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PROSPECTUS

Initial Public Offering

February 25, 2013



MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

Bloom U.S. Advantaged Income & Growth Fund
Maximum \$125,000,000
(12,500,000 Class A Units and/or Class U Units)

Bloom U.S. Advantaged Income & Growth Fund (the "Fund") has been created to provide holders of units ("Unitholders") with exposure to an actively managed, diversified portfolio (the "Portfolio") comprised primarily of publicly traded high dividend paying U.S. common equity securities, including REITs.

The Fund will not hold the Portfolio but, instead, will obtain economic exposure to the Portfolio which will be owned by BUIG Trust through a forward purchase agreement (the "Forward Agreement") with Bank of Montreal, the initial Counterparty. The Fund is therefore fully exposed to the credit risk associated with the Counterparty, however, the Counterparty will pledge collateral in favour of the Fund to secure its obligations under the Forward Agreement. By virtue of the Forward Agreement, the performance of the Fund will be dependent on the performance of the Portfolio. See "Overview of the Investment Structure — The Forward Agreement" and "Risk Factors".

The Fund is a closed-end investment fund established under the laws of the Province of Ontario. The Fund proposes to offer Class A Units and Class U Units (collectively, the "Units" and each, a "Unit") at a price of \$10.00 per Class A Unit and U.S.\$10.00 per Class U Unit. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. See "Purchase of Units" and "Description of the Units — Conversion of Class U Units".

The investment objectives of the Fund are to provide Unitholders with:

- (i) exposure by virtue of the Forward Agreement to an actively managed portfolio held by BUIG Trust comprised primarily of publicly traded high dividend paying U.S. common equity securities, including REITs;
- (ii) stable monthly tax-advantaged cash distributions; and
- (iii) the opportunity for capital appreciation.

Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to the Canadian dollar. See "Investment Objectives".

Bloom Investment Counsel, Inc. (the "Manager", "Trustee" or "Bloom") will act as manager, portfolio manager and trustee of each of the Fund and BUIG Trust. See "Organization and Management Details of the Fund — The Manager".

Price: \$10.00 per Class A Unit and U.S.\$10.00 per Class U Unit
Minimum purchase: 100 Class A Units or Class U Units

	Price to the Public ⁽¹⁾	Agents' Fee	Net Proceeds to the Fund ⁽²⁾
Per Class A Unit	\$10.00	\$0.525	\$9.475
Per Class U Unit	U.S.\$10.00	U.S.\$0.525	U.S.\$9.475
Minimum Total Offering ⁽³⁾⁽⁴⁾	\$20,000,000	\$1,050,000	\$18,950,000
Maximum Total Offering ⁽⁴⁾	\$125,000,000	\$6,562,500	\$118,437,500

Notes:

- (1) The terms of the Offering were established through negotiation between the Agents and the Manager on behalf of the Fund.
- (2) Before deducting the expenses of the Offering, estimated to be \$670,000, which, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering subject to a maximum of 1.5% of the gross proceeds of the Offering.
- (3) There will be no Closing unless a minimum of 2,000,000 Class A Units are sold. If subscriptions for such minimum have not been received within 90 days after a final receipt for this prospectus is issued, the Offering may not continue and subscription proceeds will be returned to investors, without interest or deduction, unless an amendment to this prospectus is filed.
- (4) The Fund has granted to the Agents an option, exercisable for a period of 30 days from the Closing Date, to purchase up to 15% of the aggregate number of Class A Units issued on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be \$143,750,000, \$7,546,875 and \$136,203,125 respectively (assuming only Class A Units are sold). This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Class A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class A Units forming part of the Agents' over-allocation position acquires such Class A Units under this prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

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There is no guarantee that an investment in the Fund will earn any positive return in the short or long term nor is there any guarantee that the Fund's investment objectives will be achieved or that the Net Asset Value per Unit will appreciate or be preserved. An investment in the Fund is appropriate only for investors who have the capacity to absorb investment losses. There are certain risks associated with an investment in the Units, including the use of leverage. Prospective investors should read carefully the risk factors described in this prospectus. There is currently no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. See "Risk Factors" and "Distribution Policy".

The TSX has conditionally approved the listing of the Class A Units. Listing of the Class A Units is subject to the Fund fulfilling all of the listing requirements of the TSX on or before May 26, 2013. The Class A Units, if listed, will be listed for trading under the symbol "BUA.UN".

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Raymond James Ltd., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc., Dundee Securities Ltd., Industrial Alliance Securities Inc. and Manulife Securities Incorporated, as agents (collectively, the "Agents"), conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP. The Agents may over-allot or effect transactions as described under "Plan of Distribution".

The Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank or an affiliate thereof and an affiliate of one of the Agents). Accordingly, the Fund may be considered a "connected issuer" of such Agent. See "Organization and Management Details of the Fund — The Manager" and "Plan of Distribution".

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Fund reserves the right to close the subscription books at any time without notice. Registrations of interests in and transfers of Units will be made only through the book-based system administered by CDS Clearing and Depository Services Inc. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Units. Closing is expected to occur on or about March 21, 2013 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus has been issued.

All references in this prospectus to "dollars" or "\$" are to Canadian dollars unless otherwise indicated. Certain capitalized terms used, but not defined, in the foregoing are defined in the "Glossary of Terms".

TABLE OF CONTENTS

PROSPECTUS SUMMARY	2
FORWARD LOOKING INFORMATION	10
DISCLOSURE BASED ON PUBLICLY AVAILABLE INFORMATION	10
GLOSSARY OF TERMS	11
OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND	15
INVESTMENT OBJECTIVES	15
INVESTMENT STRATEGY	15
OVERVIEW OF THE INVESTMENT STRUCTURE.....	17
OVERVIEW OF THE SECTOR THAT THE FUND INVESTS IN	19
INVESTMENT RESTRICTIONS.....	24
FEES AND EXPENSES	26
RISK FACTORS	27
DISTRIBUTION POLICY	33
PURCHASE OF UNITS	35
REDEMPTION OF UNITS.....	35
INCOME TAX CONSIDERATIONS	36
ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND	39
CALCULATION OF NET ASSET VALUE	45
DESCRIPTION OF THE UNITS.....	47
UNITHOLDER MATTERS.....	49
TERMINATION OF THE FUND.....	51
USE OF PROCEEDS	52
PLAN OF DISTRIBUTION.....	52
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	54
PROXY VOTING DISCLOSURE.....	54
MATERIAL CONTRACTS.....	54
EXPERTS.....	55
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	55
INDEPENDENT AUDITOR'S CONSENT.....	F-1
INDEPENDENT AUDITOR'S REPORT.....	F-2
STATEMENT OF NET ASSETS	F-3
NOTES TO STATEMENT OF NET ASSETS	F-4
CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER	C-1
CERTIFICATE OF THE AGENTS	C-2

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. All references in this prospectus to “dollars” or “\$” are to Canadian dollars unless otherwise indicated. Certain capitalized terms used, but not defined, in this summary are defined in the “Glossary of Terms”.

