

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this 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 Corporate Secretary of Big Bank Big Oil Split Corp. at its head office located at 200 University Avenue, 13th Floor, Toronto, Ontario M5H 3C6, or by calling 1-866-417-4640, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

September 22, 2011

BIG BANK BIG OIL SPLIT CORP.

\$28,210,000 (Maximum)

Up to 1,400,000 Preferred Shares and 1,400,000 Capital Shares

This short form prospectus qualifies for distribution up to 1,400,000 preferred shares (“Preferred Shares”) and up to 1,400,000 capital shares (“Capital Shares”) of Big Bank Big Oil Split Corp. (the “Company”) at a price of \$10.20 per Preferred Share and \$9.95 per Capital Share (the “Offering”). Preferred Shares and Capital Shares are issued only on the basis that an equal number of Preferred Shares and Capital Shares will be outstanding at all times. The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario. The Company invests on an equal weighted basis in a portfolio (the “Portfolio”) consisting of the largest (by market capitalization) issuers in two of Canada’s strongest industry sectors: (i) the six biggest banks (the “Big Banks”) and (ii) the ten biggest Canadian oil and gas companies (the “Big Oils”). The securities of the issuers within the Big Banks and the Big Oils are initially equally weighted.

The Preferred Shares and the Capital Shares are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under the symbols “BBO.PR.A” and “BBO”, respectively. On September 22, 2011, the closing price on the TSX of the Preferred Shares was \$10.20 and of the Capital Shares was \$10.40. The TSX has conditionally approved the listing of the additional Preferred Shares and the Capital Shares. Listing will be subject to fulfilling all of the listing requirements of the TSX on or before December 9, 2011.

**Prices: \$10.20 per Preferred Share
\$9.95 per Capital Share**

	Price to the Public ⁽¹⁾	Agents’ Fee	Net Proceeds to the Company ⁽²⁾
Per Preferred Share	\$10.20	\$0.3060	\$9.894
Total Maximum Offering ⁽³⁾	\$14,280,000	\$428,400	\$13,851,600
Per Capital Share	\$9.95	\$0.4975	\$9.4525
Total Maximum Offering ⁽³⁾	\$13,930,000	\$696,500	\$13,233,500

⁽¹⁾ The offering prices were established by negotiation between the Company and the Agents (as defined below).

⁽²⁾ Before deducting the expenses of issue which are estimated to be \$320,000. Such expenses, together with the Agents’ fee, will be paid out of the proceeds of the Offering, provided however that the expenses of the Offering to be borne by the Company shall not exceed 1.5% of the gross proceeds of the Offering. Any such excess expenses shall be paid for by Claymore Investments, Inc., the manager of the Company.

⁽³⁾ The Company has granted the Agents an option (the “Over-Allotment Option”), exercisable for a period of 30 days from the closing of the Offering, to purchase up to an additional 15% of the number of Preferred Shares and Capital Shares issued at the closing of the Offering (collectively, the “Optional Shares”) on the same terms as set forth above,

which additional Preferred Shares and Capital Shares are qualified for sale under this prospectus. A purchaser who acquires Optional Shares acquires those Optional Shares 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. If the Over-Allotment Option is exercised in full, the total price to the public under the Offering will be \$32,441,500, the Agents' fee will be \$1,293,635 and the net proceeds to the Company, before expenses of the Offering, will be \$31,147,865. See "Plan of Distribution".

The following table sets forth certain terms of the Over-Allotment Option, including the maximum size, the exercise period and the exercise price.

Agents' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	Up to 210,000 Preferred Shares	Within 30 days of closing of the Offering	\$10.20 per Preferred Share
	Up to 210,000 Capital Shares		\$9.95 per Capital Share

The average dividend yield on the Portfolio Securities as at September 22, 2011 was approximately 3.87%. Assuming an equal weighted Portfolio, the deduction of the Company's new issue and ongoing expenses, and that the Company pays the current level of dividends and distributions on both its Preferred Shares and Capital Shares, the Portfolio will be required to generate an additional return of approximately 5.90% per annum, including from dividend growth, realized capital appreciation and option premiums, in order for the Company to maintain a stable net asset value. If such returns are not generated and distribution levels are maintained, net asset value, and accordingly the downside protection for the Preferred Shares, will decrease.

TD Securities Inc., CIBC World Markets Inc., GMP Securities L.P., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Genuity Corp., HSBC Securities (Canada) Inc., Raymond James Ltd., Desjardins Securities Inc., Macquarie Private Wealth Inc., Dundee Securities Ltd., Mackie Research Capital Corporation and Rothenberg Capital Management Inc. (collectively, the "Agents") conditionally offer the Preferred Shares and the Capital Shares, subject to prior sale, on a best efforts basis, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters by Osler, Hoskin & Harcourt LLP, on behalf of the Company, and Wildeboer Dellelce LLP, on behalf of the Agents. Subject to applicable laws, in connection with the distribution of the Preferred Shares and the Capital Shares, the Agents may over-allot or effect transactions as described under "Plan of Distribution".

An investment in the Preferred Shares or the Capital Shares involves a degree of risk. It is important for prospective purchasers to consider the risk factors described in this short form prospectus. See "Risk Factors". The Company may from time to time write covered call options and cash covered put options on some or all of its Portfolio Securities in order to generate additional returns. See "Risk Factors" for risks associated with writing options, including the risk that in an upward trending market, a portfolio that is subject to covered call option writing will generally provide lower total returns and a commensurately lower volatility.

Closing of this Offering is expected to take place on September 29, 2011, but in any event no later than October 31, 2011. Subscriptions 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. A purchaser of Preferred Shares or Capital Shares will receive only a customer confirmation from the registered dealer who is a participant in the book-entry only system of CDS Clearing and Depository Services Inc. and from or through whom the Preferred Shares or Capital Shares are purchased. See "Plan of Distribution" and "Book-Entry Only System".

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FORWARD LOOKING STATEMENTS

Certain of the statements in this short form prospectus are “forward-looking statements”, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Company or the Manager (each as herein defined). Potential investors and other readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on them. The forward-looking statements are not historical facts but reflect the current expectations of the Manager regarding the future growth, results of operations, performance and business prospects and opportunities of the Company. Such forward-looking statements reflect the Manager’s current beliefs and are based on information currently available to the Manager. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Some of these risks, uncertainties and other factors are described in this short form prospectus under the heading “Risk Factors”. Although the forward-looking statements contained in this short form prospectus are based upon assumptions that the Company and the Manager believe to be reasonable, neither the Company nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this short form prospectus and neither the Company nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference in and form an integral part of this prospectus:

- (a) the annual information form of the Company dated March 31, 2011 for the year ended December 31, 2010 (the “AIF”);
- (b) the annual financial statements of the Company for the fiscal year ended December 31, 2010, together with the accompanying auditor’s report dated March 29, 2011;
- (c) the management report of fund performance of the Company for the fiscal year ended December 31, 2010;
- (d) the unaudited interim financial statements of the Company as at and for the six-month period ended June 30, 2011, together with the notes thereto; and
- (e) the interim management report of fund performance of the Company as at and for the six-month period ended June 30, 2011.

Any of the documents of the type referred to above, including any material change reports (excluding confidential material change reports), annual information forms, interim and annual financial statements and related management reports of fund performance, business acquisition reports and information circulars filed by the Company with a securities commission or similar authority in Canada after the date of this prospectus and prior to the termination of the Offering, will be deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will 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 which 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 such 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, except as so modified or superseded, to constitute a part of this short form prospectus.

THE COMPANY

Big Bank Big Oil Split Corp. (the “Company”) is a mutual fund corporation incorporated under the laws of the Province of Ontario by articles of incorporation, dated April 27, 2006, as amended on May 30, 2006 to create the Class A capital shares (the “Capital Shares”) and Class A preferred shares (the “Preferred Shares”) (collectively, the “Shares”). A “Unit” consists of one Preferred Share and one Capital Share. The articles were further amended on May 21, 2010 to extend the ultimate date of redemption of the Capital Shares and the Preferred Shares to December 30, 2016 from December 30, 2011. The principal office of the Company is located at 200 University Avenue, 13th Floor, Toronto, Ontario, M5H 3C6. Claymore Investments, Inc. (“Claymore” or “Manager”) is the manager of the Company.

On June 16, 2006, the Preferred Shares and Capital Shares of the Company were issued and began trading on the Toronto Stock Exchange (“TSX”). The Company raised proceeds of approximately \$68 million in its initial public offerings of Capital Shares and Preferred Shares. The Preferred Shares and Capital Shares are issued only on the basis that an equal number of Preferred Shares and Capital Shares will be issued and outstanding at all times. As at September 22, 2011, there were 1,562,527 Preferred Shares and 1,562,527 Capital Shares issued and outstanding.

