

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, these securities may not be offered or sold or delivered within the United States of America except in transactions exempt from registration under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer and Secretary of Data Business Forms Limited at 9195 Torbram Road, Brampton, Ontario, Canada L6S 6H2, telephone (905) 791-3151 and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

April 16, 2010



# The Data Group Income Fund

**\$45,000,000**

## **6.00% Convertible Unsecured Subordinated Debentures**

This short form prospectus qualifies the distribution (the "Offering") of \$45 million aggregate principal amount of 6.00% convertible unsecured subordinated debentures (the "Debentures") of The Data Group Income Fund (the "Fund"). The Fund owns all of the outstanding limited partnership units of The DATA Group Limited Partnership (the "Data Group") and all of the outstanding shares of Data Business Forms Limited ("DBFL"), the general partner of the Data Group. The Data Group is a leading Canadian provider of total document management solutions, including printed products.

The Debentures bear interest at an annual rate of 6.00% payable semi-annually, in arrears, on June 30 and December 31 in each year commencing on December 31, 2010. The first interest payment on the Debentures will include accrued and unpaid interest for the period from the date of closing of the Offering (the "Closing") to, but excluding, December 31, 2010. The Debentures will be due on June 30, 2017 (the "Maturity Date"). See "Description of the Debentures".

### **Debenture Conversion Privilege**

Each Debenture will be convertible into trust units of the Fund ("Units"), freely tradeable in Canada, at the option of the holder of a Debenture at any time prior to the close of business on the Maturity Date or, if called for redemption, on the business day immediately preceding the date specified by the Fund for redemption of the Debentures, at a conversion price of \$12.20 per Unit, subject to adjustment in certain events. Holders converting their Debentures will receive accrued and unpaid interest thereon up to but excluding the date of conversion. Notwithstanding the foregoing, no Debentures may be converted during the five business days preceding June 30 and December 31 in each year, commencing June 30, 2013, as the registers of the Debenture Trustee (as defined below) will be closed during such periods. Further particulars concerning the conversion privilege, including provisions for the adjustment of the conversion price, are set out under "Description of the Debentures — Conversion Privilege". A holder of Debentures will not be entitled to deferred tax treatment on the conversion, redemption or repayment at the maturity of the Debentures. See "Certain Canadian Federal Income Tax Considerations".

The Debentures may not be redeemed before June 30, 2013. On or after June 30, 2013 and prior to June 30, 2015, the Debentures may be redeemed by the Fund in whole or in part, from time to time at the option of the Fund on not more than 60 days' and not less than 30 days' prior written notice, at a price equal to the principal amount thereof plus accrued and unpaid interest, provided that the Current Market Price (as defined below) is at least 125% of the Conversion Price. On or after June 30, 2015, the Debentures may be redeemed by the Fund in whole or in part from time to time, at the option of the Fund on not more than 60 days' and not less than 30 days' prior written notice at a price equal to the principal amount thereof plus accrued and unpaid interest.

On redemption or at the Maturity Date, the Fund may, at its option, on not more than 60 days' and not less 40 days' prior notice, subject to regulatory approval and provided no Event of Default (as defined below) has occurred and is continuing, elect to satisfy its obligation to pay the applicable Redemption Price (as defined below) or the principal amount of the Debentures by issuing and delivering that number of Units freely tradeable in Canada obtained by dividing the aggregate Redemption Price of the outstanding Debentures which are to be redeemed, or the principal amount of outstanding Debentures which have matured, as the case may be, by 95% of the Current Market Price on the date fixed for redemption or the Maturity Date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash.

(Continued on page (i))

(Continued from front cover)

Upon the occurrence of a Change of Control (as defined below) of the Fund, each holder of Debentures may require the Fund to purchase, on a date which is 30 days following the giving of notice of the Change of Control, the whole or any part of such holder's Debentures at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest to, but excluding, such date.

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness (as defined below) of the Fund. The Debentures will also be effectively subordinate to claims of creditors of each subsidiary of the Fund except to the extent the Fund directly or indirectly through one of its other subsidiaries has a claim as a creditor of such subsidiary ranking at least pari passu with such other creditors. The Debentures will not limit the ability of the Fund to incur additional indebtedness, liabilities and obligations, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any Indebtedness.

**There is currently no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Debentures and the Units issuable upon conversion of the Debentures. Listing will be subject to the Fund fulfilling all of the listing requirements of the TSX before July 8, 2010.** The outstanding Units are listed and posted for trading on the TSX under the symbol DGI.UN. On April 5, 2010, the last trading day prior to the announcement of the Offering, the closing price of a Unit on the TSX was \$9.34.

**Price: \$1,000 per Debenture**

	<b>Price to the Public<sup>(1)</sup></b>	<b>Underwriters' Fee</b>	<b>Net Proceeds<sup>(2)</sup></b>
Per Debenture . . . . .	\$ 1,000	\$ 40	\$ 960
Total Debentures <sup>(3)</sup> . . . . .	<b>\$45,000,000</b>	<b>\$1,800,000</b>	<b>\$43,200,000</b>

**Notes:**

- (1) The price of the Debentures has been determined by negotiation between the Fund and the Underwriters.
- (2) After deducting the Underwriters' fee but before deducting the expenses of the Offering, which are estimated to be approximately \$400,000.
- (3) The Fund has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part at any time until the date that is 30 days following the date of closing of the Offering (the "Closing Date"), to purchase an aggregate of up to \$5 million of Debentures issued pursuant to the Offering on the same terms as set out above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee, and Net Proceeds to the Fund (before deducting expenses of the Offering) will be \$50,000,000, \$2,000,000 and \$48,000,000, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the issuance of Debentures on the exercise of the Over-Allotment Option. A purchaser who acquires Debentures forming part of the Underwriters' over-allocation position acquires those Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution."

<b>Underwriters' Position</b>	<b>Maximum Size or Number of Securities Held</b>	<b>Exercise Period/Acquisition Date</b>	<b>Exercise Price/Average Acquisition Price</b>
Over-Allotment Option	\$5,000,000	Exercisable until 5:00 p.m. (Toronto time) on the 30 <sup>th</sup> day following Closing	\$1,000 per Debenture

A return on an investment in Units, in the event that Debentures are converted into Units, is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in the Units is at risk and the anticipated return on such an investment is based on many performance assumptions. **Although the Fund intends to continue to make regular distributions of its available cash to holders of Units ("Unitholders"), those distributions may be reduced or suspended.** The ability of the Fund to make distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Data Group and will be subject to numerous factors disclosed in this short form prospectus and the Fund's continuous disclosure documents including, but not limited to, the financial performance of the Data Group and debt covenants and obligations, interest rates, working capital requirements, cost of new materials and future capital expenditure requirements. In addition, the market value of the Debentures and Units may decline if the Fund is unable to meet its cash distribution targets in the future, and that decline may be material. It is important for an investor to consider the particular risk factors that may affect the Fund, its affiliates and the industry in which the Fund's affiliates operate and that may therefore affect the stability of the cash distributions on the Units. See "Risk Factors".

TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Canaccord Financial Ltd., Industrial Alliance Securities Inc. and National Bank Financial Inc. (collectively, the “Underwriters”), as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued, sold and delivered by the Fund to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters by McCarthy Tétrault LLP, as counsel to the Fund, and Stikeman Elliott LLP, as counsel to the Underwriters. The offering price of the Debentures was determined by negotiation between the Fund and the Underwriters.

The after-tax return from an investment in Units (including Units issuable upon conversion of the Debentures) to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the Fund (portions of which may be fully or partially taxable or may be tax deferred). The adjusted cost base of Units held by a Unitholder will be reduced by the non-taxable portion of distributions made to the Unitholder (other than the portion thereof attributable to the non-taxable portion of certain capital gains). The composition of those distributions may change over time, thus affecting the after-tax return to Unitholders. See “Certain Canadian Federal Income Tax Considerations”.

The Fund is not a trust company and is not registered under applicable legislation governing trust companies as it does not 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.

**TD Securities Inc. and BMO Nesbitt Burns Inc. are subsidiaries of Canadian chartered banks that are members of a syndicate that has made a revolving credit facility (the “Amended Credit Facilities”) available to the Data Group, a wholly-owned subsidiary of the Fund. The net proceeds of the Offering will be used to repay a portion of the Data Group’s outstanding borrowings under the Amended Credit Facilities. Accordingly, under applicable Canadian securities legislation, the Fund may be considered a “connected issuer” to such Underwriters. See “Plan of Distribution”.**

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Debentures will be issued in registered form to CDS Clearing and Depository Services Inc. (“CDS”) or its nominee as registered global securities and will be deposited with CDS on the date of Closing, which is expected to occur on or about April 27, 2010 or such later date as the Fund and the Underwriters may agree, but in any event no later than April 30, 2010. Holders of Debentures will not be entitled to receive physical certificates representing their ownership. See “Plan of Distribution” and “Description of the Debentures — Book-Entry System for Debentures”.

Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Fund has not authorized anyone to provide different information. If an investor is provided with different or inconsistent information, he or she should not rely on it. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information appearing in this short form prospectus is accurate as of the date on the front cover of this short form prospectus only, regardless of the time of delivery of this short form prospectus or of any sale of the Debentures. Certain information contained or incorporated by reference in this short form prospectus concerning companies other than the Fund or its subsidiaries has been derived from publicly available sources. No representation is made with respect to the accuracy of this information.

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### FORWARD-LOOKING STATEMENTS

Certain statements in this short form prospectus constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, the Data Group or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this short form prospectus, the words such as “may”, “would”, “could”, “will”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan”, and other similar expressions are intended to identify forward-looking statements. These statements reflect the Fund’s current views regarding future events and operating performance, are based on information currently available to the Fund, and speak only as of the date of this short form prospectus. These forward-looking statements involve a number of risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Fund and the Data Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The principal assumptions and risks that the Fund made or took into account in the preparation of these forward-looking statements include the impact of the weakened domestic and global economic conditions on the Data Group’s businesses; the risk that the Data Group’s efforts to reduce its operating costs may not become effective as quickly as the Data Group expects, thereby impacting the Data Group’s profitability and cash available for distribution should the Data Group’s revenues decline further than expected; the risk that, should the Data Group’s revenues decline further than expected, the cost reduction measures taken by the Data Group in response to the current economic environment may not be sufficient and further reductions may be necessary; the Data Group’s ability to grow its sales or even maintain historical levels of its sales of product and services including printed business documents; increases in the costs of paper and other raw materials used by the Data Group; the Data Group’s ability to maintain relationships with its customers; competition from competitors supplying similar products and services; and the application of recent changes to the income tax treatment of certain income trusts, such as the Fund, which will subject the Fund to tax commencing in 2011, and the effect of those changes on the trading price of the Fund’s units. Additional factors are discussed elsewhere in this short form prospectus and under the heading “Risk Factors”, in the Fund’s Annual Information Form (as defined below) and under the heading “Risks and Uncertainties” in the Fund’s MD&A (as defined below). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this short form prospectus as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, the Fund does not intend, and does not assume any obligation, to update or revise these forward-looking statements.

### FINANCIAL INFORMATION AND CURRENCY

The financial statements of the Fund incorporated by reference in this short form prospectus are reported in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

Except as otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars and references to \$ are to Canadian dollars.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Fund, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

1. the management proxy information circular of the Fund dated April 12, 2010 and issued in connection with the meeting of Unitholders to be held on May 12, 2010;
2. the annual information form of the Fund dated March 30, 2010 for the year ended December 31, 2009 (“Annual Information Form”);
3. the audited consolidated annual financial statements of the Fund as at December 31, 2009 and December 31, 2008, together with the notes thereto and the auditors’ report thereon;
4. the management’s discussion and analysis of the financial condition and operations of the Fund for the years ended December 31, 2009 and December 31, 2008 (“MD&A”); and
5. the material change report of the Fund dated April 8, 2010 with respect to the Offering.

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer and Secretary of DBFL, 9195 Torbram Road, Brampton, Ontario, Canada, L6S 6H2, telephone (905) 791-3151 and are also available electronically at [www.sedar.com](http://www.sedar.com).

All annual information forms, material change reports (excluding confidential reports), business acquisition reports, unaudited consolidated interim financial statements, audited annual consolidated financial statements, interim and annual management’s discussion and analysis and information circulars which are filed by the Fund with a securities commission or similar authority in any of the provinces or territories of Canada after the date of this short form prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this short form prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this short form prospectus.**

## ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Fund, and Stikeman Elliott LLP, counsel to the Underwriters, provided that, on the date of Closing, either (i) the Fund is a mutual fund trust under the *Income Tax Act* (Canada), including the regulations thereunder (the “Tax Act”) and the Units are listed on a designated stock exchange (which currently includes the TSX), or (ii) the Debentures are listed on a designated stock exchange, the Debentures, if issued on such date, will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, tax-free savings accounts (a “TFSA”) and registered education savings plans (collectively, the “Plans”) (other than a deferred profit sharing plan to which contributions are made by the Fund or a person or partnership with which the Fund does not deal at arm’s length). In addition, provided that, on the date of Closing, the Units are listed on a designated stock exchange or the Fund qualifies as a mutual fund trust for purposes of the Tax Act, the Units, including the Units issuable on conversion, redemption or repayment at maturity of the Debentures, if issued on such date, would be qualified investments for the Plans.

Notwithstanding that Units and Debentures may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the Units or Debentures if such Units or Debentures, as the case may be, are a “prohibited investment” for the TFSA. Units or Debentures will generally be a “prohibited investment” if the holder of a TFSA does not deal at arm’s length with the Fund for purposes of the Tax Act or the holder of the TFSA has a “significant interest” (within the meaning of the Tax Act) in the Fund or in a corporation, partnership or trust with which the Fund does not deal at arm’s length for purposes of the Tax Act.

## BUSINESS OF THE DATA GROUP

### The Data Group Income Fund

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario by a declaration of trust dated November 15, 2004, as amended and restated as of December 14, 2004 and as of September 30, 2006 (the “Declaration of Trust”). An unlimited number of Units are issuable pursuant to the Declaration of Trust. As at April 15, 2010, the Fund had 23,490,592 Units issued and outstanding.

The Data Group is a limited partnership existing under the laws of the Province of Ontario pursuant to a limited partnership agreement between Data Business Forms Limited, as initial limited partner, and 2113994 Ontario Inc., as the general partner, dated as of September 22, 2006. Data Business Forms Limited and 2113994 Ontario Inc. subsequently amalgamated to form DBFL. All of the limited partnership interests in the Data Group are held by the Fund. All of the shares of DBFL are owned by the Fund. The activities of the Data Group are restricted to the conduct of the business of providing total document management solutions, including printed products (or other forms of document management and related businesses) and the ownership and operation of assets and property in connection with the operation of that business, including all ancillary or incidental activities.

The head and registered offices of the Fund, the Data Group and DBFL are located at 9195 Torbram Road, Brampton, Ontario, Canada L6S 6H2.

### Business Overview

The Data Group is a leading provider of total document management solutions including printed products. The Data Group targets large businesses and organizations with major distribution networks throughout Canada. These customers outsource their document management and printing needs to the Data Group with a view to reducing costs and improving service levels. The Data Group provides its customers with a broad suite of customized printed products and related services, which include a comprehensive approach to helping customers better manage the total systemic costs of their documents, the production of products such as custom labels, security documents, sporting event and lottery tickets, business forms, direct mail, statement processing, annual reports, label production on-demand, statement rendering and billing, marketing literature fulfillment, customer provision of inventory and warehouse management and distribution services.

The Data Group has a well diversified client base of customers that include Canada Post Corporation, Manulife Financial Corporation, Purolator Courier Ltd., Imperial Oil Limited, Bell Canada, Bank of Montreal, The Toronto-Dominion Bank, Shell Canada Limited, Suncor Energy Inc., Shoppers Drug Mart Inc., Grand & Toy, Canadian Tire Corporation, Ontario Lottery and Gaming Corporation, the Ontario Government and British Columbia Lottery Corporation. Over half of the Data Group’s revenues in fiscal 2009 were derived from long-term, managed customer relationships supported by service level agreements. The Data Group and its predecessors have enjoyed continuing relationships for more than 10 years with the majority of its 25 largest customers based on fiscal 2009 sales.

The Data Group operates manufacturing/warehousing facilities and ImageNet<sup>®</sup> digital print centres (including several located in customers’ premises) throughout Canada, except for the Atlantic provinces.

The Data Group’s principal products and services consist of:

- **Document Management Services** — including print-related outsourcing management, customized fulfilment, variable imaging, database management, finishing, procuring, mailing and distribution, and warehousing and inventory management, all of which are integrally related to the Data Group’s printed products business.