The Fund	Bloom U.S. Advantaged Income & Growth Fund is a closed-end investment fund established under the laws of the Province of Ontario and governed by the Declaration of Trust. See “Overview of the Legal Structure of the Fund”.
The Offering	The Fund is offering Class A Units and Class U Units at a price of \$10.00 per Class A Unit and U.S.\$10.00 per Class U Unit. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. See “Plan of Distribution”.
Maximum Issue	\$125,000,000 (12,500,000 Units)
Minimum Issue	\$20,000,000 (2,000,000 Class A Units)
Offering Price	\$10.00 per Class A Unit U.S.\$10.00 Per Class U Unit
Minimum Purchase	\$1,000 (100 Class A Units) U.S.\$1,000 (100 Class U Units)
Investment Objectives	<p>The Fund’s investment objectives are to provide Unitholders with:</p> <ul style="list-style-type: none">(i) exposure by virtue of the Forward Agreement to an actively managed portfolio held by BUIG Trust comprised primarily of publicly traded high dividend paying U.S. common equity securities, including REITs;(ii) stable monthly tax-advantaged cash distributions; and(iii) the opportunity for capital appreciation. <p>Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to the Canadian dollar. See “Investment Objectives”.</p>
Investment Strategy	<p>The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio through the Forward Agreement. The Portfolio held by BUIG Trust will be comprised primarily of U.S. high dividend paying securities such as NYSE-listed or NASDAQ eligible common equity securities, including REITs, focusing on undervalued investments.</p> <p>The Manager believes that there is an attractive investment opportunity for U.S. high dividend paying common equity securities, including REITs, due to the following factors that are indicative of favourable U.S. economic and market conditions:</p> <ul style="list-style-type: none">• housing prices are rebounding;• consumer spending is on the rise after a period of sub-par growth;• the highly accommodative monetary policy stance of the Federal Reserve in support of maximizing employment and price stability;• there are continued signs of expansion in manufacturing;• the increasing production of shale gas and oil is providing the U.S. with a competitive advantage;• corporate balance sheets are much stronger following the 2008 financial crisis; and• compelling valuation of U.S. securities. <p>The Manager also believes that U.S. high dividend paying common equity securities, including REITs, provide the following benefits not available in the Canadian market thereby providing an enhanced scope for attractive investment:</p> <ul style="list-style-type: none">• geographic diversification;• a broader based economy; and• a wider range of sectors in which Portfolio Securities may be found. <p>The Manager expects that, due to the characteristics of the Portfolio Securities, these securities</p>

will outperform the market for the following reasons:

- investors' concern over market volatility and the belief that dividend paying securities will be less volatile;
- investee companies' strong cash flows;
- the discipline that a relatively high dividend imposes on management;
- low interest rates; and
- low bond yields.

See "Investment Strategy".

Currency Hedging

The Portfolio will be invested primarily in publicly traded U.S. securities denominated in U.S. dollars. Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to the Canadian dollar. The Class U Units will not be hedged. See "Risk Factors — Risk Factors of the Investment Strategy — Currency Exposure". See "Investment Strategy – Currency Hedging" and "Risk Factors".

Leverage

The Fund's exposure to the Portfolio through the Forward Agreement will initially be increased by approximately 25% of the value of the Portfolio after giving effect to leverage. The maximum amount of leverage that the Fund can employ is 25% of its Total Assets (equivalent to approximately 33% of the Net Asset Value and to a Total Assets to equity ratio of 1.33:1). If at any time the leverage exceeds 25% of the value of the Portfolio, the Counterparty will instruct the Manager to, as soon as practicable and (i) within 10 Business Days or (ii) immediately, if the leverage exceeds 27% of the value of the Portfolio, reduce the amount of Portfolio Securities comprising the Portfolio and the Manager will correspondingly reduce the leverage amount so as not to exceed 25% of the value of the Portfolio. See "Investment Strategy – Leverage" and "Risk Factors – Risks Associated with the Use of Leverage".

Distributions

The Fund intends to make monthly tax-advantaged cash distributions to Unitholders. Distributions will be paid no later than the 15th Business Day following the end of the month for which the distribution is payable. The initial cash distribution will be payable to Unitholders of record on April 30, 2013 and is expected to be paid on or about May 15, 2013, based on an anticipated closing of March 21, 2013 and will be pro-rated to reflect the period from the Closing Date to April 30, 2013. The Fund will not have a fixed monthly distribution amount but intends to, at least annually in January of each year, set distribution targets based on the Manager's estimate of distributable cash flow of BUIG Trust for the period. Based on the Manager's current estimates, the initial distribution target for the Fund is expected to be \$0.05 per Class A Unit per month and U.S.\$0.05 per Class U Unit per month (\$0.60 and U.S.\$0.60 per annum, respectively, to yield 6.00% on the subscription price of \$10.00 per Class A Unit or U.S.\$10.00 per Class U Unit, as applicable). Based on current estimates and assuming (i) an aggregate size of the Offering of \$100 million, (ii) the employment of the investment strategy as described under "Investment Strategy", (iii) the use of leverage as described herein, (iv) the fees and expenses described under "Fees and Expenses", and (v) foreign exchange rates remain constant, the Portfolio would be required to generate a return of 8.06% (6.85% net of withholding tax) in order to pay the initial estimated level of distributions through partial settlements of the Forward Agreement and maintain a stable Net Asset Value. As of January 23, 2013, the Indicative Portfolio had a current cash yield of 8.17% (6.94% net of withholding tax). If the current cash yield generated by the Portfolio decreases to a level below the amount necessary to fund the targeted monthly distributions (through partial settlement of the Forward Agreement) and is not offset by Portfolio appreciation or other returns and if the Manager chooses to nevertheless effect settlements of the Forward Agreement to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the Net Asset Value per Unit would be reduced. Based on the foregoing assumptions, but assuming the gross proceeds of the Offering are \$50 million, the Portfolio would be required to generate net income available for distribution of 8.34% (7.09% net of withholding tax) per annum, and the Portfolio would be required to generate an additional return of approximately 0.18% (0.15% net of withholding tax) per annum in excess of the current cash yield generated by the Indicative Portfolio as at January 23, 2013, including from capital appreciation, to allow the Fund (through partial settlement of the Forward Agreement) to make its distributions at the initial level of 6.0% per annum and to maintain a

stable Net Asset Value of the Fund. **The amount of monthly distributions may fluctuate from month to month and there can be no assurance as to the amount of the targeted distributions or that the Fund will make any distribution in any particular month.** See “Risk Factors” and “Distribution Policy”.

It is expected that distributions to Unitholders will consist primarily of returns of capital but may also include capital gains for income tax purposes. Amounts distributed on the Units that represent returns of capital are generally not subject to tax but will reduce the Unitholder’s adjusted cost base of the Units for tax purposes.

If the Fund’s net income for tax purposes, including net realized capital gains, for any year exceeds the aggregate amount of the regular monthly distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions (in either cash or Units) in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). See “Income Tax Considerations”.

See “Risk Factors” and “Distribution Policy”.

Distribution Reinvestment

The Fund intends to provide Unitholders of Class A Units with the opportunity to elect to reinvest monthly cash distributions made by the Fund in additional Class A Units through participation in the distribution reinvestment plan of the Fund described under “Distribution Policy – Distribution Reinvestment Plan.”