While the Company is technically considered to be a “mutual fund” under the securities legislation of certain provinces and territories of Canada, the Company is not a conventional mutual fund and has obtained exemptions from certain requirements of National Instrument 81-102 – *Mutual Funds* (“NI 81-102”). The Company differs from conventional mutual funds in a number of respects as described in the Company’s AIF.

This short form prospectus qualifies for distribution up to 1,400,000 Preferred Shares and up to 1,400,000 Capital Shares of the Company at a price of \$10.20 per Preferred Share and \$9.95 per Capital Share. The Preferred Shares and Capital Shares are listed on the TSX under the symbols BBO.PR.A and BBO, respectively. The attributes of the Preferred Shares and the Capital Shares are described under “Description of Share Capital”.

Investment Objectives

The Company invests, on an equally weighted basis, in a portfolio (the “Portfolio”) of common shares of the six biggest (by market capitalization) Canadian banks (the “Big Banks”) and the ten largest (by market capitalization) Canadian oil and gas companies (the “Big Oils”). The securities of the issuers within the Big Banks and the Big Oils are initially equally weighted. The Company’s investment objectives for the Preferred Shares are: (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share representing a yield on the \$10.00 original issue price of the Preferred Shares of 5.25% per annum and (ii) to return the original issue price of \$10.00 to holders of Preferred Shares on December 30, 2016 (the “Redemption Date”).

The Company’s investment objectives for the Capital Shares are: (i) to provide holders of Capital Shares with regular monthly cash distributions targeted to be at least \$0.05 per Capital Share and (ii) to provide holders of Capital Shares with the opportunity for growth in the net asset value (“NAV”) per Capital Share. The Manager determines and announces prior to each calendar quarter an anticipated distribution amount for the following quarter based on prevailing market conditions and the Company’s estimate of distributable cash flow for the following quarter. Currently, the Company is paying monthly cash distributions of \$0.09 per Capital Share representing a yield on the issue price of the Capital Shares offered hereunder of 10.85% per annum. Given current market conditions, the Company anticipates being able to maintain the current distributions on its Capital Shares.

Investment Strategy

The Portfolio of the Company is rebalanced annually and may be rebalanced more frequently than annually if the Investment Advisor (defined below) considers it advisable to do so. The Company may from time to time write covered call options and cash covered put options on some or all of its Portfolio Securities in order to generate additional returns. See “Risk Factors” for risks associated with writing options, including the risk that in an upward trending market, a portfolio that is subject to covered call option writing will generally provide lower total returns and a commensurately lower volatility. From time to time, the Company may hold cash and cash equivalents, including short term debt instruments issued by the Government of Canada or a province thereof, short term

commercial paper issued by Canadian financial institutions with a rating of at least R-1 (mid) by DBRS Limited (“DBRS”) or the equivalent from another rating organization or term deposits.

Current Portfolio

As at September 22, 2011, the Portfolio consisted of securities of the Big Banks and Big Oils as set forth below (the “Portfolio Securities”).

Big Banks	% of Portfolio	Big Oils	% of Portfolio
Royal Bank of Canada	9.24%	Imperial Oil Limited	5.09%
Bank of Montreal	9.03%	Talisman Energy Inc.	4.95%
The Bank of Nova Scotia	8.58%	Cenovus Energy Inc.	4.93%
National Bank of Canada	8.38%	Penn West Petroleum	4.88%
The Toronto Dominion Bank	8.38%	Husky Energy Inc.	4.86%
Canadian Imperial Bank of Commerce	7.99%	Crescent Point Energy Corp.	4.83%
		Canadian Oil Sands Limited	4.79%
		Canadian Natural Resources Limited	4.64%
		Suncor Energy Inc.	4.61%
		Nexen Inc.	4.60%

Covered Option Writing

The Company believes that a covered call writing strategy is an effective way to help lower the volatility of the Portfolio for an investor and potentially improve investment returns that the investor would otherwise have achieved by owning the individual securities in the Portfolio directly.

The Company believes that writing options from time to time has potential to add value in investments in the financial services and oil and gas industries. All other things being equal, higher volatility in the price of a security underlying a call option results in higher option premiums in respect of such security. The Company believes that the equity securities of the Big Banks and Big Oils, which have historically maintained a relatively high degree of volatility, are well suited to covered call option writing from time to time in respect of the Portfolio that seeks to pay cash distributions to shareholders as one of its investment objectives.

The Company intends to sell call options in respect of some or all of the Portfolio Securities. Such call options may be either exchange traded options or over-the-counter options. Since call options will be written only in respect of securities that are in the Portfolio and the investment restrictions of the Company prohibit the sale of securities subject to an outstanding option, the call options will be covered call options at all times.

From time to time, the Investment Advisor may selectively write covered call options or cash covered put options on some or all of its Portfolio Securities to generate additional returns when it determines it is in the interest of the Company to do so. The Portfolio Securities which may be subject to call options and put options and the terms of such options will vary from time to time based on the Investment Advisor’s assessment of the market conditions.

Premiums from Covered Option Writing

The following table sets forth the annualized yield generated by writing at-the-money covered call options on a monthly basis on the indicated proportion of the Portfolio at the specified volatility levels. The numbers shown below do not take into account the potential price impact on the Portfolio’s value resulting from writing covered call options. Securities in respect of which the Company has written covered call options have the full downside risk associated with a regular security holding but are limited in upside return to the amount at which such security is out-of-the-money at which the call is written. In the case of covered call options written at-the-money, the investor foregoes any upside return but receives the premium payment. In an upward trending market, a portfolio that is subject to covered call option writing will generally provide lower total returns and a commensurately lower volatility. In a flat or downward trending market, such a portfolio will generally provide higher relative returns as well as lower volatility.

		Annual Volatility for 30 Day Options						
		15%	17%	19%	21%	23%	25%	27%
% of Portfolio against which options are written	12%	2.78%	3.35%	3.94%	4.54%	5.15%	5.76%	6.37%
	14%	3.17%	3.84%	4.53%	5.22%	5.93%	6.64%	7.36%
	16%	3.56%	4.33%	5.11%	5.91%	6.72%	7.53%	8.35%
	18%	3.95%	4.81%	5.70%	6.59%	7.50%	8.42%	9.34%
	20%	4.35%	5.30%	6.28%	7.28%	8.29%	9.31%	10.33%
	22%	4.74%	5.79%	6.87%	7.96%	9.07%	10.19%	11.32%
	24%	5.13%	6.27%	7.45%	8.65%	9.86%	11.08%	12.31%
	26%	5.52%	6.76%	8.03%	9.33%	10.64%	11.97%	13.30%
	28%	5.91%	7.25%	8.62%	10.01%	11.43%	12.85%	14.29%
	30%	6.30%	7.73%	9.20%	10.70%	12.21%	13.74%	15.28%
	32%	6.69%	8.22%	9.79%	11.38%	13.00%	14.63%	16.27%

The information set forth above is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns from call option writing shown above will be realized.

Volatility History

The five year historical average, low, high and current values of the trailing 30-day volatility (expressed in percentages on an annualized basis) for the Portfolio Securities for the five years ended September 22, 2011 are as follows:

	Five Year Historical Price Volatility			
	Average	Low	High	Current
30-day volatility	33.40%	16.41%	108.85%	35.48%

Rebalancing Criteria

The Company's Portfolio is rebalanced annually in January of each year to adjust for changes in the market value of the Portfolio Securities. As a result of changes in market prices of the Portfolio Securities between rebalancing dates, it is not expected that the Big Banks and Big Oils included in the Portfolio will be exactly equally weighted at any given time. The Portfolio may be rebalanced more frequently than annually if Guggenheim Funds Investment Advisors, LLP, the Company's investment sub-advisor, (the "Investment Advisor") considers it advisable to do so, including to reflect the impact of a merger, acquisition, stock exchange delisting or significant disposition of assets by one or more of the issuers of Portfolio Securities or a significant change in the market value of one or more Portfolio Securities. As a result, the Portfolio may contain shares of less than six Big Banks and/or securities of less than ten Big Oils at any time. In addition, between rebalancing dates, the Company may sell Portfolio Securities for working capital purposes or replace Portfolio Securities with proceeds from the exercise of covered call options previously written. The Portfolio may also be rebalanced in the event of any future offering of shares by the Company.