- **Printed Products** — including a wide array of printed products in the following categories:
  - Business Forms and Documents, including designing, manufacturing and delivering a broad range of business forms and documents, custom labels, print-related security documents, event and lottery tickets and print-related services, including print-on-demand and direct mail, custom point-of-sale transaction rolls, prepaid card programs and custom pressure sensitive labels and bar code solutions.
  - Commercial Printing, including producing custom products such as corporate/promotional brochures, catalogues, annual reports, directories, calendars, posters, event tickets, point of purchase displays and other promotional products.
- **Fulfillment Services** — including kitting and delivery, warehousing printed materials and finishing services.
- **Billing Services** — electronic bill presentment solutions include email notification, document presentation, bill payment and posting and network security; electronic print and mail includes complete analysis, programming and data processing capabilities, digital printing, letter shop, finishing and mailing.

### USE OF PROCEEDS

The estimated net proceeds from the Offering, after deducting fees payable to the Underwriters and the estimated expenses of the Offering will be approximately \$42.8 million and approximately \$47.6 million if the Over-Allotment Option is exercised in full. The net proceeds of the Offering will be used to repay a portion of the Data Group's outstanding borrowings under the Amended Credit Facilities. Principal amounts repaid by the Data Group under the Amended Credit Facilities may be redrawn in accordance with the terms and conditions of the Amended Credit Facilities.

### CONSOLIDATED CAPITALIZATION OF THE FUND

There have been no material changes in the Fund's equity or long-term debt on a consolidated basis since December 31, 2009. The following table sets out the capitalization of the Fund as at December 31, 2009, both before and after giving effect to the Offering (excluding the Debentures issuable pursuant to the Over-Allotment Option) and assuming the net proceeds of the Offering, together with cash on hand, is used to repay \$45 million of the Data Group's outstanding borrowings under the Amended Credit Facilities.

	<u>Authorized</u>	<u>At December 31, 2009, before giving effect to the Offering (in thousands of dollars except Unit amounts)</u>	<u>Pro forma as at December 31, 2009, after giving effect to the Offering (in thousands of dollars except Unit amounts)</u> (unaudited)
<b>INDEBTEDNESS</b>			
Existing 6.75% Convertible Extendible Unsecured Subordinated Debentures <sup>(1)</sup> . . . . .	—	\$ 34,824	\$ 34,824
New 6.00% Convertible Unsecured Subordinated Debentures <sup>(2)</sup> . . . . .	—	—	\$ 45,000
Long-term debt <sup>(3)</sup> . . . . .	—	\$ 70,000	\$ 25,000
<b>UNITHOLDERS' EQUITY</b>			
Units . . . . .	Unlimited	\$215,336 (23,490,592 Units)	\$215,336 (23,490,592 Units)
<b>TOTAL CAPITALIZATION</b> . . . . .		<b>\$320,160</b>	<b>\$320,160</b>

**Notes:**

- (1) Represents both the liability and equity components of the Fund's outstanding 6.75% extendible convertible unsecured subordinated debentures and excludes issue costs.
- (2) Represents both the liability and equity components of the Debentures and excludes issue costs (and before the exercise of the Over-Allotment Option).
- (3) Long-term debt is held at the Data Group level and consists of the Amended Credit Facilities. Pro forma amount gives effect to the repayment of long-term debt in the amount of \$45 million.

## EARNINGS COVERAGE

The Fund's earnings before interest and income tax expense for the year ended December 31, 2009 were \$15.2 million.

The Fund's interest requirements, before giving effect to the issuance of the Debentures and the repayment of \$45.0 million of the Data Group's outstanding borrowings under the Amended Credit Facilities, for the year ended December 31, 2009 amounted to \$5.4 million, for an earnings to interest coverage ratio of 2.8 times. The Fund's pro forma interest requirements, after giving effect to the issuance of the Debentures (and assuming that the Over-Allotment Option is not exercised) and the repayment of \$45.0 million of the Data Group's outstanding borrowings under the Amended Credit Facilities, for the year ended December 31, 2009 amounted to \$6.6 million, for an earnings to interest coverage ratio of 2.3 times. Since the Debentures and the Fund's outstanding 6.75% extendible convertible unsecured subordinated debentures (the "6.75% Debentures") are convertible into Units of the Fund, they are accounted for, in part, as equity. The liability portion of the Debentures and the 6.75% Debentures, respectively, is accreted up to the face value of those securities during the period they are outstanding, resulting in non-cash interest charges. The aforementioned ratios have been calculated including these non-cash interest charges. If those securities had been accounted for in their entirety as debt for the purpose of calculating the aforementioned ratios, the interest requirements would have been reduced by the amount of these non-cash charges, bringing them to \$6.1 million for the year ended December 31, 2009. The earnings coverage ratio, for the year ended December 31, 2009, calculated as if those securities had been accounted for as debt, is 2.5 times.

The earnings coverage ratios set forth above have been prepared in accordance with Canadian disclosure requirements, using financial information that was prepared in accordance with Canadian GAAP. The pro forma earnings assume that there are no additional earnings derived from the net proceeds of the Debentures. Earnings coverage is equal to net income before interest expense on all long-term debt, income taxes, provincial capital taxes and other income (expense), divided by interest expense on all long-term debt.

## TRADING PRICES AND VOLUMES

The Units and the 6.75% Debentures are listed for trading on the TSX.

The following table sets forth the range of high and low prices per Unit as at the close of market (TSX) and total monthly volumes of Units traded on the TSX for the calendar months in the periods indicated.

<u>Month, Year</u>	<u>Price per Unit (\$)</u>		<u>Total Volume (Units)</u>
	<u>High</u>	<u>Low</u>	
April, 2009 . . . . .	\$4.25	\$2.65	787,997
May, 2009 . . . . .	\$4.09	\$3.60	1,020,201
June, 2009 . . . . .	\$3.92	\$3.47	770,937
July, 2009 . . . . .	\$3.50	\$2.55	1,067,961
August, 2009 . . . . .	\$3.80	\$3.08	1,606,849
September, 2009 . . . . .	\$5.30	\$3.72	1,887,280
October, 2009 . . . . .	\$5.20	\$4.50	1,985,842
November, 2009 . . . . .	\$6.08	\$4.80	1,478,969
December, 2009 . . . . .	\$5.96	\$5.40	1,310,143
January, 2010 . . . . .	\$7.24	\$5.84	4,072,615
February, 2010 . . . . .	\$7.95	\$6.37	2,240,608
March, 2010 . . . . .	\$8.97	\$7.58	2,983,326
April, 2010 (up to April 15, 2010) . . . . .	\$9.85	\$8.70	1,455,456

On April 15, 2010, the closing price of the Units on the TSX was \$9.55.

The following table sets forth the range of high and low prices per \$100 principal amount of 6.75% Debenture as at the close of market (TSX) and total monthly volumes of the 6.75% Debentures traded on the TSX for the calendar months in the periods indicated.

<u>Month, Year</u>	<u>Price per 6.75% Debenture (\$)</u>		<u>Total Volume (Debentures)</u>
	<u>High</u>	<u>Low</u>	
April, 2009 . . . . .	\$ 81.00	\$ 75.01	2,710
May, 2009 . . . . .	\$ 86.99	\$ 77.00	1,220
June, 2009 . . . . .	\$ 90.00	\$ 83.00	3,330
July, 2009 . . . . .	\$ 90.00	\$ 86.00	2,250
August, 2009 . . . . .	\$ 94.00	\$ 88.50	2,130
September, 2009 . . . . .	\$ 95.50	\$ 89.00	1,890
October, 2009 . . . . .	\$ 97.75	\$ 93.00	17,420
November, 2009 . . . . .	\$100.25	\$ 97.00	1,300
December, 2009 . . . . .	\$103.50	\$ 99.00	2,650
January, 2010 . . . . .	\$102.00	\$100.00	2,750
February, 2010 . . . . .	\$102.84	\$101.00	1,480
March, 2010 . . . . .	\$102.00	\$101.50	5,450
April, 2010 (up to April 15, 2010) . . . . .	\$103.00	\$101.00	1,080

On April 14, 2010, the closing price per \$100 principal amount of 6.75% Debentures on the TSX was \$101.00.

## DESCRIPTION OF THE DEBENTURES

The Debentures will be issued as a new series under the trust indenture dated as of August 31, 2006 and a supplement to that indenture to be dated the date of Closing (the “Indenture”), between the Fund and Computershare Trust Company of Canada (the “Debenture Trustee”). The following is a description of the terms of the Indenture. The following summary of certain provisions of the Indenture is subject to, and is qualified in its entirety by reference to, the provisions of the Indenture.

### General

The aggregate principal amount of Debentures authorized to be issued under the Indenture is unlimited and may be issued in one or more series. The aggregate principal amount of the Debentures authorized for issue will be \$50 million. The Fund may, however, from time to time, without the consent of the holders of the Debentures but subject to the limitations described therein, issue additional debentures of the same series or of a different series under the Indenture, in addition to the Debentures offered hereby.