Forward Agreement

The Fund will not hold the Portfolio but, instead, will obtain economic exposure to the Portfolio through the Forward Agreement with the Counterparty, which initially will be Bank of Montreal. Under the Forward Agreement, the Counterparty will deliver to the Fund on the Forward Termination Date the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds that would be received on a redemption of the relevant number of units of BUIG Trust, a newly formed trust which will own the Portfolio, net of any amount owing by the Fund to the Counterparty. The Fund will use the net proceeds of the Offering to pre-pay its purchase obligations under the Forward Agreement. The Fund may settle the Forward Agreement in whole or in part prior to the Forward Termination Date for any reason including to pay distributions or to fund redemptions or in the event the Counterparty’s credit rating is downgraded. The Fund is fully exposed to the credit risk associated with the Counterparty. To secure the obligations of the Counterparty under the Forward Agreement, the Counterparty will pledge collateral in favour of the Fund with an aggregate value equal to 100% of the mark-to-market value of the exposure under the Forward Agreement and the amount of the collateral will be reset on a weekly basis to 100%. See “Overview of the Investment Structure – The Forward Agreement” and “Risk Factors”.

Redemption

Commencing in 2014, Units may be surrendered annually for redemption during the Notice Period subject to the Fund’s right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the Annual Redemption Date and the Unitholder will receive a redemption price per Unit equal to 100% of the Net Asset Value per Unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that is distributed to a Unitholder concurrently with the proceeds of disposition on redemption. Redemption proceeds will be paid no later than the 15th Business Day immediately following an Annual Redemption Date. Units may also be surrendered for redemption on a monthly basis.

See “Calculation of Net Asset Value”, “Redemption of Units” and “Risk Factors – Risks Relating to Redemptions”.

Termination of the Fund

The Fund does not have a fixed termination date and may be terminated by Extraordinary Resolution. The Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders to do so. Upon termination, the Fund will distribute to Unitholders their *pro rata* portion of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for. See “Termination of the Fund”. The Manager may also terminate the Fund in connection with a Permitted Merger. See “Unitholder Matters – Amendment of Declaration of Trust”.

Use of Proceeds The net proceeds from the issue of the minimum number of Units offered hereby (after payment of the Agents' fee and the expenses of the Offering) are estimated to be approximately \$18,650,000. The net proceeds from the issue of the maximum number of Units offered hereby (after payment of the Agents' fee and the expenses of the Offering) are estimated to be approximately \$117,767,500, assuming that the Over-Allotment Option is not exercised (assuming only Class A Units are sold). If the Over-Allotment Option is exercised in full under the maximum Offering the net proceeds to the Fund are estimated to be approximately \$135,533,125 (assuming only Class A Units are sold).

The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Forward Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds that would be received on a redemption of the relevant number of units of BUIG Trust. See "Use of Proceeds".

Repurchase of Units The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders. See "Description of the Units – Purchase for Cancellation".

Conversion of Class U Units into Class A Units A holder of Class U Units may convert such Class U Units into Class A Units on a monthly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and the sale of such Class A Units. Class U Units may be converted in any month on the first Business Day of such month by delivering a notice and surrendering such Class U Units by 3:00 p.m. (Toronto time) at least ten Business Days prior to the applicable Conversion Date.

For each Class U Unit so converted, a Unitholder will receive that number of Class A Units equal to the Net Asset Value per Class U Unit as at the close of trading on the Business Day immediately preceding the Conversion Date divided by the Net Asset Value per Class A Unit as at the close of trading on the Business Day immediately preceding the Conversion Date. For such purpose, the Fund will utilize the Reference Exchange Rate as of the Business Day immediately preceding the conversion day. No fraction of a Class A Unit will be issued upon any conversion of Class U Units and any fractional amounts will be rounded down to the nearest whole number of Class A Units. A conversion of Class U Units into Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act. See "Description of the Units – Conversion of Class U Units" and "Income Tax Considerations".

Risk Factors An investment in Units is subject to certain risk factors, including:

- no assurance that the Fund or BUIG Trust will be able to achieve their investment objectives;
- risks of investing in equity securities;
- risks of investing in real property investments;
- risks of investing in U.S. mortgage REITs;
- risks relating to fluctuations in the value of Portfolio securities and the performance of the Portfolio;
- risks associated with the composition of the Portfolio;
- risks associated with the use of leverage;
- interest rate risk;
- risks associated with securities lending;
- recent and future global financial developments;
- liquidity risk;
- reliance on the Manager;
- Counterparty risk;
- risks relating to the early termination of the Forward Agreement;
- risks relating to foreign currency exposure;
- risks related to the trading price of the Class A Units;

- risks related to the taxation of the Fund;
- risks related to foreign withholding tax;
- no ownership interest in Portfolio Securities;
- changes in legislation;
- the possible loss of investment;
- conflicts of interest;
- the status of the Fund;
- risks relating to redemptions;
- the Fund's lack of operating history;
- the fact that the Fund is not a trust company;
- the nature of the Units; and
- the fact that the Class U Units will not be listed on any stock exchange.

See "Risk Factors".

Eligibility For Investment

In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act or, in the case of the Class A Units, if such Units are listed on a designated stock exchange (which currently includes the TSX), the Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. Unitholders planning to hold their Units in a tax-free savings account, registered retirement savings plan or registered retirement income fund should consult their own tax advisor to determine whether the Units are "prohibited investments" for such accounts. See "Income Tax Considerations – Eligibility for Investment".

Income Tax Considerations

The Fund intends to distribute a sufficient amount of its income for each taxation year so that it will generally not be liable for income tax under the Tax Act. A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The Fund intends to make designations so that the portion of net realized taxable capital gains of the Fund that is distributed to Unitholders will be treated as taxable capital gains to Unitholders. Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net income and net realized capital gains will reduce the adjusted cost base of the Unitholder's Units. Upon the disposition of Units held as capital property, Unitholders will realize capital gains or capital losses. Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon their own particular circumstances. See "Income Tax Considerations".

Organization and Management of the Fund and BUIG Trust

The Manager, Trustee and Promoter: Bloom Investment Counsel, Inc. will act as the manager, portfolio manager, trustee and promoter of the Fund and of BUIG Trust. The Manager will perform the management functions, including the day-to-day management, and will provide investment advisory and portfolio management services to the Fund and to BUIG Trust. The Manager's head office is located at 150 York St, Suite 1710, Toronto, Ontario M5H 3S5. See "Organization and Management Details of the Fund – The Manager".

BUIG Trust: BUIG Trust will be a newly created investment fund established pursuant to the laws of the Province of Ontario prior to the Closing Date pursuant to the BUIG Declaration of Trust for the purpose of acquiring the Portfolio. The registered office of BUIG Trust will be located in Toronto, Ontario.

Auditor: PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants, at its offices in Toronto, Ontario, is the independent auditor of the Fund and of BUIG Trust.

Custodian: CIBC Mellon Trust Company will act as custodian of the assets of the Fund and of BUIG Trust. The Custodian is located in Toronto, Ontario.

Registrar and Transfer Agent: CIBC Mellon Trust Company, at its office in Toronto, Ontario, will maintain the securities registers of the Units.