In order to rebalance the Portfolio, the Investment Advisor will, at the time of rebalancing, calculate the aggregate market value of the Portfolio Securities of each of the Big Banks and Big Oils, less any amount to be used for working capital purposes, and divide such resultant amount by the number of Portfolio constituents in the Big Banks and Big Oils. Rebalancing transactions will be effected as soon as is reasonably practicable thereafter. However, the

Investment Advisor has the discretion to weigh the Portfolio Securities of each of the Big Banks and Big Oils on a basis other than an equally weighted basis provided that such discretion is exercised pursuant to policies and procedures adopted by the board of directors of the Company. The board of directors of the Company will review the composition of the Portfolio provided by the Investment Advisor on at least a quarterly basis.

Investment Restrictions

The Company is subject to the following investment restrictions that, among other things, limit the equity securities and other securities that the Company may acquire for the Portfolio. The investment restrictions may not be changed without the approval of holders of Preferred Shares (the “Preferred Shareholders”) and holders of Capital Shares (the “Capital Shareholders”) (collectively, the “Shareholders”) by Extraordinary Resolution (as defined below in “Acts Requiring Shareholder Approval”). The investment restrictions provide that the Company may:

- (a) only purchase equity securities of an issuer if such securities are, at the time of investment: (i) common shares of one of the six biggest Canadian banks, as measured by market capitalization; (ii) equity securities (including common shares or units) of one of the ten biggest Canadian oil and gas issuers, as measured by market capitalization; or (iii) securities described in (c) below;
- (b) purchase debt securities only if such securities are cash and cash equivalents including short term debt instruments issued by the government of Canada or a province, short term commercial paper issued by Canadian financial institutions with a rating of at least R-1 (mid) by DBRS or the equivalent from another rating organization or term deposits;
- (c) invest its cash and cash equivalents in the securities of any Claymore exchange-traded fund that holds equity investments similar to the Company, provided that there is no duplication of management fees paid to Claymore or any of its affiliates;
- (d) write a call option in respect of any security only if such security is actually held by the Company in the Portfolio at the time the option is written;
- (e) dispose of any Portfolio Security that is subject to a call option written by the Company only if such option has terminated, expired or been closed out;
- (f) write put options in respect of any security only if (i) the Company is permitted to invest in such security, and (ii) so long as the options are exercisable, the Company continues to hold cash equivalents sufficient to acquire the security underlying the options at the aggregate strike price of such options;
- (g) reduce the total amount of cash equivalents held by the Company, if the total amount of cash equivalents held by the Company remains an amount not less than the aggregate strike price of all outstanding put options written by the Company;
- (h) not acquire or continue to hold any security that is a “specified property” as defined in subsection 18(1) of the legislative proposals to amend the *Income Tax Act* (Canada) (the “Tax Act”) released by the Minister of Finance (Canada) on September 16, 2004 if the total of all amounts each of which is the fair market value of a specified property would exceed 10% of the total of all amounts each of which is the fair market value of a property of the Company;
- (i) not enter into any arrangement (including the acquisition of Portfolio Security and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the Tax Act; and
- (j) purchase derivatives and enter into derivative or other transactions, including call options and put options, and short-sale arrangements, in accordance with NI 81-102 or as permitted by the securities regulatory authorities.

Securities Lending

In order to generate additional returns, the Company may lend Portfolio Securities to securities borrowers acceptable to the Company pursuant to the terms of a securities lending arrangement under which (i) the borrower will pay to the Company a negotiated securities lending fee and will make compensation payments to the Company equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Company will receive collateral security. CIBC Mellon Trust Company, as securities lending agent for the Company, is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis. All securities lending arrangements comply with the provisions of NI 81-102 and such other conditions as the Company may require.

The Company has entered into a securities lending arrangement with CIBC Mellon Trust Company. The aggregate market value of all securities loaned by the Company cannot exceed 50% of the NAV of the Company. The Company will receive collateral of at least 102% of the value of the securities on loan.

As at June 30, 2011, the market value of securities loaned was \$3,016,134 and the market value of the collateral held was \$3,189,863.

CONSOLIDATED CAPITALIZATION

The Company is authorized to issue an unlimited number of Preferred Shares, Capital Shares, Class J Shares, Class B preferred shares issuable in series and Class B capital shares issuable in series. The holders of Class J Shares are not entitled to receive dividends and are entitled to one vote per share. The Class J Shares are redeemable and retractable at a price of \$1.00 per share. The Class J Shares rank subsequent to both the Preferred Shares and the Capital Shares with respect to distributions on the dissolution, liquidation or winding up of the Company. The Manager owns all of the issued and outstanding Class J Shares.

The Preferred Shares are rated Pfd-2 (low) by DBRS. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by DBRS.

	Authorized	Outstanding as at December 31, 2010	Outstanding as at June 30, 2011	Outstanding as at June 30, 2011 after giving effect to this Offering
Preferred Shares		\$15,625,270	\$15,625,270	\$29,625,270
	Unlimited	(1,562,527 Preferred Shares)	(1,562,527 Preferred Shares)	(2,962,527 Preferred Shares)
Capital Shares		\$20,649,260	\$20,399,039	\$33,164,139 ⁽¹⁾
	Unlimited	(1,562,527 Capital Shares)	(1,562,527 Capital Shares)	(2,962,527 Capital Shares)
Class J Shares		\$100	\$100	\$100
	Unlimited	(100 Class J Shares)	(100 Class J Shares)	(100 Class J Shares)
Total Capitalization		\$36,274,630	\$36,024,409	\$62,789,509

Notes:

- (1) Includes all issue-related costs of this Offering, deemed to be deducted from the gross proceeds of the maximum issuance of Capital Shares.

USE OF PROCEEDS

The estimated net proceeds received by the Company under the maximum Offering will be \$26,765,100 after deducting the Agents' fee and the expenses of the Offering, estimated to be \$320,000. The Company intends to use

the net proceeds of the Offering for investment purposes in accordance with the investment objectives, investment strategy and investment restrictions set forth above.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares, Capital Shares, Class J Shares, class B preferred shares issuable in series and class B capital shares issuable in series. A “Unit” consists of one Preferred Share and one Capital Share.

Certain Provisions of the Preferred Shares

Distributions

Preferred Shareholders of record at 5:00 p.m. (Toronto time) on the last business day of March, June, September and December of each year (each a “Preferred Share Record Date”) are entitled to receive fixed, cumulative preferential quarterly cash distributions of \$0.13125 per share to yield 5.25% per annum based on the original issue price and are paid on or before the tenth business day in the month following the Preferred Share Record Date. Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital. There can be no assurance that the Company will be able to pay distributions to Preferred Shareholders. The Company has paid quarterly distributions of \$0.13125 per Preferred Share since its inception.

All cash distributions are paid through the book-entry only system administered by CDS Clearing and Depository Services Inc. (“CDS”) or paid in such other manner as may be agreed to by the Company. Each Preferred Shareholder is mailed annually, information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year. See “Description of Share Capital — Book-Entry Only System” and “Canadian Federal Income Tax Considerations”.

Redemptions

All Preferred Shares outstanding on the Redemption Date will be redeemed by the Company on such date. The redemption price payable by the Company for a Preferred Share on the Redemption Date will be equal to the lesser of (i) \$10.00 plus any accrued and unpaid distributions thereon and (ii) the NAV of the Company on that date (calculated as described under “Calculation of Net Asset Value” in the Company’s AIF) divided by the total number of Preferred Shares then outstanding.

The Manager will provide notice of the Redemption Date to all participants in the CDS book-entry only system (“CDS Participants”) holding Preferred Shares on behalf of the beneficial owners thereof at least 30 days prior the Redemption Date.

Retraction Privileges

Subject to the Manager’s right to suspend retractions in certain circumstances as described below under “Suspension of Redemptions and Retractions”, Preferred Shares may be surrendered at any time for retraction to Equity Financial Trust Company (the “Registrar and Transfer Agent”), but will be retracted only on the second last business day in each month (each, a “Retraction Date”). Preferred Shares surrendered for retraction by no later than 5:00 p.m. (Toronto time) on the tenth business day immediately preceding a Retraction Date will be retracted on such Retraction Date and the Shareholder will be paid on or before the tenth business day in the month following the Retraction Date (the “Retraction Payment Date”). If a Preferred Shareholder makes such surrender after 5:00 p.m. (Toronto time) on the tenth business day immediately preceding a Retraction Date, the Preferred Shareholder’s shares will be retracted on the Retraction Date in the following month and the Shareholder will receive payment for the retracted shares on the Retraction Payment Date in respect of such Retraction Date. Any and all Preferred Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the retraction price is not paid on the Retraction Payment Date, in which event such Preferred Shares will remain outstanding.

