JOHN F. DRISCOLL
Director

(Signed) DONALD J. WORTH
Director

The accompanying notes are an integral part of these financial statements.

SENTRY SELECT COMMODITIES INCOME TRUST

NOTES TO STATEMENT OF FINANCIAL POSITION

1. NATURE OF OPERATIONS

Sentry Select Commodities Income Trust (the “Trust”) is an investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust (the “Declaration of Trust”) dated June 29, 2005, by Sentry Select Capital Corp. (“Sentry Select” or the “Manager”), as manager and trustee of the Trust. 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 (the “NAV”) per Unit will be calculated as of 4:15 p.m. (Toronto time) on each Thursday during the year (or, if a Thursday is not a business day, the business day following such Thursday) and on the last business days of March, June, August, September and December (the “Valuation Time”). 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 will be obtained by dividing the NAV of the Trust on such day by the number of Units then outstanding.

The Trust’s investment objectives are to provide Unitholders with: (i) monthly distributions; and (ii) the opportunity for capital appreciation over the term of the Trust.

The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and changes in the market price of the portfolio securities.

Approximately 15% of the net proceeds of the Offering will be invested by the Trust in a portfolio consisting of common shares of Canadian public companies (the “Common Share Portfolio”). The Trust intends to obtain enhanced exposure to the commodities that make up the Rogers International Commodity Index by virtue of one or more forward purchase and sale agreements (collectively, the “Forward Agreement”) with Canadian Imperial Bank of Commerce (the “Counterparty”). Under the Forward Agreement, the Counterparty will agree to pay to the Trust on the Termination Date (defined below) as the purchase price for the Common Share Portfolio an amount based upon 100% of the redemption proceeds of the Reference Number of units in a trust (the “Commodities Investment Trust”). The Reference Number is that number of units that as at the date of the Forward Agreement had a net asset value equal to the purchase price of the Common Share Portfolio. The investment objective of the Commodities Investment Trust is to obtain exposure to the commodities that make up the Rogers International Commodity Index on a leveraged basis.

2. MANAGEMENT FEES AND OTHER EXPENSES

Pursuant to the Declaration of Trust, Sentry Select 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.

Pursuant to the Declaration of Trust, Sentry Select is entitled to a fee of 1.10% of NAV plus an amount equal to the Service Fee (described below) payable to the registered dealers. Fees payable to Sentry Select will be calculated and payable monthly based on the average NAV calculated at each Valuation Time during that month.

The Manager will pay to the registered dealers the Service 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 registered dealers.

State Street Trust Company Canada (the “Custodian”) 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 the Custodian, the Trust will pay a monthly fee to be agreed upon between the Custodian and Sentry Select.

In consideration for the services provided by the trustee of the Trust (except when the Manager is the trustee of the Trust), the Trust will pay a monthly fee to be agreed upon between the trustee of the Trust and Sentry Select.

Pursuant to the Declaration of Trust, the Trust is responsible for all expenses incurred in connection with the operation and administration of the Trust. All fees and expenses of the Trust will be paid in cash. Sentry Select will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

CERTIFICATE OF THE ISSUER, THE MANAGER AND THE PROMOTER

Dated: June 29, 2005

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 9 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 Part 6 of the *Securities Act* (New Brunswick), by Part XIV of *The Securities Act* (Newfoundland and Labrador), by Part II of the *Securities Act* (Prince Edward Island), by Part 3 of the *Securities Act* (Yukon Territory), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. 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 the Trust)

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

(Signed) JOHN VOGLAID
Chief Financial Officer and Treasurer

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

(Signed) MICHAEL A. MEIGHEN
Director

(Signed) DONALD J. WORTH
Director

CERTIFICATE OF THE AGENTS

Dated: June 29, 2005

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 9 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 Part 6 of the *Securities Act* (New Brunswick), by Part XIV of *The Securities Act* (Newfoundland and Labrador), by Part II of the *Securities Act* (Prince Edward Island), by Part 3 of the *Securities Act* (Yukon Territory), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. 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.

CIBC WORLD MARKETS INC. RBC DOMINION SECURITIES INC. NATIONAL BANK FINANCIAL INC.

(Signed) RONALD W. A. MITCHELL (Signed) EDWARD V. JACKSON (Signed) MICHAEL D. SHUH

BMO NESBITT BURNS INC. SCOTIA CAPITAL INC. TD SECURITIES INC.

(Signed) DAVID R. THOMAS (Signed) BRIAN D. MCCHESENEY (Signed) J. DAVID BEATTIE

CANACCORD CAPITAL CORPORATION HSBC SECURITIES (CANADA) INC. RAYMOND JAMES LTD.

(Signed) JENS MAYER (Signed) CATHERINE J. CODE (Signed) SARA MINATEL

BERKSHIRE SECURITIES INC. WELLINGTON WEST CAPITAL INC.

(Signed) L. WARREN PIMM (Signed) KEVIN M. HOOKE

DESJARDINS SECURITIES INC. DUNDEE SECURITIES CORPORATION FIRST ASSOCIATES INVESTMENTS INC. IPC SECURITIES CORPORATION RICHARDSON PARTNERS FINANCIAL LIMITED ROTHENBERG CAPITAL MANAGEMENT INC.

(Signed) BETH SHAW (Signed) DAVID P. STYLES (Signed) PATRICK LEUNG (Signed) KELLY KLATIK (Signed) CLANCY ETHANS (Signed) ROBERT ROTHENBERG

Sentry Select

Capital Corp.