Agents

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National

Bank Financial Inc., Raymond James Ltd., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc., Dundee Securities Ltd., Industrial Alliance Securities Inc. and Manulife Securities Incorporated, as agents, conditionally offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement.

The Fund has granted to the Agents an option, exercisable for a period of 30 days from the Closing Date, to purchase additional Class A Units in an amount up to 15% of the Class A Units sold on the Closing Date on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents' fee and net proceeds to the Fund are estimated to be \$143,750,000, \$7,546,875 and \$136,203,125 respectively (assuming only Class A Units are sold). This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Class A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class A Units forming part of the Agents' over-allocation position acquires such Class A Units under this prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

<u>Agents' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,875,000 Class A Units	Within 30 days following the Closing Date	\$10.00 per Class A Unit

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund and BUIG Trust, which by virtue of the Forward Agreement will therefore reduce the value of a Unitholder's investment in the Fund. For further particulars, see "Fees and Expenses".

<u>Type of Fee</u>	<u>Amount and Description</u>
Agents' Fee	\$0.525 per Class A Unit (5.25%) U.S.\$0.525 per Class U Unit (5.25%)
Expenses of the Offering	The expenses of the Offering are estimated to be \$670,000 (subject to a maximum of 1.5% of the gross proceeds of the Offering), which, together with the Agents' fee, will be paid by the Fund from the proceeds of the Offering.
Management Fee	The Manager will receive a Management Fee (i) from the Fund equal in the aggregate to 0.80% per annum of the Net Asset Value of the Fund comprised of 0.40% per annum of the Net Asset Value of the Fund, calculated and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Service Fee of 0.40% per annum of the Net Asset Value attributable to the Units referred to below, and (ii) from BUIG Trust equal to 0.75% per annum of the Net Asset Value of BUIG Trust, as reduced to take into account any leverage, calculated and payable monthly in arrears, plus, in each case, applicable taxes. As such, the Manager will receive an aggregate Management Fee from the Fund and BUIG Trust equal to 1.55% of the applicable Net Asset Value (0.80% from the Fund and 0.75% from BUIG Trust). The Management Fee payable to the Manager in respect of the month in which Closing occurs will be pro-rated based on the fraction that the number of days from and including the Closing Date to and including the last day of the month is of the number of days in such month. See "Fees and Expenses – Management Fee".
Service Fee	The Manager will pay to registered dealers a Service Fee (calculated quarterly and paid as soon as practicable after the end of each calendar quarter) equal to 0.40% per annum of the Net Asset Value attributable to the Units held by clients of such registered dealers, plus applicable taxes. The Manager will pay the Service Fee, plus applicable taxes, to such registered dealers based on the number of Units held by clients of such registered dealers at the end of the relevant quarter commencing the quarter ending June 30, 2013. The Service Fee payable on June 30, 2013 will be increased to include an amount in respect of the calendar quarter during which Closing occurs, which amount will be pro-rated based on the fraction that the number of days from and including the Closing Date to and including the last day of the calendar quarter is of the number of days in such calendar quarter. See "Fees and Expenses – Service Fee".
Counterparty Fees	The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated daily and payable monthly in arrears, of 0.35% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of BUIG Trust).
Ongoing Expenses of the Fund and BUIG Trust	Each of the Fund and BUIG Trust will pay for all of the ordinary expenses incurred in connection with its operation and administration, estimated to be \$165,000 per annum for the Fund and \$110,000 per annum for BUIG Trust in the case of the maximum Offering (which amounts exclude the estimated costs of employing leverage, the costs of portfolio transactions, the Management Fee, the Service Fee and fees under the Forward Agreement, as applicable). Each of the Fund and BUIG Trust will also be responsible for any extraordinary expenses which may be incurred from time to time. It is expected that the expenses for the Fund and BUIG Trust will include, without limitation: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the IRC, expenses related to compliance with NI 81-107, fees and expenses relating to the voting of proxies by a third party, premiums for directors' and officers' insurance coverage for the directors and officers of the Manager

and members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements and investor relations, website maintenance costs, taxes, brokerage commissions, costs and expenses relating to the issue of Units, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund or BUIG Trust may incur and all amounts paid on account of indebtedness. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund or BUIG Trust. See “Fees and Expenses – Ongoing Expenses”.

FORWARD LOOKING INFORMATION

Information in this prospectus that is not current or historical factual information may constitute forward looking information within the meaning of securities laws, and actual results may vary from the forward looking information. Implicit in this information are assumptions regarding future operations, plans, expectations, anticipations, estimates and intentions, such as the Fund's plans to obtain exposure to a diversified portfolio comprised primarily of publicly traded high dividend paying U.S. common equity securities, including REITs. These assumptions, although considered reasonable by the Fund at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operating results and economic performance of the Fund and BUIG Trust are subject to a number of risks and uncertainties. See "Risk Factors" for a description of material risk factors. Forward looking information contained in this prospectus is based on current estimates, expectations and projections, which the Fund believes are reasonable as at the date of this prospectus. The Fund uses forward looking statements because it believes such statements provide useful information with respect to the future operation and financial performance of the Fund, and cautions readers that the information may not be appropriate for other purposes. Readers should not place undue importance on forward looking information and should not rely upon this information as at any other date. While the Fund may elect to, it does not undertake to update this information at any particular time.

DISCLOSURE BASED ON PUBLICLY AVAILABLE INFORMATION

Certain information contained in this prospectus including with respect to, among other things, the Indicative Portfolio, is taken from and based solely upon publicly available information. None of the Manager, the Fund, BUIG Trust or the Agents has independently verified the accuracy or completeness of any such information or assumes any responsibility for the completeness or accuracy of such information.

GLOSSARY OF TERMS

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

“Additional Distribution” means a distribution that, if necessary, will be made in each year to Unitholders of record on December 31 in order that the Fund will generally not be liable to pay income tax, as described under “Distribution Policy”.

“Agency Agreement” means the agency agreement dated as of February 25, 2013 among the Fund, the Manager and the Agents.

“Agents” means, collectively, BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Raymond James Ltd., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc., Dundee Securities Ltd., Industrial Alliance Securities Inc. and Manulife Securities Incorporated.

“Annual Redemption Date” means the second last Business Day of October of each year, commencing in 2014.

“Approved Rating” means a long-term debt rating of the Counterparty or each successor counterparty of at least A by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., or an equivalent rating from Dominion Bond Rating Service Limited, Moody’s Investors Service, Inc., Fitch Ratings, or any of their respective successors.

“Bloom” means Bloom Investment Counsel, Inc.

“BUIG Declaration of Trust” means the declaration of trust governing BUIG Trust, as it may be amended from time to time.

“BUIG Trust” means a newly created investment fund that will be established pursuant to the laws of the Province of Ontario prior to the Closing.

“Business Day” means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

“Canadian Securities Portfolio” means a specified portfolio of securities of Canadian public issuers that are “Canadian securities” as defined under subsection 39(6) of the Tax Act and are listed on the TSX.

“CDS” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

“CDS Participant” means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for securities issued by the Fund deposited with CDS.