The Debentures will be designated as “6.00% Convertible Unsecured Subordinated Debentures” and will be dated as of the date of Closing. The Debentures will be issuable only in denominations of \$1,000 and integral multiples thereof. The Debentures will be due on the Maturity Date.

The Debentures will bear interest from and including the date of issue at 6.00%, payable semi-annually, in arrears, on June 30 and December 31 of each year (each an “Interest Payment Date”), commencing on December 31, 2010. The first interest payment will include interest accrued from the date of Closing up to, but excluding, December 31, 2010.

The principal amount of the Debentures will be payable in lawful money of Canada or, at the option of the Fund and subject to applicable regulatory approval, by payment of Units. See “Description of the Debentures — Payment upon Redemption or Maturity” and “Description of the Debentures — Redemption and Purchase”. The interest on the Debentures will be payable in lawful money of Canada or, at the option of the Fund and subject to applicable regulatory approval, in accordance with the Unit Interest Payment Election (as defined below). See “Description of the Debentures — Interest Payment Option”. Payment of interest to a non-resident holder of Debentures, whether paid in cash or Units, will be subject to Canadian withholding tax.

“Unit Interest Payment Election” is defined in the Indenture as an election to satisfy an interest obligation of the Fund to pay interest on the Debentures, as and when the same becomes due, on the applicable interest payment date, in the manner described in the written notice made by the Fund to the Debenture Trustee specifying such interest obligation.

The Debentures will be direct obligations of the Fund and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Fund, other than the 6.75% Debentures. The Debentures will rank *pari passu* with the 6.75% Debentures. See “Description of the Debentures — Subordination”. The Indenture does not restrict the Fund from incurring additional indebtedness for borrowed money or other liabilities or from mortgaging, pledging or charging its properties to secure any indebtedness.

Amendments have been made to the Tax Act to facilitate tax deferred conversions to corporations of specified investment flow-throughs or partnerships (SIFTs) for the purposes of the Tax Act. Although the Fund has no current intention of converting to a corporate structure pursuant to an Income Fund Conversion Transaction (as defined below), in the event the Fund converts to a corporation (the “Continuing Corporation”) in the future pursuant to an Income Fund Conversion Transaction, adjustments may be made to the terms of the conversion privilege as described below under “-Conversion Privilege”. Among other things, these adjustments may be necessary to reflect the fact that holders of Units, in connection with such an Income Fund Conversion Transaction, may receive shares or other securities in exchange or otherwise as consideration or in substitution for Units. Therefore, as further described below, Debentures would be adjusted in such case so that they will be exercisable for the kind and amount of securities or property of the Fund or the Continuing Corporation which the holder of Debentures would have been entitled to receive had it been a holder of Units at the relevant time. When used in this short form prospectus, the term “Income Fund Conversion Transaction” means a transaction in which the Fund converts from an income trust to a corporate structure and no person or group of persons acting jointly or in concert, following the completion of the conversion transaction, has voting control or direction of more than 66⅔% of the votes attaching to the voting shares of the resulting corporate entity.

**In addition, in connection with an Income Fund Conversion Transaction, the Debentures will without the consent of any holders of Debentures, become debentures of the Continuing Corporation having substantially the same terms and conditions as the Debentures and which will be valid and binding obligations of the Continuing Corporation.**

### **Conversion Privilege**

The Debentures will be convertible at the holder’s option into fully paid and non-assessable Units at any time before the close of business on the earlier of the Maturity Date and the business day immediately preceding the date fixed for redemption at a conversion price of \$12.20 per Unit (the “Conversion Price”), subject to adjustment in certain events. The Conversion Price represents a conversion ratio of approximately 81.97 Units per \$1,000 principal amount of Debentures. No adjustment will be made to the record dates for distributions on Units issuable on conversion of, or interest accrued on, Debentures surrendered for conversion. Holders converting their Debentures will receive accrued and unpaid interest thereon up to, but excluding, the date of conversion. Holders converting their Debentures will become holders of record of Units of the Fund on the business day immediately after the conversion date. Notwithstanding the foregoing, no Debentures may be converted during the five business days preceding June 30 and December 31 in each year, commencing June 30, 2013, as the registers of the Debenture Trustee will be closed during such periods.

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Price in certain events including:

- (a) the subdivision or consolidation of the outstanding Units;
- (b) the distribution of Units to holders of Units by way of distribution or otherwise, other than an issue of securities to holders of Units who have elected to receive distributions in securities of the Fund in lieu of receiving cash distributions paid in the ordinary course;
- (c) the issuance of options, rights or warrants to holders of Units entitling them to acquire Units or other securities convertible into Units at less than 95% of the then Current Market Price (as defined below), other than pursuant to the distribution reinvestment plan of the Fund; and
- (d) the distribution to all holders of Units of any securities or assets (other than cash distributions and equivalent distributions in securities paid in lieu of cash distributions in the ordinary course).

There will be no adjustment of the Conversion Price in respect of any event described in (b), (c) or (d) above if the holders of the Debentures (“Debentureholders”) are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date. The Fund will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In addition, no Debentures may be converted during an Income Fund Conversion Transaction if the issuance of Units upon such conversion would prohibit the Fund from being wound up on a tax deferred basis as a result of there being Units held by persons other than the Continuing Corporation or if the issuance of Units would otherwise adversely affect the tax consequences associated with the Income Fund Conversion Transaction.

In the case of a reclassification or a capital reorganization of the Units or in the case of any consolidation, amalgamation or merger of the Fund with or into any other entity, or in the case of a sale or conveyance of the properties and assets of the Fund as, or substantially as, an entirety to any other entity, or a liquidation, dissolution, winding-up of the Fund or other similar transaction, including in each case an Income Fund Conversion Transaction, the terms of the conversion privilege will be adjusted so that each holder of a Debenture will, after such reclassification, capital reorganization, consolidation, amalgamation, merger, sale, conveyance, liquidation, dissolution, winding up or other similar transaction, be entitled to receive the number of Units, other securities or consideration such holder would be entitled to receive if on the effective date thereof, it had been the holder of the number of Units into which the Debenture was convertible immediately prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, merger, sale, conveyance, liquidation, dissolution, winding up or other similar transaction (“Substitute Property”). Following dissolution or winding up, any reference to “Units” under the headings “-Payment upon Redemption or Maturity”, or “-Interest Payment Option” will be deemed to be a reference to Substitute Property.

No fractional Units will be issued on any conversion but, in lieu thereof, the Fund will satisfy fractional interests by a cash payment equal to the Current Market Price (as defined below) of any fractional interest.

“Current Market Price” is defined in the Indenture as the volume-weighted average trading price per unit for the Units on the TSX (or, if the Units are not listed thereon, on such stock exchange on which the Units are listed as may be selected for such purpose by or on behalf of the trustees of the Fund and approved by the Debenture Trustee, or if the Units are not listed on any stock exchange, then on the over-the-counter market) for the 20 consecutive trading days ending five days prior to the applicable event. The weighted average price will be determined by dividing the aggregate sale price of all Units sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Units so sold.

### **Redemption and Purchase**

The Debentures may not be redeemed by the Fund before June 30, 2013 (the “First Call Date”), except in the event of the satisfaction of certain conditions following the occurrence of a Change of Control (as defined below) as described below under “- Change of Control of the Fund”. On or after the First Call Date and prior to June 30, 2015, the Debentures may be redeemed in whole or in part from time to time at the option of the Fund on not more than 60 days’ and not less than 30 days’ prior written notice at a price equal to their principal amount (the “Redemption Price”) plus accrued and unpaid interest thereon, provided that the Current Market Price on the date on which notice of redemption is given is not less than 125% of the Conversion Price. On or after June 30, 2015, the Debentures may be redeemed at any time before the Maturity Date by the Fund, in whole or in part, from time to time at the option of the Fund on not more than 60 days’ and not less than 30 days’ prior notice at a price equal to their principal amount plus accrued and unpaid interest to, but excluding, the redemption date.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable. The Fund will have the right to purchase Debentures in the market, by tender, or by private contract, provided however, that if an event of default under the Indenture has occurred and is continuing, the Fund or any of its affiliates will not have the right to purchase Debentures by private contract.