Monthly Retractions

Except as noted below, Shareholders whose Preferred Shares are surrendered for retraction will be entitled to receive a retraction price per Preferred Share equal to 96% of the lesser of (i) the NAV per Unit determined as of such Retraction Date less the cost to the Company of the purchase of a Capital Share for cancellation; and (ii) \$10.00. For this purpose, the cost of the purchase of a Capital Share will include the purchase price of the Capital Share, and commission and such other costs, if any, related to the liquidation of any portion of the Portfolio to fund the purchase of the Capital Share. Any declared and unpaid distributions payable on or before a Retraction Date in respect of Preferred Shares tendered for retraction on such Retraction Date will also be paid on the Retraction Payment Date.

Concurrent Annual Retractions

A Preferred Shareholder may concurrently retract an equal number of Preferred Shares and Capital Shares on the second last business day in December of each year (each, an “Annual Retraction Date”) at a retraction price per Unit equal to the NAV per Unit on that date, less any costs associated with the retraction. For the purpose of calculating the NAV per Unit, the value of Portfolio Securities will be equal to the weighted average trading price of such shares over the last three business days of the month of December as described under “Calculation of Net Asset Value” in the Company’s AIF. The Preferred Shares and Capital Shares must both be surrendered for retraction by no later than 5:00 p.m. (Toronto time) on the tenth business day prior to the Annual Retraction Date. Payment of the proceeds of retraction will be made on or before the tenth business day of the following month.

Exercise of Retraction Privileges

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described under “Description of Share Capital — Book-Entry Only System”. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Preferred Shares which are not retracted by the Company on the relevant Retraction Payment Date.

Early Redemption

If for two consecutive Retraction Dates the aggregate market value of the Portfolio is \$15 million or less, then the board of directors of the Company has the right to redeem all, but not less than all, of the Preferred Shares and Capital Shares outstanding as of the next Retraction Date. In such circumstances, the redemption price will be: (i) for each Preferred Share, \$10.00 plus any accrued and unpaid distributions thereon; and (ii) for each Capital Share, a cash amount equal to the redemption price of the Capital Share calculated as if such date were the Redemption Date, in both cases payable as of the applicable Retraction Payment Date. In such circumstances, the Company will not provide notice to CDS Participants holding shares on behalf of beneficial owners therefore with 30 days’ prior written notice of the redemption but will forthwith issue a press release and will provide Shareholders with notice of the early redemption as soon as practicable.

Priority

The Preferred Shares rank in priority to the Capital Shares and the Class J Shares with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company.

Certain Provisions of the Capital Shares

Distributions

The Company pays monthly non-cumulative distributions to the holders of Capital Shares in an amount targeted to be at least \$0.05 per Capital Share. Such distributions are paid on or before the tenth business day of the month following the applicable Capital Share Record Date (defined below). Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital. There can be no assurance that the Company will be able to pay distributions to the holders of Capital Shares.

The Company has paid monthly distributions of \$0.05 per Capital Share from August 2006 to April 2007, \$0.065 per Capital Share from May 2007 to October 2007, \$0.08 per Capital Share from November 2007 to April 2008, \$0.09 from May 2008 to February 2010 and \$0.05 from March 2010 to May 2010. The Company has paid monthly distributions of \$0.07 per Capital Share from June 2010 to July 2010 and \$0.08 per Capital Share from August 2010 to January 2011. Since February 2011, the Company has been paying monthly distributions of \$0.09 per Capital Share representing a yield on the issue price of the Capital Shares offered hereunder of 10.85%.

In the event that the Company realizes capital gains, the Company may, at its option, make a special year end capital gains distribution in certain circumstances, including where the Company has net realized capital gains, in Capital Shares and/or cash. Any capital gains distribution payable in Capital Shares will increase the aggregate adjusted cost base to Capital Shareholders of such shares. Immediately following payment of such a distribution in Capital Shares, the number of Capital Shares outstanding will be automatically consolidated such that the number of Capital Shares outstanding after such distribution will be equal to the number of Capital Shares outstanding immediately prior to such distribution.

Distributions are payable to holders of Capital Shares of record at 5:00 p.m. (Toronto time) on the last business day of each month (each, a "Capital Share Record Date"). All cash distributions are paid through CDS' book-entry only system or paid in such other manner as may be agreed to by the Company. Each Capital Shareholder is mailed annually, no later than February 28, information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year. See "Description of Share Capital — Book-Entry Only System" and "Canadian Federal Income Tax Considerations".

Redemptions

All Capital Shares outstanding on the Redemption Date will be redeemed by the Company on such date. The redemption price payable by the Company for a Capital Share on that date will be equal to the greater of (i) the NAV per Unit on that date minus \$10.00 and any accrued and unpaid distributions on a Preferred Share, and (ii) nil. Notice of redemption will be given to CDS Participants holding Capital Shares on behalf of the beneficial owners thereof at least 30 days prior to the Redemption Date.

Retraction Privileges

Subject to the Manager's right to suspend retractions in certain circumstances as described below under "Suspension of Redemptions and Retractions", Capital Shares may be surrendered at any time for retraction to the Registrar and Transfer Agent, but will be retracted only on the monthly Retraction Date. Capital Shares surrendered for retraction by no later than 5:00 p.m. (Toronto time) on the tenth business day immediately preceding a Retraction Date will be retracted on such Retraction Date and the Shareholder will be paid on or before the Retraction Payment Date. If a Shareholder makes such surrender after 5:00 p.m. (Toronto time) on the tenth business day immediately preceding a Retraction Date, the Capital Shares will be retracted on the Retraction Date in the following month and the Shareholder will receive payment for the retracted shares on the Retraction Payment Date in respect of such Retraction Date. Any and all Capital Shares that have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the retraction price is not paid on the Retraction Payment Date, in which event such Capital Shares will remain outstanding.

Monthly Retractions

Except as noted below, Shareholders whose Capital Shares are surrendered for retraction will be entitled to receive a retraction price per Capital Share equal to 96% of the difference between (i) the NAV per Unit determined as of such Retraction Date, and (ii) the cost to the Company of the purchase of a Preferred Share for cancellation. For this purpose, the cost of the purchase of a Preferred Share will include the purchase price of the Preferred Share, commission and such other costs, if any, related to the liquidation of any portion of the Portfolio to fund the purchase of the Preferred Share. If the NAV per Unit is less than \$10.00, plus any accrued and unpaid distributions on a Preferred Share, the retraction price of a Capital Share will be nil. Any declared and unpaid distributions payable on or before a Retraction Date in respect of Capital Shares tendered for retraction on such Retraction Date will also be paid on the Retraction Payment Date.

Concurrent Annual Retractions

A Capital Shareholder may concurrently retract an equal number of Capital Shares and Preferred Shares on the Annual Retraction Date of each year at a retraction price per Unit equal to the NAV per Unit on that date, less any costs associated with the retraction, including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction. For the purpose of calculating the NAV per Unit, the value of Portfolio Securities will be equal to the weighted average trading price of such shares over the last three business days of the month of December as described under “Calculation of Net Asset Value” in the Company’s AIF. The Capital Shares and the Preferred Shares must both be surrendered for retraction by no later than 5:00 p.m. (Toronto time) on the tenth business day prior to the Annual Retraction Date. Payment of the proceeds will be made on or before the tenth business day of the following month.

Exercise of Retraction Privilege

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described under “Description of Share Capital — Book-Entry Only System”. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Capital Shares which are not retracted by the Company on the relevant Retraction Payment Date.

Early Redemption

If for two consecutive Retraction Dates the aggregate market value of the Portfolio is \$15 million or less, then the board of directors of the Company has the right to redeem all, but not less than all, of the Capital Shares and Preferred Shares outstanding as of the next Retraction Date. In such circumstances, the redemption price will be: (i) for each Capital Share, a cash amount equal to the redemption price of the Capital Shares calculated as if such date were the Redemption Date; and (ii) for each Preferred Share, \$10.00 plus any accrued and unpaid distributions thereon, in both cases payable as of the applicable Retraction Payment Date. In such circumstances, the Company will not provide notice to CDS Participants holding shares on behalf of beneficial owners with 30 days’ prior written notice of the redemption but will forthwith issue a press release and will provide Shareholders with notice of the early redemption as soon as practicable.

Priority

The Capital Shares rank subsequent to the Preferred Shares but in priority to the Class J Shares with respect to the payment of distributions and the repayment of capital out of the Portfolio on the dissolution, liquidation or winding up of the Company.