“Class A Meeting” means a meeting of unitholders of Class A Units called in accordance with the Declaration of Trust.

“Class A Units” means the transferable, redeemable units of the Fund designated as “Class A Units”.

“Class U Meeting” means a meeting of unitholders of Class U Units called in accordance with the Declaration of Trust.

“Class U Units” means the transferable, redeemable units of the Fund designated as “Class U Units”.

“Closing” means the issuance of Units pursuant to this prospectus on the Closing Date.

“Closing Date” means the date of a Closing, the first of which is expected to be on or about March 21, 2013 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus has been issued.

“**Closing Market Price**” in respect of a security on a Monthly Redemption Date means the closing price of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) or, if there was no trade on the relevant Monthly Redemption Date, the average of the last bid and the last ask prices of the security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed).

“**Conversion Date**” means the first Business Day of each month.

“**Counterparty**” means the Canadian chartered bank or affiliate thereof that is the Fund’s counterparty under the Forward Agreement.

“**CRA**” means the Canada Revenue Agency.

“**Custodian**” means CIBC Mellon Trust Company, in its capacity as custodian under the Custodian Agreements.

“**Custodian Agreements**” means the Fund Custodian Agreement and the custodian agreement to be entered into on or about the Closing Date between BUIG Trust and the Custodian, as it may be amended from time to time.

“**Declaration of Trust**” means the declaration of trust governing the Fund dated as of February 25, 2013, as it may be amended or amended and restated from time to time.

“**Extraordinary Resolution**” means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Forward Agreement**” means one or more forward purchase and sale agreements between the Fund and the Counterparty, as such agreements may be amended from time to time.

“**Forward Termination Date**” means March 30, 2018, as such date may be extended pursuant to the Forward Agreement.

“**Fund**” means Bloom U.S. Advantaged Income & Growth Fund, an investment fund established under the laws of the Province of Ontario and governed by the Declaration of Trust.

“**Fund Custodian Agreement**” means the custodian agreement to be entered into on or about the Closing Date between the Fund and the Custodian, as it may be amended from time to time.

“**Indicative Portfolio**” means the Portfolio Securities that would have comprised the Portfolio if it had been formed and fully invested on January 23, 2013, as described under “Indicative Portfolio”.

“**IRC**” means the independent review committee established by the Manager in accordance with NI 81-107.

“**Management Fee**” means the management fees payable to the Manager by the Fund as more fully described under “Fees and Expenses - Management Fee”.

“**Manager**” means the manager and administrator of the Fund and of BUIG Trust, namely Bloom and, if applicable, its successor.

“**Market Price**” in respect of a security on a Monthly Redemption Date means the weighted average trading price on the TSX (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date.

“**Monthly Redemption Amount**” means the redemption price per Class A Unit equal to the lesser of: (i) 94% of the Market Price of a Class A Unit and (ii) 100% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that is distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

“**Monthly Redemption Date**” means the second last Business Day of each month other than a month in which an Annual Redemption Date occurs.

“**Net Asset Value**” means the net asset value of the Fund or BUIG Trust, as applicable, as determined by subtracting the aggregate liabilities of the Fund or BUIG Trust, as applicable, from the aggregate value of the assets of the Fund or BUIG Trust, as applicable, in each case on the date on which the calculation is being made, as more fully described under “Calculation of Net Asset Value”.

“**Net Asset Value per Unit**” means the Net Asset Value of the Fund attributable to the Class A Units or the Class U Units, as applicable, divided by the total number of Class A Units or Class U Units, as applicable, outstanding on the date on which the calculation is being made.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators.

“**NI 81-107**” means National Instrument 81-107 – *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators.

“**Notice Period**” means the period from September 15 until 5:00 p.m. (Toronto time) on the last Business Day in September of each year.

“**Offering**” means, collectively, the offering of Class A Units at a price of \$10.00 per Unit and Class U Units at a price of U.S.\$10.00 per Unit and the offering of additional Class A Units under the Over-Allotment Option, pursuant to this prospectus.

“**Ordinary Resolution**” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Over-Allotment Option**” means the option granted by the Fund to the Agents, exercisable for a period of 30 days from the Closing Date, to offer additional Class A Units at \$10.00 per Class A Unit in an amount up to 15% of the Class A Units sold on Closing, solely to cover over-allotments, if any.

“**Permitted Merger**” has the meaning set out in “Unitholder Matters – Amendment of Declaration of Trust”.

“**Plan Agent**” means CIBC Mellon Trust Company, in its capacity as agent under the Reinvestment Plan.

“**Plan Participant**” means a Unitholder who is a participant in the Reinvestment Plan.

“**Portfolio**” means the portfolio of securities acquired and held by BUIG Trust from time to time.

“**Portfolio Securities**” means the securities comprising the Portfolio from time to time.

“**REIT**” means real estate investment trust.

“**Redemption Payment Date**” means the 15th Business Day of the month immediately following an Annual Redemption Date or the 15th Business Day immediately following a Monthly Redemption Date, as applicable.

“**Reference Exchange Rate**” means the Bank of Canada closing rate as found on www.bankofcanada.ca/rates/exchange/.

“**Registered Plan**” means a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan or a tax-free savings account.

“**Reinvestment Plan**” means the Fund’s distribution reinvestment plan, as described under “Distribution Policy – Distribution Reinvestment Plan” and as may be amended from time to time.

“**Service Fee**” means the fee in respect of the Class A Units that the Manager will pay to the registered dealers, as more fully described under “Fees and Expenses - Service Fee”.

“**SIFT Rules**” means the rules in the Tax Act which apply to a SIFT Trust and its unitholders.

“**SIFT Trust**” means a specified investment flow-through trust for the purposes of the Tax Act.

“**Tax Act**” means the *Income Tax Act* (Canada), as now or hereafter amended, or successor statutes, and includes regulations promulgated thereunder.

“**Tax Proposals**” means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

“**Total Assets**” means the aggregate value of the assets of the Fund or BUIG Trust, as applicable.

“**Trustee**” means Bloom, in its capacity as trustee under the Declaration of Trust.

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

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state thereof, and the District of Columbia.

“**Unitholders**” means the owners of the beneficial interest in the Units.

“**Units**” means the Class A Units and/or the Class U Units, as applicable.

“**Valuation Date**” means each Business Day on which the Net Asset Value per Unit is calculated.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

Bloom U.S. Advantaged Income & Growth Fund is a closed-end investment fund established under the laws of the Province of Ontario and governed by the Declaration of Trust. The Fund's principal office is located at 150 York St, Suite 1710, Toronto, Ontario M5H 3S5. The fiscal year-end of the Fund is December 31. Bloom is the manager, portfolio manager and trustee of the Fund.

The beneficial interest in the net assets and net income of the Fund is divided initially into two classes of Units, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investment in U.S. dollars.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to mutual funds under such legislation.

INVESTMENT OBJECTIVES

The Fund's investment objectives are to provide Unitholders with:

- (i) exposure by virtue of the Forward Agreement to an actively managed portfolio held by BUIG Trust comprised primarily of publicly traded high dividend paying U.S. common equity securities, including REITs;
- (ii) stable monthly tax-advantaged cash distributions; and
- (iii) the opportunity for capital appreciation.

Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to the Canadian dollar. See "Investment Objectives".

INVESTMENT STRATEGY

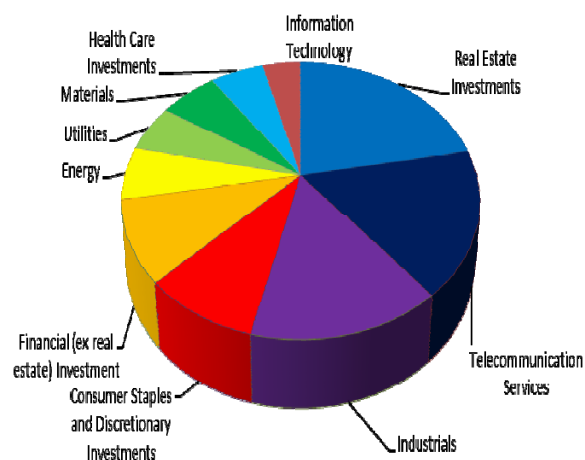
The Fund will seek to achieve its investment objectives by obtaining exposure to the Portfolio through the Forward Agreement. The Manager will select the Portfolio held by BUIG Trust, which will be comprised primarily of U.S. high dividend paying securities such as NYSE-listed or NASDAQ eligible common equity securities, including REITs, focusing on undervalued investments.

Indicative Portfolio

The indicative portfolio is illustrative of the securities that the Manager would have held in the Portfolio had it existed on January 23, 2013 (the "Indicative Portfolio"). As of January 23, 2013, the Indicative Portfolio had a current cash yield of 8.17% (6.94% net of withholding tax).

The following graphs show the Indicative Portfolio's exposure by sector:

Sector	% of Total
Real Estate Investments	22%
Telecommunication Services	17%
Industrials	15%
Consumer Staples and Discretionary Investments	9%
Financial (ex real estate) Investment	9%
Energy	6%
Utilities	6%
Materials	6%
Health Care Investments	6%
Information Technology	4%
Total	100%



The information set forth above is not intended to be, nor should it be construed as, an indication of the future composition of the Portfolio. The Manager will actively manage the Portfolio to seek to meet BUIG Trust's investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Manager's assessment of market conditions and the availability of suitable securities.

Currency Hedging

The Portfolio will be invested primarily in publicly traded U.S. securities denominated in U.S. dollars. Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to the Canadian dollar. The Class U Units will not be hedged.

Securities Lending

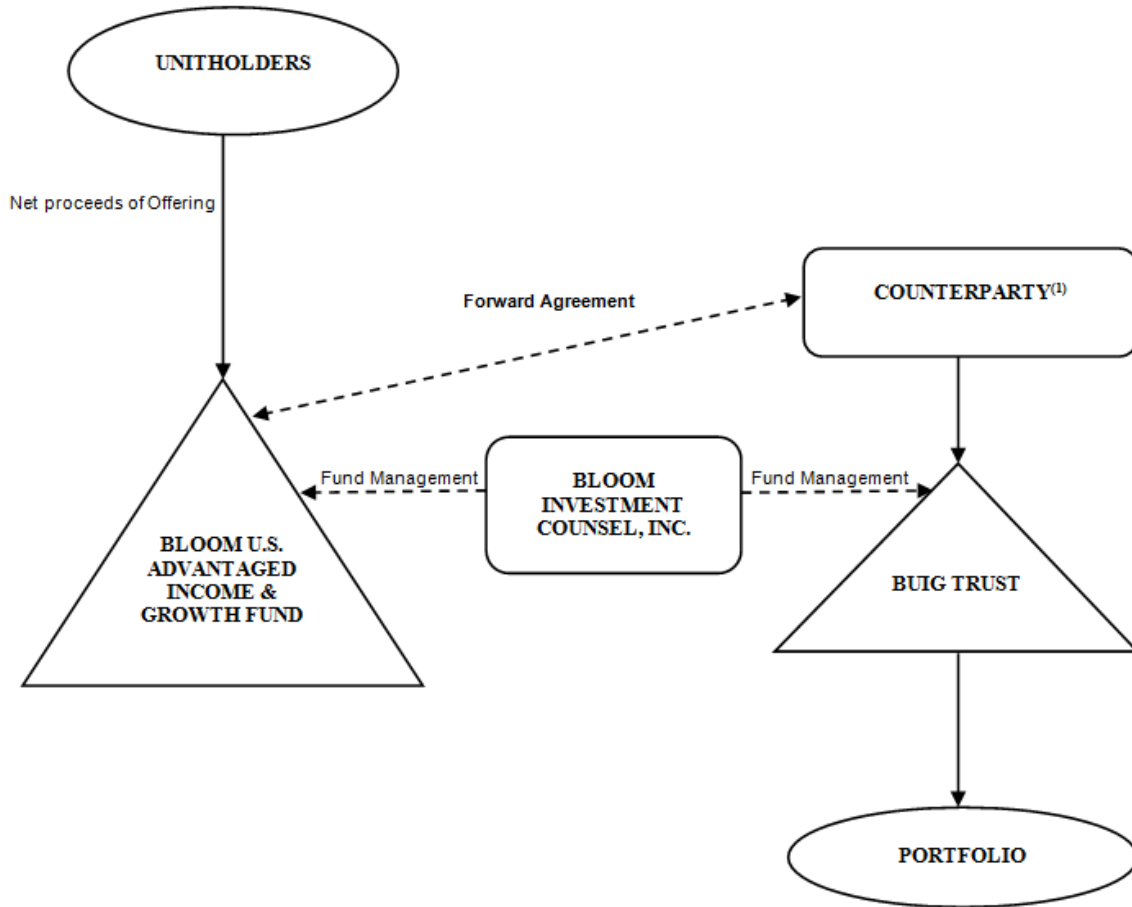
In order to generate additional returns, BUIG Trust may lend Portfolio Securities in accordance with NI 41-101. Any securities lending by BUIG Trust must be pursuant to a securities lending agreement to be entered into between BUIG Trust and a securities borrower acceptable to BUIG Trust pursuant to which BUIG Trust will loan Portfolio Securities to the securities borrower on the terms therein, which terms shall include that: (i) the borrower will pay to BUIG Trust a negotiated securities lending fee and will make compensation payments to BUIG Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) BUIG Trust will receive collateral security. The Manager will be responsible for setting and reviewing any securities lending agreements. If a securities lending agent is appointed for BUIG Trust, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Leverage

The Fund's exposure to the Portfolio through the Forward Agreement will initially be increased by approximately 25% of the value of the Portfolio after giving effect to leverage. The maximum amount of leverage that the Fund can employ is 25% of its Total Assets (equivalent to approximately 33% of the Net Asset Value and to a Total Assets to equity ratio of 1.33:1). If at any time the leverage exceeds 25% of the value of the Portfolio, the Counterparty will instruct the Manager to, as soon as practicable and (i) within 10 Business Days, or (ii) immediately, if the leverage exceeds 27% of the value of the Portfolio, reduce the amount of Portfolio Securities comprising the Portfolio and the Manager will correspondingly reduce the leverage amount so as not to exceed 25% of the value of the Portfolio. See "Risk Factors".

