



INTRODUCTION

The iTrust Institute was established to explore the benefits of Canadian income trusts and flow-through equities, and to provide insight into their features and role in a dynamic market and growing economy.

Institute research involves and its findings provide prescient insight to a broad public and professional audience, its founders & market stakeholders:

- ❖ Several million investors holding \$200 billion in trusts earning more than \$20 billion of income per year;
- ❖ Managers running \$20 billion in closed end funds;
- ❖ Another \$130 billion in income-oriented mutual funds;
- ❖ Canadian tax authorities & policy makers;
- ❖ Trust issuers, trustees and managers running companies with more than 225 trusts including royalty funds, real estate investment and business trusts;
- ❖ Market regulators and dealers;
- ❖ Financial advisory firms and professionals;
- ❖ Securities brokers and promoters;
- ❖ Investment analysts and underwriters.

Our work complements that of other organizations and remains accessible to the full spectrum of interests.

As a result, we offer distinct value as a truly inclusive and independent research and education institute focused on this unique Canadian form of security and on the income dimension of the global financial market.

A handwritten signature in black ink, appearing to read "Leslie Hayman".

Leslie Hayman
President

www.iTrustInstitute.org
850-36 Toronto St. Toronto ON M5C 2C5
FAX 416.362.2567 or TEL 416.362.3888

INDEPENDENT & OBJECTIVE

MISSION

The iTrust Institute encourages awareness & new understanding of income trusts, other flow-through equities, their markets & potential for development.

COMPELLING REASON

Income trusts constitute a \$200 billion market, low cost capital for productive enterprise and \$20 billion per year of income for millions of investors. Yet, they remain misunderstood by public investors, many sellers, marketers & policy makers.

STRATEGY

The Institute monitors, explores and charts the income trust market along with its policy and regulatory environment to inform and make informative representations on behalf of our members.

We will engage leaders and stakeholders in thoughtful dialogue to identify & answer key questions and to foster an inclusive, honest & sustained exchange of useful information and insight.

Services Offered by iTrust Institute

- ✓ Conduct research and provide education in respect to income trusts and flow-through equities on a range of pertinent topics;
- ✓ Provide news briefs and market updates;
- ✓ Publish abstracts of studies & analyses;
- ✓ Promote & facilitate information dissemination and exchange among investors, financial advisors and others through publications and by hosting seminars and other events;
- ✓ Deliver specialized research, training, consulting & reporting services in partnership with other institutions and organizations.

OPPORTUNITY TO LEAD RATHER THAN SIMPLY RESPOND

The Institute shares authoritative perspective with members and others to enhance their knowledge of trusts, the role of trusts in a dynamic market and to grow the economy. Enabling an exchange of information, we benefit market participants:

- ❖ Investors and their advisors;
- ❖ Trust issuers, financial analysts & service providers including marketers & brokers;
- ❖ Tax and other regulatory authorities, educators, public advocacy & service groups;

As income trusts and their markets evolve, we will equip members to better read and benefit from trends, but to effectively lead that change as well.

RESEARCH & EDUCATION

HIGH RETURN RELATIVE TO RISK

iTrust Institute is studying the key features, perceived potential & benefits of income trusts starting from observations and the premise that:

Equities managed and structured like income trusts flow net gains through to owners by way of frequent & regular distributions of cash. As such:

Income trusts can offer superior rates of overall return and fuel both market and economic growth along with the Canadian tax base, with less risk than other equities; Given honest managers and competitive markets that are supported by open communications.

We will test this notion & ask related questions as we evaluate Canadian income trusts.

DISTINCT POTENTIAL IN AN EVOLVING SECURITIES MARKET

The Institute will gain and share insight into the distinct potential of income trust and flow-through forms of structured equity:

(1) Legal Structure: The trust indenture can offer value to managers and investors by clarifying expectations and formalizing policies & practices;

(2) Cash Distributions: Cash distributions have economic value in the form of tangible business information for investors while providing a useful priority for disciplined management;

(3) Frequent Returns: The high frequency of cash distributions can reduce risk while hastening tangible returns & economic multiplier effects;

(4) Liquidity: Market liquidity has value at a number of levels;

(5) Efficiency & Productivity: Flow-through securities motivate prudent cash management and investments more efficient & productive than others;

(6) Growing Tax Base: Stable and real returns from trust investments provide the basis for growth in the local economy and national tax base;

(7) Incremental Economic Gain: By attracting capital to Canada income trusts provide a vehicle to repatriate Canadian enterprise;

(8) Beneficial Standards: As a popular form of security, trusts provide a valuable focus for development of accounting standards, financial policies, governance practices and market regulations.

BACKGROUND: WHO WE ARE

Partners in Development

The iTrust Institute will use an iterative process to probe, test and chart findings, analyze, evaluate & review income trust markets. We work with market stakeholders and reach beyond the trust realm into financial circles in general in Canada & abroad.