Book-Entry Only System

Registration of interests in and transfers of the Preferred Shares and Capital Shares are made only through the book-entry only system maintained by CDS. Preferred Shares and Capital Shares must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Preferred Shares or Capital Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Preferred Shares or Capital Shares. Upon purchase of any Preferred Shares or Capital Shares, the owner will receive only the customary confirmation. References to a Shareholder mean, unless the context otherwise requires, the owner of the beneficial interest in such shares.

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

An owner of such Preferred Shares or Capital Shares who desires to exercise retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner’s intention to retract such shares, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to retract Preferred Shares or Capital Shares should ensure that the CDS Participant is provided with a retraction notice sufficiently in advance of the relevant notice date so as to permit the

CDS Participant to deliver notice to CDS by the required time. The form of retraction notice will be available from a CDS Participant or the Registrar and Transfer Agent. Any expense associated with the preparation and delivery of retraction notices will be for the account of the owner exercising the retraction privilege.

By causing a CDS Participant to deliver to CDS a retraction notice, an owner shall be deemed to have irrevocably surrendered his or her Preferred Shares or Capital Shares for retraction and appointed such CDS Participant to act as exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any retraction notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Company, the Manager or the Investment Advisor to the CDS Participant or to the owner. The Company has the option to terminate registration of the Preferred Shares or Capital Shares through the book-entry only system in which case certificates for Preferred Shares or Capital Shares in fully registered form would be issued to beneficial owners of such shares or to their nominees.

Suspension of Redemptions and Retractions

The Manager may suspend the redemption and/or retraction of Preferred Shares or Capital Shares or payment of redemption or retraction proceeds (i) during any period when normal trading in Portfolio Securities is suspended on the TSX and such securities are not traded on any other exchange that represents a reasonably practical alternative for the Company to execute trades in such securities, or (ii) for any period not exceeding 120 days during which Manager determines that conditions exist which render impractical the sale of assets of the Company or which impair the ability of the Company to determine the value of its assets, only with the prior approval of the securities regulatory authorities. The suspension may apply to all requests for retraction received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Shareholders making such requests shall be advised by the Manager of the suspension and that the retraction will be effected at a price determined on the first Retraction Date following the termination of the suspension. All such Shareholders shall have and shall be advised that they have the right to withdraw their requests for retraction. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Manager shall be conclusive.

Meetings of Shareholders and Acts Requiring Shareholder Approval

Meetings of Shareholders

Except as required by law or set out below, holders of Preferred Shares and Capital Shares will not be entitled to receive notice of, to attend or to vote at any meeting of Shareholders of the Company.

Acts Requiring Shareholder Approval

Certain acts require the approval of holders of Preferred Shares and Capital Shares, each voting separately as a class, at a meeting called and held for such purpose. Each Preferred Share and each Capital Share have one vote at such meeting. Items (a) through (h) require approval by resolution passed by at least 66 2/3% of the votes cast by each class of Shareholders (an "Extraordinary Resolution"). Items (i) through (k) require approval by resolution passed by at least a simple majority of votes cast by each class of Shareholders (an "Ordinary Resolution"), unless a greater majority is required by law. Acts requiring Shareholder approval are as follows:

- (a) a change in the investment objectives, investment strategy, rebalancing criteria or investment restrictions of the Company, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

- (b) a change of the Redemption Date;
- (c) any change in the basis of calculating management fees or other expenses that are charged to the Company by the Manager that could result in an increase in charges to the Company;
- (d) any change in the frequency of calculating the NAV per Unit, NAV per Preferred Share and NAV per Capital Share to less often than weekly;
- (e) any issue of Units for net proceeds per Unit less than the most recently calculated NAV per Unit prior to the date of the setting of the subscription price by the Company;
- (f) except as described herein, a change in the Manager of the Company, other than a change resulting in an affiliate of such person assuming such position;
- (g) any material change in the Management Agreement (as defined in the Company's AIF);
- (h) any amendment, modification or variation in the provisions or rights attaching to the Preferred Shares, Capital Shares or Class J Shares;
- (i) a change in the auditor of the Company;
- (j) a reorganization with, or transfer of assets to, another mutual fund corporation, if
 - the Company ceases to continue after the reorganization or transfer of assets; and
 - the transaction results in Shareholders becoming securityholders in the other mutual fund corporation;
- (k) a reorganization with, or acquisition of assets of, another mutual fund corporation, if
 - the Company continues after the reorganization or acquisition of assets;
 - the transaction results in the securityholders of the other mutual fund corporation becoming Shareholders of the Company; and
 - the transaction would be a significant change to the Company.

Reporting to Shareholders

The Company delivers to Shareholders annual and interim financial statements of the Company and such other reports as are required by applicable law.

DISTRIBUTION HISTORY

Since inception, the Company has paid quarterly distributions of \$0.13125 per Preferred Share representing a yield on the original issue price of the Preferred Shares of 5.25% per annum.

The Company has paid monthly distributions of \$0.05 per Capital Share from August 2006 to April 2007, \$0.065 per Capital Share from May 2007 to October 2007, \$0.08 per Capital Share from November 2007 to April 2008, \$0.09 from May 2008 to February 2010. On March 18, 2010, the Company reduced the monthly distribution of the Capital Shares from \$0.09 to \$0.05 per Capital Share as a result of the restriction in the Capital Share provisions which limited the extent of distributions on the Capital Shares if, after payment thereof, the NAV per Unit would be less than \$25.00. On May 18, 2010, Shareholders approved amendments to the Capital Share provisions which, among other things, removed such restriction. As a result, the Company may now pay distributions at the higher level without regard to such restriction where dividends on the Portfolio Securities and premiums from option writing support such distributions. The Company has paid monthly distributions of \$0.07 per Capital Share from

June 2010 to July 2010 and \$0.08 per Capital Share from August 2010 to January 2011. Since February 2011, the Company has been paying monthly distributions of \$0.09 per Capital Share.

EARNINGS COVERAGE RATIOS

The Company's dividend requirements on all of its Preferred Shares, after giving effect to the maximum issue of the Preferred Shares in this Offering, amounted to \$842,547 for the 12-month period ended December 31, 2010 and \$826,824 for the 12-month period ended June 30, 2011. The Company's net income available for the payment of dividends on the Preferred Shares for those periods was \$705,527 and \$638,405, respectively, which represents 0.84 times and 0.77 times, respectively the aggregate dividend requirements on the Preferred Shares for those periods, after giving effect to the maximum issue.

If the net proceeds of this Offering had been invested since the commencement of investment operations, the Company's net income available for the payment of dividends on the Preferred Shares for the 12-month period ended December 31, 2010 and the 12-month period ended June 30, 2011 would have been \$1,337,668 and \$1,210,406, respectively, which represents 0.87 times and 0.77 times, respectively the aggregate dividend requirements on the Preferred Shares for those periods.

TRADING PRICES AND VOLUMES

The following table sets forth the reported high and low sale prices and the trading volume for the Preferred Shares and the Capital Shares on the TSX and the high and low NAV of the Capital Shares for each of the months indicated.

	NAV - Capital Shares		Market Price - Capital Shares			Market Price - Preferred Shares		
	Low	High	Low	High	Volume	Low	High	Volume
2011								
September 1 - 22	\$9.10	\$11.37	\$10.40	\$11.75	55,890	\$10.16	\$10.37	43,712
August	\$10.56	\$11.38	\$10.51	\$12.28	78,166	\$10.09	\$10.22	6,907
July	\$12.10	\$13.15	\$12.30	\$13.15	60,840	\$10.11	\$10.25	7,362
June	\$12.61	\$13.64	\$12.05	\$13.35	67,959	\$10.15	\$10.25	9,569
May	\$13.75	\$14.32	\$13.32	\$13.93	37,889	\$10.18	\$10.37	9,049
April	\$14.38	\$15.03	\$13.60	\$14.58	42,477	\$10.11	\$10.30	21,939
March	\$14.50	\$15.24	\$13.40	\$14.45	53,419	\$10.20	\$10.36	10,157
February	\$13.94	\$15.03	\$12.76	\$14.10	38,061	\$10.33	\$10.89	4,900
January	\$12.83	\$13.62	\$12.34	\$12.97	36,008	\$10.26	\$10.50	4,752
2010								
December	\$12.71	\$13.23	\$11.86	\$12.34	49,631	\$10.19	\$10.60	26,458
November	\$12.48	\$12.68	\$11.45	\$12.10	76,349	\$10.35	\$10.50	24,031
October	\$12.12	\$12.55	\$11.25	\$12.00	25,351	\$10.34	\$10.36	17,672
September	\$11.45	\$11.92	\$10.80	\$11.35	60,135	\$10.35	\$10.40	8,490

Source: Thomson Reuters

On September 22, 2011, the closing prices of the Capital Shares and Preferred Shares on the TSX were \$10.40 and \$10.20, respectively. As at September 22, 2011, the NAV per Unit was \$19.10.