### **Payment upon Redemption or Maturity**

On redemption or at maturity, the Fund will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the aggregate Redemption Price of the outstanding

Debentures which are to be redeemed or the principal amount of the outstanding Debentures which have matured, together with accrued and unpaid interest thereon. The Fund may, at its option, on not more than 60 days' and not less than 40 days' prior notice, subject to applicable regulatory approval and provided no Event of Default (as defined below) has occurred and is continuing, elect to satisfy its obligation to pay the Redemption Price of the Debentures which are to be redeemed or the principal amount of the Debentures which are due on maturity, as the case may be, by issuing freely tradeable Units to the holders of the Debentures. Any accrued and unpaid interest thereon will be paid in cash. The number of Units to be issued will be determined by dividing the aggregate Redemption Price of the outstanding Debentures which are to be redeemed or the principal amount of the outstanding Debentures which have matured, as the case may be, by 95% of the Current Market Price on the date fixed for redemption or the Maturity Date, as the case may be. No fractional Units will be issued on redemption or maturity but in lieu thereof the Fund will satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

### **Subordination**

The payment of the principal of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness of the Fund. "Senior Indebtedness" is defined in the Indenture as the principal of and premium, if any, and interest on and other amounts in respect of all indebtedness including indebtedness to trade creditors of the Fund (whether outstanding as at the date of Indenture or thereafter incurred), other than indebtedness evidenced by the Debentures and all other existing and future debentures or other instruments of the Fund which, by the terms of the instrument creating or evidencing the indebtedness, are expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. Each debenture of the same series of debentures issued under the Indenture will rank *pari passu* with each other debenture of the same series and, subject to statutory preferred exceptions, with all other present and future subordinated and unsecured indebtedness of the Fund except for sinking fund provisions (if any) applicable to different series of debentures or similar types of obligations of the Fund.

The Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Fund, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Fund, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Fund, then those holders of Senior Indebtedness, including any trade creditors of the Fund, will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon. The Indenture also provides that the Fund will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without any limitation by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (a) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures, or (b) at any time when an event of default has occurred under the Senior Indebtedness and is continuing and the notice of such event of default has been given by or on behalf of the holders of Senior Indebtedness to the Fund, unless the Senior Indebtedness has been repaid in full.

The Debentures will also be effectively subordinate to claims of creditors of each subsidiary of the Fund except to the extent the Fund or one of its other subsidiaries is a creditor of such subsidiary ranking at least *pari passu* with such other creditors. Specifically, the Debentures will be effectively subordinated in right of payment to the prior payment in full of all indebtedness under the Amended Credit Facilities.

### **Priority Over Fund Distributions**

The Declaration of Trust provides that certain expenses of the Fund must be deducted in calculating the amount to be distributed to the Unitholders. Accordingly, the funds required to satisfy the interest payable on the Debentures, as well as the amount payable upon redemption or maturity of the Debentures or upon an Event of Default (as defined below), will be deducted and withheld from the amounts that would otherwise be payable as distributions to Unitholders.

### **Change of Control of the Fund**

Upon the occurrence of a change of control involving the acquisition of voting control or direction over 66⅔% or more of the Units (on a fully-diluted basis, including Units issuable upon the conversion or exchange of securities

convertible into or exchangeable for or otherwise carrying the right to acquire Units) by any person or group of persons acting jointly or in concert, other than a circumstance in which such acquisition occurs solely in connection with an Income Fund Conversion Transaction (a “Change of Control”), each holder of Debentures may require the Fund to purchase, on the date which is 30 days following the giving of notice of the Change of Control as set out below (the “Put Date”), the whole or any part of such holder’s Debentures at a price equal to 101% of the principal amount thereof (the “Put Price”) plus accrued and unpaid interest to, but excluding, the Put Date. The Indenture contains notification provisions requiring to the following effect: (i) the Fund will promptly give written notice to the Debenture Trustee of the occurrence of a Change of Control and the Debenture Trustee will thereafter give to the holders of Debentures notice of the Change of Control, the repayment right of the holders of Debentures and the right of the Fund to redeem untendered Debentures under certain circumstances, and (ii) a holder of Debentures, to exercise the right to require the Fund to purchase its Debentures, must deliver to the Debenture Trustee, not less than five business days prior the Put Date, written notice of the holder’s exercise of such right, together with the Debentures with respect to which the right is being exercised, duly endorsed for transfer.

If 90% or more in aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, the Fund will have the right to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given by the Fund to the Debenture Trustee prior to the Put Date, and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

### **Interest Payment Option**

From time to time, subject to applicable regulatory approval and provided no Event of Default has occurred, the Fund may elect to satisfy its obligation to pay interest on the Debentures (the “Interest Obligation”) arising on any Interest Payment Date by delivering sufficient Units to the Debenture Trustee to satisfy all or any part of the Interest Obligation in accordance with the Indenture (the “Unit Payment Interest Election”). The Indenture provides that, upon such election, the Debenture Trustee will, subject to any applicable securities laws (a) accept delivery from the Fund of Units, (b) accept bids with respect to, and consummate sales of, such Units, each as the Fund may direct in its absolute discretion, (c) invest the proceeds of such sales in short-term permitted government securities (as defined in the Indenture) that mature prior to the applicable Interest Payment Date, and use the proceeds received from such permitted government securities, together with any proceeds from the sale of Units not invested as aforesaid, to satisfy the Interest Obligation, and (d) perform any other action necessarily incidental thereto.

The Indenture sets forth the procedures to be followed by the Fund and the Debenture Trustee in order to effect the Unit Interest Payment Election. If a Unit Interest Payment Election is made, the sole right of a Debentureholder in respect of interest will be to receive cash from the Debenture Trustee out of the proceeds of the sale of Units (plus any amount received by the Debenture Trustee from the Fund attributable to any fractional Units) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the Fund in respect of the Interest Obligation.

Neither the Fund’s making of the Unit Interest Payment Election nor the consummation of sales of Units will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date, or (b) entitle such holders to receive any Units in satisfaction of the Interest Obligation.

### **Events of Default**

The Indenture provides that an event of default (“Event of Default”) in respect of the Debentures will occur if any one or more of the following described events has occurred and is continuing with respect of the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, when due on the Debentures, whether at maturity, upon redemption, by declaration or otherwise; (iii) certain events of bankruptcy, insolvency or reorganization of the Fund under bankruptcy or insolvency laws; or (iv) default in the observance or performance of any material covenant or condition of the Indenture and continuance of such default for a period of 30 days after notice in writing has been given by the Debenture Trustee to the Fund specifying such default and requiring the Fund to rectify the same. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and will, upon request of holders of not less than 25% in principal amount of the principal amount of Debentures, declare the

principal of and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of a majority of the principal amount of the Debentures then outstanding may, on behalf of the holders of all Debentures, waive any Event of Default and/or cancel any such declaration upon such terms and conditions as such holders shall prescribe.

### **Offers for Debentures**

The Indenture contains provisions to the effect that if an offer is made for the Debentures which is a takeover bid for Debentures within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Debentures held by the holders of Debentures who did not accept the offer on the terms offered by the offeror.

### **Modification**

The rights of the Debentureholders as well as holders of any other series of debentures (collectively, the “holders of debentures”) that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture contains certain provisions which will make binding on all holders of debentures resolutions passed at meetings of the holders of debentures by votes cast thereat by holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the debentures. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of debentures of each particularly affected series.

### **Book-Entry System**

The Debentures will be issued in “book-entry only” form and must be purchased or transferred through a participant in CDS (a “CDS Participant”). On the Closing Date, the Debenture Trustee will cause the Debentures to be delivered to CDS and registered in the name of its nominee. The Debentures will be evidenced by a single book-entry only certificate. Registration of interests in and transfers of the Debentures will be made only through the depository service of CDS. Except as described below, a purchaser acquiring a beneficial interest in the Debentures (a “Beneficial Owner”) will not be entitled to a certificate or other instrument from the Debenture Trustee or CDS evidencing that purchaser’s interest therein, and such purchaser will not be shown on the records maintained by CDS, except through a CDS Participant. Such purchaser will receive a confirmation of purchase from the Underwriter or other registered dealer from whom Debentures are purchased.

Neither the Fund nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and Beneficial Owners must look solely to CDS Participants for the payment of the principal and interest on the Debentures paid by or on behalf of the Fund to CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below): (a) may not have Debentures registered in their name; (b) may not have physical certificates representing their interest in the Debentures; (c) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Debentures as security.