Overcoming Misperceptions

The Institute works to resolve popular confusion, misconceptions and misdirected questions. For example:

- Can sellers promote cash yielding equities as if they are interest-bearing debt?
- Are trusts just products of tax dodgers that cause unfair tax losses?
- Can all income trusts be described as opportunistic Ponzi schemes?
- Do issuers and sellers intentionally create false confidence and take advantage of investors by calling structured equities “trusts”?

Measured Answers to Good Questions

We explore & test key concepts through inquiry into meaningful questions such as:

- How significantly do frequent cash distributions enhance returns relative to risk?
- To what extent can retirees & pension managers depend on trusts for income?
- What are the specific and general economic benefits of flow-through entities?
- How does trust and corporate tax compare?
- What is the net value of foreign ownership in Canadian trusts & other equities?
- What is the growth potential of income trusts?
- What value-added role can a trust indenture and trustees play in governance or management of a public enterprise?
- Do financial disclosures and regulatory policies or practices, that are stricter than the current regime, offer value to Canadian securities issuers and investors? Do trust requirements differ from those of other securities?

Informed Market Participants and Members

The iTrust Institute was formalized as a way to bring together people from all sides of the market. It was born in late 2005 from interests of members in TrustInvestor.com, a leading independent information resource for more than 3900 individuals including investors, advisors, other financial professionals & trust issuers.

TrustInvestor members were persuaded of need for an Institute when the Canadian Department of Finance issued its Consultation Paper on Flow-through Entities in September 2005. Confusion surrounding the Paper and related working policies revealed an inherent gap between the information available in official and public domains and the perspective required to find answers to shared concerns & interests.

As meaningful answers were lost to political turmoil, we saw that real problem-solving in a complex environment can only be achieved with an inclusive and open dialogue.

MEMBERSHIP APPLICATION

FOR

(Please print in legible block letters)

NAME

EMAIL ADDRESS

TITLE (for Professional & Corp. Members)

(____) ____ - ____
INDIVIDUAL TELEPHONE

COMPANY (Professional & Corporate)

(____) ____ - ____
BUSINESS TELEPHONE

STREET ADDRESS

STREET ADDRESS (if required)

CITY

PROVINCE/STATE

POSTAL/ZIP CODE

Type of Membership (Check one type & Appropriate Term with Related Dues Incl. GST)
Public membership is designed to recognize a variety of participants from all sides of the market and economy, check one option and send with appropriate payment including cheque PAYABLE TO "iTrustInstitute" at 850-36 Toronto St., Toronto ON M5C 2C5.

INDIVIDUAL MEMBER: \$53.50 for One Year ___ or \$117.70 for 3 Years___

Individuals including investors not employed by a public or private corporation or institution in the financial markets or services sector; Price for one year and three years *includes GST for Canadians, only, of \$3.50 and \$17.70, respectively.*

PROFESSIONAL MEMBER: \$1605 for One Year ___ or \$4280 for 3 Years___

Individuals employed by a public or private corporation or institution in the financial markets or services sector, or employed; Price for one year and three years *includes GST for Canadians, only, of \$105 and \$280, respectively.*

CORPORATE MEMBER: \$5350 for One Year ___ or \$13,375 for 3 Years___

Three Professional memberships, including invitation to Recognition receptions and a 50% discount on materials & events; Price for one year and three years *includes GST for Canadians, only, of \$350 and \$875, respectively.*

Board of Advisors

As an iTrust member with interest in the work of the Institute
I would also welcome nomination to the Board of Advisors

PLEASE SEE AND INCLUDE FOLLOWING PAGE WHICH IS PART OF THIS APPLICATION

QUESTIONS: membership@itrustinstitute.org, FAX 416.362.567 OR PHONE 416.362.3888

COMPLETE & MAIL FORM TO: iTrustInstitute, 850-36 Toronto St. Toronto ON M5C 2C5

CORPORATE MEMBER NAME 2

EMAIL ADDRESS

TITLE (for Professional & Corp. Members)

(____) ____ - ____
INDIVIDUAL TELEPHONE

CORPORATE MEMBER NAME 3

EMAIL ADDRESS

TITLE (for Professional & Corp. Members)

(____) ____ - ____
INDIVIDUAL TELEPHONE

IMPORTANT NOTES

General Sales Tax (GST) has been included in the price of membership for Canadian residents. Others may deduct this amount from Membership Dues.

Applications for Membership will be accepted and granted at the sole discretion of the Board of Directors of iTrustInstitute. Membership dues are required to be fully paid with Application before membership can be granted and status confirmed. The iTrustInstitute provides confirmation of Application by way of receipt for payment.

Granting of Membership will be confirmed as a welcome note to the applicant within one month of receipt. Applications not accepted will receive full refund of payments less \$3 for administration charges.

Membership policies may be established and changed from time to time by the Board of Directors of iTrustInstitute.

RECOGNITION

Unless otherwise requested, recognition of a member as a Sustaining Supporter will be provided to Professional members who join for three years and to all Corporate Members.

SIGNATURE OF APPLICANT AGREEMENT

DATE

PAYMENT

Pay by Check ___(Enclosed)

VISA___ MC___ or AMEX___: Number _____ Expiry _____

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