OVERVIEW OF THE INVESTMENT STRUCTURE

The investment structure of the Fund and the indirect exposure of the Fund to the Portfolio are illustrated in the diagram below, which is provided for illustration purposes only and is qualified by the information set forth elsewhere in this prospectus.



NOTE:

(1) The beneficial holder of the units of BUIG Trust is presently the Counterparty or an affiliate. The Counterparty or its affiliate is not required to continue to hold units of BUIG Trust.

BUIG Trust

BUIG Trust will be a newly created investment fund established pursuant to the laws of the Province of Ontario prior to the Closing pursuant to the BUIG Declaration of Trust. BUIG Trust will be established for the purpose of acquiring and holding the Portfolio. It is expected that the initial beneficial owner of all of the units of BUIG Trust will be the Counterparty. On the Closing Date, the Counterparty or one of its affiliates may subscribe for units of BUIG Trust with an aggregate purchase price of not less than the pre-payment received from the Fund as the pre-payment of its purchase obligations under the Forward Agreement. BUIG Trust will use any subscription proceeds to acquire the Portfolio.

Units of BUIG Trust will be redeemable at the demand of its unitholders. On redemption, a BUIG Trust unitholder will receive for each unit of BUIG Trust redeemed an amount equal to the Net Asset Value per unit of BUIG Trust. The Net Asset Value per unit of BUIG Trust will be equal to the amount by which the Total Assets of BUIG Trust exceed its total liabilities on a per unit basis and, accordingly, will be based primarily upon the value of the Portfolio.

The net income of BUIG Trust will consist mainly of dividend income, less expenses of BUIG Trust. BUIG Trust will distribute all of its net income and net realized capital gains earned in each fiscal year (calculated in

Canadian dollars) to ensure that it is not liable for tax under Part I of the Tax Act. To the extent that BUIG Trust has not distributed in cash the full amount of its net income in any year, the difference between such amount and the amount actually distributed by BUIG Trust will be paid through the issuance of additional units having a Net Asset Value in the aggregate at the date of distribution equal to this difference. Immediately after any such distribution of units, the number of outstanding units of BUIG Trust will be consolidated such that each unitholder of BUIG Trust (including the Counterparty, for so long as it is a unitholder) will hold after the consolidation the same number of units of BUIG Trust as it held before the distribution of additional units.

As the Portfolio will consist of securities issued by foreign issuers, distributions received by BUIG Trust on the Portfolio Securities will generally be subject to foreign withholding tax, and the return on the Portfolio will therefore be net of such foreign withholding tax. The obligations of the Counterparty to the Fund under the Forward Agreement will be determined by reference to the performance of BUIG Trust (which is subject to the performance of the Portfolio). As a result, foreign withholding tax paid by BUIG Trust will effectively reduce the value of the Canadian Securities Portfolio required to be delivered by the Counterparty to the Fund pursuant to the Forward Agreement. Neither Unitholders nor the Fund will be entitled to a foreign tax credit or deduction in respect of foreign withholding tax paid by BUIG Trust.

The Forward Agreement

The Fund will not hold the Portfolio but, instead, will obtain economic exposure to the Portfolio through the Forward Agreement with the Counterparty, which initially will be Bank of Montreal. By virtue of the Forward Agreement, the performance of the Fund will be dependent upon the performance of the Portfolio. If the Counterparty hedges its exposure under the Forward Agreement it will acquire units of BUIG Trust, otherwise it will maintain a notional portfolio with an initial invested amount equal to the amount of the net proceeds of the Offering and will retain the Manager to apply the investment strategy described in this prospectus to such notional portfolio. References throughout this prospectus to the “Portfolio” will be considered to include such “notional portfolio” where the context so requires. There can be no assurance that the Counterparty will maintain a hedge or that it will do so with respect to the full amount or term of the Forward Agreement.

The Fund will use the net proceeds of the Offering to pre-pay its purchase obligations under the Forward Agreement with the Counterparty. Pursuant to the terms of the Forward Agreement, the Counterparty will deliver to the Fund, on or about the Forward Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds that would be received on a redemption of the relevant number of units of BUIG Trust net of any amount owing by the Fund to the Counterparty.

Upon entering into the Forward Agreement, the long term debt of the Counterparty must have an Approved Rating. The Fund is fully exposed to the credit risk associated with the Counterparty. To secure the obligations of the Counterparty under the Forward Agreement, the Counterparty will pledge collateral in favour of the Fund with an aggregate value equal to 100% of the mark-to-market value of the exposure under the Forward Agreement and the amount of the collateral will be reset on a weekly basis to 100%. The collateral will be placed in a separate securities account and will be free and clear of all liens and adverse claims, other than those in favour of the Fund or a relevant securities intermediary in respect of cash advances made, and fees and expenses incurred by, such intermediary. The Fund will have a first ranking security interest in such collateral, subject to the intermediary’s priority in respect of such advances, fees and expenses. Initially, the collateral will consist of TSX-listed securities, with no more than 10% of the value of the collateral being attributable to the securities of any one issuer. The Counterparty may substitute other forms of collateral with the consent of the Fund. In the event of default by the Counterparty under the Forward Agreement, the Fund will have the ability to enforce its security interest and take possession of the collateral.

The terms of the Forward Agreement will provide that the Forward Agreement may, in certain circumstances, be settled prior to the Forward Termination Date at the request of the Fund on two days’ notice with settlement to occur three days later. The Fund may settle the Forward Agreement in whole or in part prior to the Forward Termination Date: (i) to fund monthly distributions on the Units; (ii) to fund redemptions and repurchases of Units from time to time; (iii) to fund operating expenses and other liabilities of the Fund; and (iv) for any other reason including in the event the Counterparty’s credit rating is downgraded. Pursuant to the terms of the Forward Agreement, the Counterparty will, in connection with a requested partial settlement, deliver to the Fund securities of certain of the issuers in the Canadian Securities Portfolio based on the partial settlement amount. Any capital gain

or income realized by the Fund on the sale of such securities to fund a redemption will be allocated to the redeeming Unitholder.

The Forward Agreement may be terminated prior to the Forward Termination Date in certain circumstances, including if an event of default or a termination event occurs with respect to the Fund or the Counterparty under the Forward Agreement. The following constitute events of default under the Forward Agreement: (i) failure by a party to make a payment or perform an obligation when due under the Forward Agreement which is not cured within any applicable grace period; (ii) a party makes a representation which is incorrect or misleading in any material respect; (iii) a party defaults in respect of a specified transaction having a value in excess of a specified threshold which default is not cured within any applicable grace period; (iv) certain events related to the bankruptcy or insolvency of a party; and (v) a party consolidates, amalgamates or merges with or into, or transfers substantially all of its assets to, another entity and the resulting, surviving or transferee entity fails to assume the obligations of such party under the Forward Agreement.

Termination events under the Forward Agreement include the following: (i) it becomes unlawful for a party to perform its obligations under, or comply with any material provisions of, the Forward Agreement; (ii) certain tax events occur which require a party to indemnify the other party in respect of certain taxes or reduce the amount that a party would otherwise have been entitled to receive under the Forward Agreement; (iii) failure of BUIG Trust to comply with its governing documents; or (iv) certain regulatory, credit or legal events occur which affect a party.