The Debentures will be issued to Beneficial Owners in fully registered and certificate form (the “Debenture Certificates”) only if: (a) required to do so by applicable law; (b) the book-entry only system ceases to exist; (c) the Fund or CDS advises the Debenture Trustee that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Debentures and the Fund is unable to locate a qualified successor; (d) the Fund, at its option, decides to terminate the book-entry only system through CDS; or (e) after the occurrence of an Event of Default (as described under “Description of the Debentures — Events of Default”), CDS Participants acting on behalf of Beneficial Owners representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-entry only system through CDS is no longer in their best interest provided the Debenture Trustee has not waived the Event of Default in accordance with the terms of the Indenture.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Debenture Trustee must notify CDS, for and on behalf of CDS Participants and Beneficial Owners, of the availability through CDS of fully registered and certificate forms representing the Debentures (“Debenture Certificates”). Upon surrender by CDS of the single certificate representing the Debentures and receipt of instructions from CDS for the new registrations, the Debenture Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the Fund will recognize the holders of such Debenture Certificates as holders of debentures under the Indenture.

Interest on the Debentures will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Fund and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Units if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Units if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Debenture Trustee or as otherwise specified in the Indenture.

### **LIMITATION ON NON-RESIDENT OWNERSHIP**

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund cannot reasonably be considered to be established or maintained primarily for the benefit of non-resident persons. Accordingly, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of more than 40% of all Units outstanding. This 40% limitation will be applied with respect to the issued and outstanding Units of the Fund on both a non-diluted basis and a fully-diluted basis. The trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the trustees become aware that the beneficial owners of 40% or more of all Units outstanding (either on a non-diluted or fully-diluted basis) are, or may be, non-residents of Canada or that such a situation is imminent, trustees or the transfer agent will make a public announcement thereof and thereafter the transfer agent and registrar will not accept a subscription for Units from or issue or register a transfer of Units to any person unless the person provides a declaration that he or she is not a non-resident of Canada within the meaning of the Tax Act.

If, notwithstanding the foregoing, the trustees determine that 40% or more of all Units outstanding (either on a non-diluted or fully-diluted basis) are held by non-residents of Canada, the trustees may direct the transfer agent and registrar of the Units to send a notice to non-resident Unitholders, chosen in inverse order to the order of acquisition or registration or in any other manner the trustees consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the trustees with satisfactory evidence that they are not non-residents of Canada within the meaning of the Tax Act within such period, the trustees may, on behalf of such persons, sell such Units and, in the interim, the voting and distribution rights attached to such Units shall be suspended. Upon such a sale, the affected holders shall cease to be holders of the Units and their rights shall be limited to receiving the net proceeds of such sale.

As part of the 2004 Budget Proposals, the Minister of Finance (Canada) released draft amendments to the Tax Act relating to the circumstances under which the ownership of units of a trust by non-resident persons and partnerships, other than Canadian partnerships, would cause the trust to lose its status as a mutual fund trust. Under the draft amendments, 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 is more than 50% of the aggregate fair market value of all of the units issued by the trust. A partnership will only qualify as a Canadian partnership at a particular time if all of its members at that time are resident in Canada. The draft amendments did not provide any means of rectifying a loss of mutual fund trust status such that if, at any time, the Fund were to lose its mutual fund trust status as a result of the application of the draft amendments, the Fund would permanently cease to be a mutual fund trust. On December 6, 2004, the Minister of Finance (Canada) tabled a Notice of Ways and Means Motion which did not include these draft amendments, and it is counsel’s understanding that further discussions will take place with the private sector before a decision is made concerning whether the draft amendments will be enacted. The issue of ownership of units of a trust by non-resident persons and partnerships other than Canadian partnerships was not addressed in subsequent federal budgets. Depending on the final form of the draft amendments, if enacted, it may be necessary to amend the Declaration of Trust to take into account these new restrictions so that the Fund maintains its status as a mutual fund trust under the Tax Act. This amendment may be made without Unitholder approval.

## PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated April 9, 2010 (the “Underwriting Agreement”) between the Fund, Data Group and the Underwriters, the Fund has agreed to issue and sell and the Underwriters have agreed to purchase, as principals, on April 27, 2010 or any other date as may be agreed upon by the Fund and the Underwriters, but in any event not later than April 30, 2010, subject to the conditions stipulated in the Underwriting Agreement, \$45 million aggregate principal amount of the Debentures offered hereby at a price of \$1,000 per Debenture, payable in cash to the Fund against delivery by the Fund of global certificates evidencing the Debentures. The Debentures are being offered to the public in all of the provinces of Canada. The offering price of the Debentures was determined by negotiation between the Fund and the Underwriters. The Underwriting Agreement provides that the Fund will pay the Underwriters a fee of \$40 per Debenture for Debentures issued and sold by the Fund, for an aggregate fee payable by the Fund of \$1.8 million, in consideration for their services in connection with the Offering. The Underwriters’ fee is payable on closing of the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all Securities if any securities are purchased under the Underwriting Agreement. Under the terms of the Underwriting Agreement, the Underwriters may be entitled to indemnification by the Fund against certain liabilities, including liabilities for misrepresentations in this short form prospectus.

The Fund has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part for a period of 30 days from the Closing to purchase an aggregate of up to \$5 million of Debentures issued pursuant to the Offering on the same terms as set out above solely to cover over-allotments, if any. The Fund has agreed to pay the Underwriters a fee of \$40 per \$1,000 principal amount of Debentures with respect to Debentures issued under the Over-Allotment Option. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of Debentures on the exercise of the Over-Allotment Option.

**There is currently no market through which the Debentures may be sold and investors may not be able to resell the Debentures. The TSX has conditionally approved the listing of the Debentures and the Units issuable upon conversion of the Debentures. Listing will be subject to the Fund fulfilling all of the listing requirements of the TSX before July 8, 2010.**

Pursuant to policy statements of certain securities commissions, the Underwriters may not, throughout the period of distribution, bid for or purchase Debentures. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of such securities.

In connection with this Offering, the Underwriters may, subject to applicable laws, effect transactions which stabilize or maintain the market price of the Debentures at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Fund has agreed that it will not, without prior consent of TD Securities Inc., on behalf of the Underwriters, whose consent will not be unreasonably withheld, offer or issue, or enter into an agreement or other understanding (including pursuant to any monetization or other similar transaction) to offer or issue, any additional Debentures, Units or other securities of the Fund convertible, exchangeable or exercisable for such Units (except in connection with the exchange, transfer, conversion or exercise of rights of existing outstanding securities or existing commitments to issue securities or the Debentures) for 90 days following the date of Closing.

The Debentures, and the Units issuable on the conversion of the Debentures, have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. In connection with the Offering, a portion of the Securities may be sold in the United States to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A under the U.S. Securities Act. Any offers or sales of Securities in the United States will be made by U.S. affiliates of the Underwriters.

The Debentures will be issued in “book-entry only” form and must be purchased or transferred through a CDS Participant. The Fund will cause a global certificate or certificates representing any Debentures to be delivered to, and registered in the name of, CDS or its nominee. All rights of holders of Debentures must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS Participant through which the Debentureholder holds their Debentures. Each person who acquires Debentures will receive only a customer confirmation of purchase from the Underwriter or registered dealer from or through which the Debentures are acquired in accordance with the practices and procedures of that Underwriter or registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. See “Description of the Debentures — Book Entry System for the Debentures”.

The Underwriters propose to offer the Debentures to the public at the offering prices referred to above. After the Underwriters have made a reasonable effort to sell all of the Debentures at those prices, the offering price to the public of the Debentures may be decreased and may be further changed from time to time to an amount not greater than the offering prices referred to above, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Debentures is less than the price paid by the Underwriters to the Fund.

The Fund may be considered to be a “connected issuer” of TD Securities Inc., and BMO Nesbitt Burns Inc. (the “Connected Underwriters”) within the meaning of applicable Canadian securities legislation. Upon Closing, the Data Group proposes to use the net proceeds of the Offering to repay a portion of the Data Group’s outstanding borrowings under the Amended Credit Facilities. The total amount currently outstanding under the Amended Credit Facilities is approximately \$70 million. Loans outstanding under the Amended Credit Facilities are secured by a variety of security documents, which collectively charge substantially all of the assets of the Data Group. The financial position of the Data Group and the value of the security granted to secure the obligations under the Amended Credit Facilities have not changed materially or adversely since the indebtedness was incurred. The Data Group is and always has been in material compliance with the terms of the Amended Credit Facilities. The decision of the Connected Underwriters to participate in the Offering was made independently of their respective affiliates, and the Offering was not required or suggested by such affiliates. The decision to undertake the Offering and the determination of the terms of the distribution were made through negotiations between the Fund and the Underwriters. Other than as described above, neither the Connected Underwriters nor their respective affiliates will receive any benefit from the Offering, except for the Connected Underwriters in respect of portion of the underwriting commission payable in accordance with the Underwriting Agreement.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of McCarthy Tétrault LLP, counsel to the Fund and Stikeman Elliott LLP, counsel to the Underwriters, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a prospective purchaser of the Debentures and the Units issued on the conversion, redemption or repayment of the Debentures (collectively, the “Fund Securities”) who, for purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm’s length and is not affiliated with the Fund and holds the Fund Securities as capital property. Generally, Fund Securities will be considered to be capital property to an investor provided that the investor does not hold the Fund Securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain investors who might not otherwise be considered to hold their Units and Debentures as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to an investor (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a “specified financial institution”; (iii) an interest in which is a “tax shelter investment”; or (iv) who has elected to report its Canadian tax results in a functional currency (which excludes Canadian dollars) (all as defined in the Tax Act). In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Fund Securities. Such investors should consult their own tax advisors with respect to an investment in Fund Securities.