PLAN OF DISTRIBUTION

Pursuant to an agency agreement dated as of September 22, 2011 (the "Agency Agreement") among TD Securities Inc., CIBC World Markets Inc., GMP Securities L.P., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Genuity Corp., HSBC Securities (Canada) Inc., Raymond James Ltd., Desjardins Securities Inc., Macquarie Private Wealth Inc., Dundee Securities Ltd., Mackie Research Capital Corporation and Rothenberg Capital Management Inc. (collectively, the "Agents"), the Manager and the Company, the Agents have agreed to offer the Preferred Shares and the Capital Shares for sale, as agents of the Company, on a best efforts basis, if, as and when issued by the Company. The Agents will receive a fee equal to \$0.3060 for each Preferred Share sold and \$0.4975 for each Capital Share sold and will be reimbursed for out of pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment

dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fee. While the Agents have agreed to use their best efforts to sell the Preferred Shares and the Capital Shares offered hereby, the Agents will not be obligated to purchase Preferred Shares or Capital Shares which are not sold.

The offering prices of \$10.20 and \$9.95 for the Preferred Shares and the Capital Shares, respectively, were established by negotiation between the Agents and the Company.

The Company has granted the Agents an option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days from the closing of the Offering to purchase up to 15% of the aggregate number of Preferred Shares (the "Optional Preferred Shares") and Capital Shares (the "Optional Capital Shares") issued at the closing of the Offering (collectively, the "Optional Shares") at a price of \$10.20 per Preferred Share and \$9.95 per Capital Share purchased pursuant to the Over-Allotment Option. This short form prospectus qualifies the distribution of the Over-Allotment Option and the Optional Shares issuable on the exercise of the Over-Allotment Option. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of the Offering. To the extent that the Over-Allotment Option is exercised, the Agents will be entitled to a fee of \$0.3060 per Optional Preferred Share and \$0.4975 per Optional Capital Share. The Agents may over-allot and effect transactions to cover their over-allotted position. A purchaser who acquires Optional Shares acquires those Optional Shares 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.

The distribution of Preferred Shares and Capital Shares may not continue for a period of more than 90 days following the date of issuance of a final receipt for this short form prospectus, without the consent of the Canadian securities regulators and those who have subscribed on or before such date. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. In the event that the necessary consents are not obtained or if the closing of the Offering does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Preferred Shares and Capital Shares will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription book at any time without notice. Closing of the Offering will take place on September 29, 2011 or such later date as may be agreed upon by the Company and the Agents that is on or before October 31, 2011. Closing is subject to receipt of all required securities regulatory and stock exchange approvals.

The TSX has conditionally approved the listing of the additional Preferred Shares and the Capital Shares. Listing will be subject to fulfilling all of the listing requirements of the TSX on or before December 9, 2011.

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

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, for purposes of the Tax Act and at all relevant times, are resident or are deemed to be resident in Canada, hold their Preferred Shares or Capital Shares as capital property, and deal at arm's length with and are not affiliated with the Company. This summary is based upon the facts set out in this prospectus, the current provisions of the Tax Act and the regulations thereunder (the "Regulations"), and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA") and relies, as to certain factual matters, on certificates of officers of the Company and lead Agent. This summary is

based on the assumption that the Capital Shares or the Preferred Shares will at all times be listed on the TSX. This summary is based on the assumption that the Company complies at all material times with the conditions prescribed in the Tax Act and the Regulations to qualify as a “mutual fund corporation” as defined in the Tax Act. This summary is based upon the assumption that the investment restrictions and permitted investments will at all relevant times be as set out under the headings “The Company – Investment Objectives” and “The Company – Investment Restrictions” and that the Company complies at all material times with such investment restrictions and holds only permitted investments.

This summary is based on the assumption that the issuers of securities held by the Company will be corporations, and will not be foreign affiliates of the Company or a Shareholder of the Company. This summary also takes into account any proposed amendments to the Tax Act and the Regulations that have been publicly announced by the Department of Finance (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. No assurances can be given that the Proposed Amendments will become law as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, in particular, does not describe income tax considerations relating to the deductibility of interest on money borrowed to acquire Preferred Shares and Capital Shares. This summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which might differ from the Canadian federal considerations described herein. This summary does not apply to (i) a Shareholder that is a “financial institution” as defined in section 142.2 of the Tax Act, (ii) a Shareholder an interest in which is a “tax shelter investment” as defined in subsection 143.2(1) of the Tax Act, or (iii) a Shareholder that has elected to have the “functional currency” reporting rules in section 261 of the Tax Act apply.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Accordingly, prospective investors are advised to consult their own tax advisors with respect to their individual circumstances.

Tax Treatment of the Company

As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid or payable by it in respect of its net realized capital gains. Also, as a mutual fund corporation, the Company is entitled to maintain a capital gains dividend account in respect of its realized net capital gains and from which it may elect to pay dividends (“Capital Gains Dividends”) which are treated as capital gains in the hands of the Shareholders (see “Tax Treatment of Shareholders” below). In certain circumstances where the Company has realized a capital gain in a taxation year, it may elect not to pay Capital Gains Dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient Capital Gains Dividends and/or qualifying redemptions.

In computing income for a taxation year, the Company will be required to include in income all dividends received by the Company in the year. In computing taxable income, the Company will generally be permitted to deduct all dividends received by it from taxable Canadian corporations. The Company will generally not be permitted a deduction in computing taxable income for dividends received by it from other corporations.

The Company has elected in accordance with the Tax Act to have each of its “Canadian securities” treated as capital property. Such an election will ensure that gains or losses realized by the Company on dispositions of Canadian securities are treated as capital gains or capital losses.

The Company qualifies as a “financial intermediary corporation” (as defined in the Tax Act) and, thus, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company and is not generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on “taxable preferred shares” (as defined in the Tax Act). As a mutual fund corporation (which is not an “investment corporation” as defined in the Tax Act), the Company is generally subject to a refundable tax of 33⅓% under Part IV of the Tax Act on taxable dividends received by the Company during the year to the extent that such dividends were deductible in computing the Company’s taxable income for the year. This tax is refundable upon payment by the Company of sufficient dividends other than Capital Gains Dividends (“Ordinary Dividends”).

Premiums received on covered call options and cash covered put options written by the Company that are not exercised prior to the end of the year will constitute capital gains of the Company in the year received, unless such premiums are received by the Company as income from a business of buying and selling securities or the Company has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Company purchases the Portfolio with the objective of earning dividends thereon over the life of the Company, writes covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the Portfolio and writes cash covered put options to increase returns and to reduce the net cost of purchasing securities upon the exercise of put options. Thus, having regard to the foregoing and in accordance with the CRA's published administrative policies, transactions undertaken by the Company in respect of shares comprising the Portfolio and options on such shares are treated and reported by the Company as arising on capital account.

Premiums received by the Company on covered call (or cash covered put) options that are subsequently exercised will be added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Company of the securities disposed of (or acquired) by the Company upon the exercise of such call (or put) options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Company in the previous year, such capital gain may be reversed.

To the extent that the Company earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest, the Company will be subject to income tax on such income and no refund will be available in respect thereof.

The Company will generally be entitled to deduct reasonable administrative and other expenses incurred to earn income. The Company may generally deduct the costs and expenses of the Offering paid by the Company and not reimbursed rateably over a five year period (subject to reduction in any taxation year that is less than 365 days).

Distributions

The policy of the Company is to pay quarterly distributions on the Preferred Shares and monthly distributions on the Capital Shares and, in addition, to pay special year-end distributions to holders of Capital Shares where the Company has net taxable capital gains upon which it would otherwise be subject to tax (other than taxable capital gains realized on the writing of options that are outstanding at year end) or where the Company needs to pay a dividend in order to recover refundable tax not otherwise recoverable upon payment of monthly dividends. While the principal sources of income of the Company are expected to include taxable capital gains as well as dividends from taxable Canadian corporations, to the extent that the Company earns net income, after expenses, from other sources, including interest income upon interim investment of its reserves, the Company will be subject to income tax on such income and no refund of such tax will be available.

Given the investment and dividend policy of the Company and taking into account the deduction of expenses and taxable dividends on shares of taxable Canadian corporations, the Company does not expect to be subject to any significant amount of non-refundable Canadian income tax.

