#  **LEVERAGE DISCLOSURE DOCUMENT**

 Regulatory authorities require delivery of this document to investors who consider borrowing money to buy investment/segregated funds, to make investors aware of the risks involved in borrowing to invest.

 Investment/segregated funds may be purchased using available cash or a combination of cash and borrowed money. If you use cash to pay for your purchase in full, your percentage gain or loss will equal the percentage increase or decrease in the value of your shares or units. The purchase of investments/segregated funds using borrowed money magnifies the gain or loss on your cash invested. This effect is called leveraging. For example: If $100,000 of funds are purchased and paid for with $25,000 from available cash(your money) and $75,000 from borrowings, and the value of your fund shares declines by 10% to $90,000, your equity interest (the difference between the value of your fund shares and the amount borrowed) has declined by 40%, i.e. $25,000 to $15,000.

 It is apparent that leveraging magnifies gains or losses, and it is important that you know that a leveraging purchase of investment/segregated funds involves greater risk than a purchase using your own cash resources only. To what extent a leveraged purchase involves undue risk, is a determination on the circumstances of the purchaser and the investment/segregated fund purchased.

 It is also important that you are aware of the terms and arrangements made where a loan is secured by investment/segregated funds. The lender may require that the ratio of the loan to the market value of the collateral not exceed an agreed percentage. Should this occur, the borrower must either (1) pay down the loan, (2) sell the shares, or (3) post additional cash or collateral, so as to return the loan to the agreed percentage relationship. In our example above, the lender may require that the loan not exceed 75% of the market value of the shares. If the market value of the shares was to fall to $90,000, the loan/value ratio would go up to 83.3% ($75,000/$90,000 X 100%). The borrower must reduce the loan to $67,500 (75% of the $90,000) – or come up with the additional $10,000 of acceptable collateral to give to the lender. If the borrower does not have additional cash available (or collateral). He must sell shares at a loss to provide money to reduce the loan.

 Money is, of course, also required to pay interest on the loan. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available to pay interest and to reduce the loan if the borrowing arrangements require such a payment.

**Initial Leveraged Amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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Client Name(s):