This summary is based upon the current provisions of the Tax Act, counsel’s understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency (“CRA”) published in writing by it prior to the date hereof, and certificates from the Fund, as to certain factual matters. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance

(Canada) prior to the date hereof (the “Tax Proposals”). There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administration policies or assessing practices of CRA, and does not take into account other federal or provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

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

## **Status of Fund**

### ***Mutual Fund Trust***

This summary is based on the assumption that the Fund qualifies as a “mutual fund trust”, as defined in the Tax Act and will continuously qualify as a mutual fund trust at all relevant times. This summary also assumes that non-residents of Canada and partnerships which are not “Canadian partnerships”, as defined in the Tax Act, will not own Units that have a fair market value which is more than 50% of the fair market value of all issued Units (on a non-diluted and fully diluted basis). If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially different.

### ***SIFT Rules***

On October 31, 2006, the Minister of Finance (Canada) announced significant changes to the tax treatment of publicly traded trusts and partnerships. Legislation amending the Tax Act to implement the new provisions (referred to herein as the “SIFT Rules”) became law on June 22, 2007. The SIFT Rules effectively tax certain income of a publicly traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. The new tax regime applies only to “SIFT trusts”, “SIFT partnerships” and their investors. Where the SIFT Rules apply, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings are generally defined as income (other than certain dividends) from business carried on by the SIFT trust in Canada and from “non-portfolio properties” (including from dispositions of non-portfolio properties). “Non-portfolio properties” include an interest in a partnership which has a fair market value greater than 10% of the total equity value of the partnership.

The SIFT trust is itself liable to pay an income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by the holder of such units from a taxable Canadian corporation. Such deemed dividends will generally qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. A trust resident in Canada is generally defined as a SIFT trust if (a) investments in the trust are listed or traded on a stock exchange or other public market, (b) the trust holds one or more “non-portfolio properties”, and (c) the trust is not an “excluded subsidiary entity” (as defined in the Tax Act).

The SIFT Rules apply to the Fund as of January 1, 2011, subject to the Fund complying with the “normal growth guidelines” included in the SIFT Rules. Management of the Fund has confirmed to counsel that the Fund is in compliance with the normal growth guidelines, with the result that the Fund will not be subject to the SIFT Rules prior to January 1, 2011 as a result of the Debenture offering. This summary assumes that the Fund will not be subject to the SIFT Rules prior to January 1, 2011.

## **Taxation of Debentureholders**

### ***Taxation of Interest on Debentures***

A holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues to the holder to the end of that taxation year or that is receivable or received by the holder before the end of that taxation year, except to the extent that such interest was included in computing the holder's income for a preceding taxation year.

Any other holder will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the holder in that taxation year (depending upon the method regularly followed by the holder in computing income), except to the extent that the interest was included in the holder's income for a preceding taxation year.

In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to a holder, such holder will be required to include in computing income for a taxation year any interest that accrues to the holder on the Debenture up to any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in computing the holder's income for that year or a preceding year. The fair market value of any premium paid by the Fund to a holder on a redemption of Debentures prior to maturity, whether paid in cash or in Units, will generally be deemed to be interest received at that time by the holder if such premium is paid by the Fund because of the repayment by the Fund of the Debentures before their maturity and to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of, the interest that would have been paid or payable by the Fund on the Debentures for taxation years of the Fund ending after the time of the redemption.

Upon a conversion, repayment or other disposition or deemed disposition of a Debenture, any interest accrued on the Debenture to the date of disposition will be included in the holder's income, except to the extent that the interest was otherwise included in the holder's income, and will be excluded in computing the holder's proceeds of disposition of the Debenture.

A holder of Debentures that is throughout a taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6<sup>2</sup>/<sub>3</sub>% on certain investment income, which generally includes interest income.

### ***Exercise of the Conversion Privilege***

A holder of a Debenture who exchanges the Debenture for Units pursuant to the conversion privilege will be considered to have disposed of the Debenture for proceeds of disposition equal to the aggregate of the fair market value of the Units so acquired at the time of the exchange and the amount of any cash received in lieu of fractional Units. The holder may realize a capital gain or capital loss computed as described below under "Other Dispositions of Debentures".

The cost to the holder of the Units so acquired will also be equal to the fair market value thereof at the time of the exchange, and must be averaged with the adjusted cost base of all other Units held as capital property by the holder for the purpose of calculating the adjusted cost base of each Unit.

### ***Redemption or Repayment of Debentures***

If the Fund redeems a Debenture prior to Maturity or repays a Debenture upon Maturity and the holder does not exercise the conversion privilege prior to such redemption or repayment, the holder will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount received by the holder (other than the amount received or deemed to be received as interest) on such redemption or repayment. If the holder receives Units on redemption or repayment, the holder will be considered to receive proceeds of disposition equal to the fair market value of the Units at that time and the amount of any cash received in lieu of fractional Units. The holder may realize a capital gain or capital loss computed as described below under "Other Dispositions of Debentures". The cost to the holder of the Units so acquired will also be equal to the fair market value thereof at the time of the redemption or repayment, and must be averaged with the adjusted cost base of all other Units held as capital property by the holder for the purpose of calculating the adjusted cost base of each Unit.

### ***Other Dispositions of Debentures***

A disposition or deemed disposition by a holder of a Debenture will generally result in the holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of accrued interest, are greater (or less) than the aggregate of the holder's adjusted cost base thereof immediately before the disposition or deemed disposition and any reasonable costs of disposition. One-half of any capital gain realized by a holder will be included in the holder's income under the Tax Act for the year of disposition as a taxable capital gain. One-half of any capital loss realized may be deducted against taxable capital gains realized by the holder in the year of disposition, and in the three preceding taxation years or any subsequent taxation year, to the extent and under the circumstances described in the Tax Act. A holder that is throughout a taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including interest and taxable capital gains.

### **Taxation of the Fund**

The taxation year of the Fund is the calendar year. In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its income for tax purposes for the year, including net realized taxable capital gains and its allocated share of the income of the Data Group, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount. If the Data Group incurs losses for tax purposes, the Fund will be entitled to deduct in computing its income for tax purposes its share of any such losses for any year to the extent that the Fund's investment is "at risk" within the meaning of the Tax Act. In general, the amount "at risk" for an investor in a limited partnership for any taxation year is the adjusted cost base of the investor's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year, less any amount owing by the limited partner (or a person with whom the limited partner does not deal at arm's length) is entitled to receive or obtain for the purpose of reducing, in whole or in part, any loss of the limited partner from the investment.

A distribution by the Fund of the Data Group limited partnership units upon a redemption of Units will be treated as a disposition by the Fund of the securities so distributed for proceeds of disposition equal to their fair market value. The Fund will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the adjusted cost base of the Data Group limited partnership units distributed, and any reasonable costs of disposition. The Fund currently intends to treat as payable to and designate to a redeeming Unitholder any capital gain or income realized by the Fund as a result of the distribution of such securities to the Unitholder.

In computing its income for purposes of the Tax Act, the Fund may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The Fund may also deduct from its income for the year a portion of the expenses incurred by it to issue Debentures pursuant to this offering. The portion of the issue expenses deductible by the Fund in a taxation year is 20% of those issue expenses, pro-rated where the Fund's taxation year is less than 365 days.

Under the Declaration of Trust, an amount equal to all of the income of the Fund (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the taxable and non-taxable portion of any net capital gain realized by the Fund in the year (but excluding income or capital gains arising in connection with a distribution in specie on a redemption of Units which are designated by the Fund to redeeming Unitholders) and capital gains the tax on which may be offset by capital losses carried forward from prior years or is recoverable by the Fund and other deductions and expenses of the Fund, will be payable in the year to Unitholders by way of cash distributions, subject to the exercise of discretion by the trustees and the exceptions described below. Where the income of the Fund in a taxation year exceeds the monthly cash distributions for that year, such excess income will be distributed to Unitholders in the form of additional Units. Income of the Fund payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Fund in computing its taxable income.