Tax Treatment of Shareholders

Shareholders must include in income Ordinary Dividends paid to them by the Company. For individual Shareholders, Ordinary Dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations, including, if applicable, the enhanced gross-up and credit for Ordinary Dividends designated by the Company as eligible dividends. For corporate Shareholders, other than "specified financial institutions" (as defined in the Tax Act), Ordinary Dividends will normally be deductible in computing the taxable income of the corporation.

In the case of a Shareholder that is a specified financial institution, Ordinary Dividends received on the Preferred Shares or Capital Shares will be deductible in computing its taxable income only if either (a) the specified financial institution did not acquire such shares in the ordinary course of its business, or (b) at the time of the receipt of the dividends by the specified financial institution, such shares are listed on a designated stock exchange in Canada, and dividends are received in respect of not more than 10% of the issued and outstanding Preferred Shares or Capital Shares, as the case may be, by (i) the specified financial institution, or (ii) the specified financial institution and persons with whom it does not deal at arm's length (within the meaning of the Tax Act). For these purposes, a

beneficiary of a trust will be deemed to receive the amount of any dividend received by the trust and designated to that beneficiary, effective at the time the dividend was received by the trust, and a member of a partnership will be considered to have received that partner's share of a dividend received by the partnership, effective at the time the dividend was received by the partnership.

Ordinary Dividends received by a corporation (other than a "private corporation" or a "financial intermediary corporation", as defined in the Tax Act) on Preferred Shares will generally be subject to a 10% tax under Part IV.1 of the Tax Act to the extent that such dividends are deductible in computing the corporation's taxable income.

A Shareholder that is a private corporation or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) will generally be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on Ordinary Dividends received on the Preferred Shares or Capital Shares to the extent that such dividends are deductible in computing the Shareholder's taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a Shareholder, the rate of Part IV tax payable by the Shareholder is reduced to 23 $\frac{1}{3}$ %.

The amount of any Capital Gains Dividend received by a Shareholder from the Company will be considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

The amount of any payment received by a Shareholder from the Company as a return of capital on a Preferred Share or Capital Share will not be required to be included in computing income. Instead, such amount will reduce the adjusted cost base of the relevant share to the Shareholder. To the extent that the adjusted cost base to the Shareholder would otherwise be a negative amount, the Shareholder will be considered to have realized a capital gain at that time and the Shareholder's adjusted cost base will be increased by the amount of such deemed capital gain. See "Disposition of Shares" below.

Having regard to the dividend policy of the Company and the adjusted cost base of other securities currently held by the Company, a person acquiring Shares may become taxable on income or capital gains accrued or realized before such person acquired such Shares.

Disposition of Shares

Upon the redemption, retraction or other disposition of a Preferred Share or Capital Share, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base of the share and any reasonable costs of disposition. If the Shareholder is a corporation, any capital loss arising on the disposition of a Preferred Share or Capital Share may in certain circumstances be reduced by the amount of any Ordinary Dividends received on the share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. The adjusted cost base of each Preferred Share or Capital Share will generally be the weighted average of the cost of such share acquired by a Shareholder at a particular time and the aggregate adjusted cost base of any other such share of that class held immediately before the particular time.

One-half of a capital gain (a taxable capital gain) is included in computing income and one-half of a capital loss (an allowable capital loss) is deductible against taxable capital gains in accordance with the provisions of the Tax Act. A Shareholder that is a Canadian-controlled private corporation will be subject to an additional refundable tax on aggregate investment income, which includes an amount in respect of taxable capital gains.

Generally, the Preferred Shares and Capital Shares will qualify as "Canadian securities" for purposes of making an irrevocable election under the Tax Act to deem Canadian securities held by the investor to be capital property and to deem all dispositions of Canadian securities held by the investor to be dispositions of capital property for the purposes of the Tax Act. This election is not available to all taxpayers under all circumstances and therefore investors considering making such an election should consult their tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agents, provided that the Company qualifies as a mutual fund corporation within the meaning of the Tax Act or if the Preferred Shares or the Capital Shares are listed on a designated stock exchange, such shares would be a qualified investment under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts.

Notwithstanding the foregoing, if the Preferred Shares or Capital Shares are “prohibited investments” for the purposes of a tax-free savings account (or, pursuant draft legislation released for comment by the Department of Finance on August 16, 2011 implementing changes proposed in the June 6, 2011 Federal Budget, if the Preferred Shares or Capital Shares are “prohibited investments” for the purposes of a registered retirement savings plan or registered retirement income fund), a holder of a tax-free savings account (or an annuitant of a registered retirement savings plan or registered retirement income fund) that governs a trust will be subject to penalty taxes as set out in the Tax Act. An investment in the Preferred Shares or Capital Shares will not generally be a “prohibited investment” unless the holder thereof (or annuitant) has a “significant interest” (within the meaning of the Tax Act) in the Company or in a corporation, partnership or trust with which the Company does not deal at arm’s length for the purposes of the Tax Act. Holders of Preferred Shares or Capital Shares should consult their own tax advisors to ensure that the Preferred Shares and Capital Shares would not be a prohibited investment in their particular circumstances.

RISK FACTORS

Certain risk factors relating to the Company, the Capital Shares and the Preferred Shares are described below. Additional risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may also impair the operations of the Company. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Company and the ability of the Company to make distributions on the Preferred Shares or Capital Shares could be materially adversely affected.

Performance of the Portfolio Issuers and Other Considerations

The NAV per Unit varies as the value of the Portfolio Securities vary. The Company has no control over the factors that affect the value of the Portfolio Securities. Factors unique to each company included in the Portfolio, such as changes in their management, strategic direction, achievement of goals, mergers, acquisitions and divestitures, changes in distribution policies and other events, may affect the value of the common shares and other securities in the Portfolio. A substantial drop in the North American equities markets could have a negative effect on the Company and could lead to a significant decline in the value of the Portfolio and the value of the Preferred Shares and the Capital Shares.

Concentration Risk

The Company is invested at all times in up to six Big Banks and up to ten Big Oils. The Company’s holdings are less diversified and the NAV per Unit may be more volatile than the value of a more broadly diversified Portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Preferred Shares and the Capital Shares.

No Assurances on Achieving Objectives

There is no assurance that the Company will be able to achieve its distribution objective or will return to investors an amount equal to or in excess of the original issue price of the Preferred Shares or the Capital Shares. There is no assurance that the Company will be able to pay quarterly distributions on the Preferred Shares or monthly distributions on the Capital Shares. The funds available for distributions to Shareholders will vary according to, among other things, the dividends and other distributions paid on all of the Portfolio Securities, the level of option premiums received and the value of the Portfolio Securities. As the dividends and other distributions received by the Company will not be sufficient to meet the Company’s objectives in respect of the payment of distributions, the Company will depend on the receipt of option premiums and the realization of capital gains to meet those objectives.

Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such pricing model can be attained.

Risks Associated with Investments in Oil Companies

Approximately 50% of the Company's assets were invested in Big Oils as at September 9, 2011. The value of the Capital Shares and Preferred Shares will vary according to the performance and value of such Portfolio Securities. The following risk factors are associated with investments in oil companies:

Volatility of Oil Prices

The operational results and financial condition of the Big Oils is dependent upon the prices received for oil production. Oil prices have fluctuated widely during recent years and are affected by supply and demand factors, political events, weather and general economic conditions, among other things. Any decline in oil prices could have an adverse effect on the dividends and other distributions paid on the Portfolio Securities issued by the Big Oils and the value of such Big Oils.

Value of the Oil Companies

The performance and value of oil companies are influenced by factors which are not within the control of the Company and, in some cases, the oil companies themselves, including operational risks relating to the conventional production of oil, the quality of assets owned by such oil companies, commodity prices, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation, including taxation, and other financial market conditions.

Reserve Estimates

The reserve and recovery estimates for the Big Oils included in the Portfolio are only estimates and the actual production and ultimate reserves may be greater or less than the estimates provided.

Fluctuations in Dividends and other Distributions

The amount of distributions available for payment to holders of Capital Shares and Preferred Shares depends in part on the amount of dividends and other distributions paid by the Big Oils in the Portfolio. The ability for such Big Oils to continue to pay out dividends and other distributions at current levels is subject to the risk factors described above. The amounts which such Big Oils have distributed may not be sustainable and the forecast dividends and other distributions may not be realized.

Sensitivity to Interest Rates

As the Company is targeting quarterly distributions of \$0.13125 per Preferred Share and monthly distributions of \$0.09 per Capital Share, the market price of the Preferred Shares and Capital Shares may be affected by the level of interest rates prevailing from time to time. Shareholders who wish to redeem or sell their Preferred Shares or Capital Shares prior to the Redemption Date will therefore be exposed to the risk that the market price of the Preferred Shares and Capital Shares will be negatively affected by interest rate fluctuations.

Greater Volatility of the Capital Shares

An investment in the Capital Shares represents a leveraged investment by virtue of the Preferred Shares having priority in payment of any distributions or any proceeds from the winding up of the Company. This leverage amplifies the potential return to investors of Capital Shares in so far as returns in excess of the amounts payable to Preferred Shareholders accrues to the benefit of Capital Shareholders. Conversely, any losses incurred by the Portfolio accrue to the detriment of Capital Shareholders since the Preferred Shares rank prior to the Capital Shares in respect of distributions and proceeds upon the winding up of the Company.

Changes in Credit Rating

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. There can be no assurance that the Preferred Shares will maintain their rating by DBRS for any given period of time or that the rating will not be lowered or withdrawn entirely by DBRS if in DBRS' judgment circumstances so warrant. A lowering or withdrawal of the rating of the Preferred Shares may have a negative effect on the market value of the Preferred Shares.

Reliance on the Investment Advisor

The Investment Advisor manages the Portfolio in a manner consistent with the investment objectives, strategy, rebalancing criteria and investment restrictions of the Company. In addition, the Investment Advisor may change the composition of the Portfolio without Shareholder approval in certain circumstances. The officers of the Investment Advisor who are primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios and writing covered call and cash covered put options in connection with managing such investment portfolios. There is no certainty that the officers of the Investment Advisor who are primarily responsible for the management of the Portfolio will continue to be employees of the Investment Advisor throughout the term of the Company.

Use of Options and Other Derivative Instruments

The Company is subject to the full risk of its investment position in the Portfolio Securities, including those securities that are subject to outstanding call options and those securities underlying put options written by the Company, should the market price of such securities decline. In addition, the Company does not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options. The Company may also be required to purchase securities that are the subject of cash covered put options at market prices lower than the strike price of the options.

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

The use of options by the Company may have the effect of limiting or reducing the total returns of the Company if the Investment Advisor's expectations concerning future events or market conditions prove to be incorrect. If the value of the Portfolio Securities decreases, it may be difficult for the Company to recover losses on those Portfolio Securities and meet its annual targeted distributions. In such an event, the Company would have to increase the percentage of the Portfolio that is subject to covered call options in order to meet its annual targeted distributions.

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

Sensitivity to Volatility Levels

The Company may sell call options in respect of some or all of the Portfolio Securities. Such call options may be either exchange-traded options or over-the-counter options. By selling call options, the Company will receive option premiums. The amount of option premium depends upon, among other factors, the implied volatility of the price of the underlying security as, generally, the higher the implied volatility, the higher the option premium. The level of implied volatility is subject to market forces and is beyond the control of the Manager, the Investment Advisor or the Company.

Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Company treats option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains and capital losses, as the case may be, in accordance with its understanding of the CRA's published administrative and assessing practice. Gains or losses on the disposition of Portfolio Securities, including the disposition of Portfolio Securities upon exercise of a call option, will be treated as capital gains or losses. The CRA's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained.

If, contrary to the CRA's published administrative practice, some or all of the transactions undertaken by the Company in respect of options or Portfolio Securities were treated on income rather than capital account, after-tax returns to Shareholders could be reduced, the Company could be subject to non-refundable income tax from such transactions and the Company could be subject to penalty taxes in respect of excessive capital dividend elections.

Significant Redemptions

Shares are retractable annually and monthly as described under "Description of Share Capital". The purpose of the concurrent annual retraction right is to prevent the shares from trading at a substantial discount to the NAV per Unit and to provide Capital Shareholders with the right to realize their investment once annually without any trading discount to the NAV. While the concurrent annual retraction right provides Capital Shareholders the option of annual liquidity at NAV, there can be no assurance that it will reduce trading discounts. If a significant number of shares are retracted or redeemed, the trading liquidity of the shares could be significantly reduced. In addition, the expenses of the Company would be spread among fewer shares potentially resulting in lower NAV.

Foreign Currency Exposure

As the Portfolio may contain some securities and options denominated in U.S. dollars, the NAV of the Company and the value of distributions and option premiums received by the Company will, when measured in Canadian dollars, be affected by fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

Securities Lending

The Company engages in securities lending. Although the Company receives collateral for the loans and such collateral is marked-to-market, the Company is exposed to the risk of loss should the borrower default on its obligations to return the borrowed securities and the collateral be insufficient to reconstitute the Portfolio of loaned securities.

HST

HST generally applies to the management fees and administration fees charged to the Company. In general, the rate of HST borne by the Company depends on the residence of the Company's shareholders. Changes in existing HST rates, changes in the list of HST participating provinces and changes in the breakdown of the residence of the Company's shareholders may therefore have an impact on the management expense ratio of the Company year over year.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of the Company and Wildeboer Dellelce LLP on behalf of the Agents. As of the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP as a group, and the partners and associates of Wildeboer Dellelce LLP as a group, each own less than one percent of the outstanding Capital Shares or Preferred Shares of the Company.

The auditor of the Company is Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, who have prepared an auditor's report dated March 29, 2011 in respect of the financial statements of the Company as at and for the years ended December 31, 2010 and 2009. Ernst & Young LLP has advised that they are independent

with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

TRANSFER AGENT AND REGISTRAR, CUSTODIAN AND AUDITOR

Equity Financial Trust Company is the registrar and transfer agent for the Capital Shares and Preferred Shares.

Pursuant to a custodian agreement, CIBC Mellon Trust Company is responsible for certain aspects of the day-to-day administration of the Company and provides safekeeping and custodial services in respect of the Company's assets. The address of the Custodian is P.O. Box 7010, Adelaide Street Postal Station, Toronto, Ontario, M5C 2W9.

The auditor of the Company is Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, Ernst & Young Tower, 222 Bay Street, P.O. Box 251, Toronto, Ontario, M5K 1J7.

PURCHASERS' STATUTORY RIGHTS

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

AUDITOR'S CONSENT

We have read the short form prospectus (the "Prospectus") of Big Bank Big Oil Split Corp. (the "Company") dated September 22, 2011, relating to the issue and sale of Preferred Shares and Capital Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the Prospectus, of our report to the shareholders of the Company on the financial statements of the Company which comprise the statement of investment portfolio as at December 31, 2010, the statements of financial position as at December 31, 2010 and 2009, and the statements of operations and retained earnings, changes in shareholders' equity, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information. Our report is dated March 29, 2011.

Toronto, Canada,
September 22, 2011

(signed) Ernst & Young LLP
Chartered Accountants, Licensed Public Accountants

CERTIFICATE OF THE COMPANY AND THE MANAGER

Dated: September 22, 2011

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 prospectus as required by the securities legislation of each of the provinces and territories of Canada.

Big Bank Big Oil Split Corp.

By: (Signed) Som Seif
Chairman, Chief Executive Officer,
President and Director

By: (Signed) Bruce Albelda
Chief Financial Officer

On behalf of the Board of Directors of Big Bank Big Oil Split Corp.

By: (Signed) Som Seif
Director

By: (Signed) Roman Friedrich III
Director

Claymore Investments, Inc. (as Manager)

By: (Signed) Som Seif
Chairman, Chief Executive Officer
and President

By: (Signed) Bruce Albelda
Chief Financial Officer

On behalf of the Board of Directors of Claymore Investments, Inc.

By: (Signed) Som Seif
Director

By: (Signed) Bruce Albelda
Director

By: (Signed) Jeffrey D. Logan
Director

Claymore Investments, Inc. (as Promoter)

By: (Signed) Som Seif

CERTIFICATE OF THE AGENTS

Dated: September 22, 2011

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 prospectus as required by the securities legislation of each of the provinces and territories of Canada.

TD Securities Inc.

CIBC World Markets Inc.

By: (Signed) Cameron Goodnough

By: (Signed) Michael Shuh

GMP Securities L.P.

RBC Dominion Securities Inc.

Scotia Capital Inc.

By: (Signed) Neil Selfe

By: (Signed) Christopher Bean

By: (Signed) Farooq N. P. Moosa

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

By: (Signed) Robin Tessier

By: (Signed) Timothy Evans

Canaccord Genuity Corp.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

By: (Signed) Ron Sedran

By: (Signed) Jay Lewis

By: (Signed) J. Graham Fell

Desjardins Securities Inc.

Macquarie Private Wealth Inc.

By: (Signed) Beth Shaw

By: (Signed) James Price

Dundee Securities Ltd.

**Mackie Research Capital
Corporation**

**Rothenberg Capital
Management Inc.**

By: (Signed) Timothy J. Hart

By: (Signed) David Keating

By: (Signed) Robert Rothenberg