The Fund will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Fund's tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Units. The Declaration of Trust provides that all or a portion of any income or capital gain realized by the Fund as a result of that redemption may, at the discretion of the trustees, be treated as income or capital gain

paid to, and designated as income or capital gain of, the redeeming Unitholders, and will be deductible by the Fund in computing its income. In addition, accrued interest on Notes distributed to a redeeming Unitholder may be treated as an amount paid to the Unitholder and will be deductible by the Fund.

Counsel has been advised that the Fund intends to make sufficient distributions in each year of its net income for tax purposes and net realized taxable capital gains so that the Fund will generally not be liable in that year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

## **Taxation of Unitholders**

### ***Fund Distributions***

A Unitholder will generally be required to include in income for a particular taxation year the portion of the net income for tax purposes of the Fund for a taxation year, including net realized taxable capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units or otherwise.

Provided that appropriate designations are made by the Fund, such portions of its taxable dividends received from taxable Canadian corporations and net taxable capital gains as are paid or payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from DBFL, they will be subject, inter alia, to the gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, including the enhanced gross-up and tax credit in respect of eligible dividends, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals, and to the deduction in computing taxable income in respect of Unitholders that are corporations.

A Unitholder that is a Canadian-controlled private corporation, as defined in the Tax Act, may be liable for a 6<sup>2</sup>/<sub>3</sub>% refundable tax on investment income including income distributions except to the extent designated as a taxable dividend.

The non-taxable portion of any net realized capital gains of the Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Fund that is paid or payable to a Unitholder in that year will generally not be included in the Unitholder's income for the year. However, where such an amount is paid or payable to a Unitholder (other than as proceeds in respect of the redemption of Units), the Unitholder will be required to reduce the adjusted cost base of the Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will then be nil. The taxation of capital gains is described below.

### ***Disposition of Units***

On the disposition or deemed disposition of a Unit, whether on a redemption or otherwise, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Fund that is otherwise required to be included in the Unitholder's income, including any capital gain realized by the Fund in connection with a redemption which has been designated by the Fund to the redeeming Unitholder. The taxation of capital gains and capital losses is described below.

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all the Units owned by Unitholder as capital property immediately before that acquisition.

Where Units are redeemed and the redemption price is paid by the delivery of Data Group limited partnership units to the redeeming Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the property so distributed less any income or capital gain realized by the Fund in connection with the redemption of those Units which has been designated by the Fund to the Unitholder. Where any capital gain realized by the Fund in connection with the redemption of Units has been made payable and designated by the Fund to a redeeming Unitholder, the Unitholder will be required to include in income the taxable portion of the capital gain so designated. The cost of any

Data Group limited partnership units distributed by the Fund to a Unitholder upon a redemption of Units will be equal to the fair market value of those Data Group limited partnership units. **Unitholders are advised to consult their own tax advisors prior to exercising their redemption rights.**

The consolidation of Units of the Fund will not be considered to result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all of the Unitholder's Units of the Fund will not change as a result of a consolidation of Units; however, the adjusted cost base per Unit will increase.

### ***Capital Gains and Capital Losses***

One-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Fund in respect of a Unitholder will generally be included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs, or in respect of which a net taxable capital gains designation is made by the Fund. One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units may generally be deducted only from taxable capital gains of the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

Where a Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the Unitholder's capital loss from the disposition will generally be reduced by the amount of dividends, previously designated by the Fund to the Unitholder except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

### ***Alternative Minimum Tax***

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

## **INTERESTS OF EXPERTS**

Certain legal matters in connection with this Offering will be passed on behalf of the Fund by McCarthy Tétrault LLP and on behalf of the Underwriters by Stikeman Elliott LLP. As of the date hereof, the partners and associates of McCarthy Tétrault LLP and Stikeman Elliott LLP, as a group, each beneficially own, directly and indirectly, less than 1% of the outstanding securities of the Fund and its affiliates and associates.

## **LEGAL PROCEEDINGS**

The Fund is not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Fund or the Data Group which would be material to a purchaser of the Debentures.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, Mississauga, Ontario.

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal transfer office in Toronto.

The Debenture Trustee, registrar for the Debentures and the paying agent for the Debentures is Computershare Trust Company of Canada, at its principal office in Toronto.

## RISK FACTORS

*An investment in the Debentures and the Units involves a number of risks. Before investing, prospective purchasers of Debentures should carefully consider, in light of their own financial circumstances, the factors set out below, as well as other information included or incorporated by reference in this short form prospectus. See “Documents Incorporated by Reference”.*

### **Risks Related to the Debentures**

#### ***Market for the Debentures***

There is currently no market through which the Debentures may be sold. There can be no assurance that an active or liquid trading market will develop for the Debentures after the Offering, or if developed, that such a market will be sustained at the price level of the Offering. Whether or not the Debentures will trade at lower prices depends on many factors, including the liquidity of the Debentures, prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and the Fund’s financial condition, historic financial performance and future prospects. The Fund may determine to redeem outstanding Debentures for Units or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Units. Accordingly, holders of Units may suffer dilution.

#### ***Prior Ranking Indebtedness***

The Debentures will be subordinate to all senior obligations of the Fund. The Debentures will also be effectively subordinate to claims of the creditors of the direct or indirect subsidiaries of the Fund, including the Data Group, except to the extent the Fund is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Fund’s subsidiary, the Data Group has outstanding indebtedness under the Amended Credit Facilities, which is secured by a charge over all of the Data Group’s assets. See “Description of the Debentures — Subordination”.

#### ***Absence of Covenant Protection***

The Indenture does not restrict the Fund or any of its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its assets to secure any indebtedness. The Indenture does not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Fund or any of its subsidiaries.

#### ***Redemption Prior to Maturity***

The Debentures may be redeemed, at the option of the Fund, on and after June 30, 2013 and prior to the Maturity Date at any time and from time to time, at the redemption prices set forth in this short form prospectus, together with any accrued and unpaid interest. Holders of Debentures should assume that this redemption option will be exercised if the Fund is able to refinance at a lower interest rate or it is otherwise in the interest of the Fund to redeem the Debentures.

#### ***Inability of Fund to Purchase Debentures***

The Fund will be required to offer to purchase all outstanding Debentures upon the occurrence of a Change of Control. However, it is possible that following a Change of Control, the Fund will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness (including the Amended Credit Facilities) will restrict those purchases. See “Description of the Debentures — Change of Control of the Fund”.

#### ***Conversion Right Following Certain Transactions***

In the event of certain transactions, pursuant to the terms of the Indenture, each Debenture will become exchangeable for securities, cash or property receivable by a holder of Units in the kind and amount of securities, cash or property into which the Debenture was exchangeable immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future.

### *Prevailing Yields on Similar Securities*

Prevailing yield on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces 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, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the short form prospectus dated April 16, 2010 relating to the issuance and sale of Convertible Unsecured Subordinated Debentures of The Data Group Income Fund (the "Fund"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the Unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of income and comprehensive income (loss), unitholders' equity and cash flows for the years then ended. Our report is dated March 3, 2010.

Mississauga, Canada  
April 16, 2010

PRICEWATERHOUSECOOPERS LLP  
Chartered Accountants

**CERTIFICATE OF THE FUND**

Date: April 16, 2010

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**THE DATA GROUP INCOME FUND**  
**by its attorney**  
**DATA BUSINESS FORMS LIMITED**

By: (Signed) DAVID M. ODELL  
Chief Executive Officer

By: (Signed) PAUL O'SHEA  
Chief Financial Officer

By: (Signed) DEREK RIDOUT  
Director

By: (Signed) RONALD A. FOTHERINGHAM  
Director

**CERTIFICATE OF THE UNDERWRITERS**

Date: April 16, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**TD SECURITIES INC.**

By: (Signed) PETER GIACOMELLI

**BMO NESBITT BURNS INC.**

By: (Signed) ASHISH MATHUR

**CIBC WORLD MARKETS INC.**

By: (Signed) SEAN MCINTYRE

**CANACCORD FINANCIAL LTD.**

By: (Signed) JUSTIN BOSA

**INDUSTRIAL ALLIANCE  
SECURITIES INC.**

By: (Signed) PAUL BERNARD

**NATIONAL BANK  
FINANCIAL INC.**

By: (Signed) ROB SAINSBURY

**DATA** Solutions  
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