The obligations of the Counterparty to the Fund under the Forward Agreement will be determined by reference to the performance of BUIG Trust which, in turn, is subject to the performance of the Portfolio. The Counterparty may hedge its exposure under the Forward Agreement to the economic performance of BUIG Trust. There is no assurance that the Counterparty will maintain a hedge or will do so with respect to the full amount or term of the Forward Agreement.

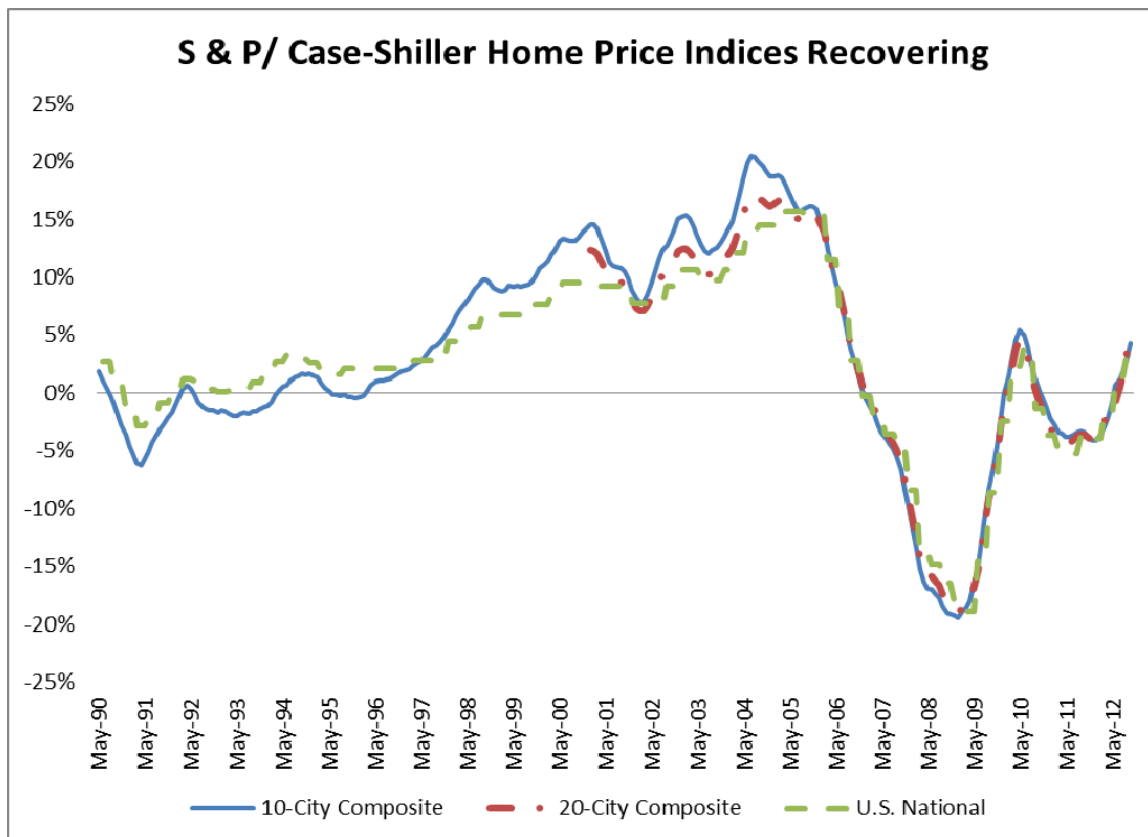
If the Forward Agreement is terminated prior to the Forward Termination Date for any reason, the Forward Agreement will be settled by physical delivery of the Canadian Securities Portfolio by the Counterparty to the Fund after payment of any amounts owing to the Counterparty. In the event of an early termination of the Forward Agreement, the Manager may, in its discretion, enter into one or more replacement forward agreements on terms satisfactory to the Manager in its sole discretion, or the Manager may terminate the Fund and may take such other action as it considers necessary under the circumstances. The Manager may also substitute counterparties provided that the replacement counterparty is a Schedule I Canadian chartered bank or an affiliate thereof.

The Counterparty makes no representation or warranty, express or implied, to purchasers of the Units or any member of the public regarding the advisability of investing in securities in general or in the Units in particular. The Counterparty has not provided advice to the Fund or any other party as to whether a Forward Agreement is appropriate or suitable for the transactions contemplated under this prospectus. The Counterparty does not guarantee the accuracy and/or the completeness of any information or representation set out in this prospectus, does not assume obligations or duties, fiduciary or otherwise, to any person in connection with the Units and shall not be liable (whether in negligence or otherwise) to any person in respect of the content of this prospectus including, without limitation, any error, omission, or misrepresentation contained in this prospectus, or in respect of any purchase of Units.

OVERVIEW OF THE SECTOR THAT THE FUND INVESTS IN

The Manager believes that there is an attractive investment opportunity for U.S. high dividend paying common equity securities, including REITs, due to the following factors that are indicative of favourable U.S. economic and market conditions:

- **Housing Prices Are Rebounding.** An important indicator in gauging the state of U.S. housing is general pricing trends. The graph below shows the S&P/Case-Shiller Home Price Indices, generally accepted as the best measure of house prices in the United States, which illustrates that pricing trends appear to have stabilized after a steep decline. In addition, with mortgage rates at extreme lows, housing affordability has increased and the housing market is finally showing significant signs of recovery. The Manager believes that improved U.S. housing prices are indicative of a stable residential real estate market and favourable economic conditions generally.



Source: Bloomberg

- Consumer Spending is on the Rise after Years of sub-par Growth.** The recent strong auto sales data and strength in production show signs of increased consumer confidence. The Manager expects both consumer and business confidence to further improve with increased comfort over the debt ceiling.
- The Federal Reserve Monetary Policy Stance.** To support continued progress toward maximum employment and price stability, the Federal Reserve's Federal Open Market Committee announced on December 12, 2012 that it expects to maintain a highly accommodative monetary policy stance. In particular, the Committee decided to keep the target range for the federal funds rate at 0 to $\frac{1}{4}$ percent and anticipated that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above $6\frac{1}{2}$ percent.
- Continued Signs of Expansion in Manufacturing.** Automobile sales were up 13% year over year in December 2012, which bodes well for an increase in job creation. Furthermore, foreign manufacturers are being incentivized by numerous U.S. municipalities to establish manufacturing operations and an increasing number of these foreign companies are taking advantage of these incentives to establish operations in the U.S.
- Increasing Production of Shale Gas and Oil is Providing the U.S. with a Competitive Advantage.** The increasing production of shale gas and oil in the U.S. is helping to expand businesses in other industries, such as steel, plastics, petrochemicals and glass. As a result of this increasing production, U.S. natural gas prices are now a fraction of what they are in other parts of the world, such as Asia. Accordingly, the cost of producing certain goods in the U.S. is comparatively quite favorable.
- Stronger Corporate Balance Sheets.** With an increased focus on leverage following the 2008 financial crisis, there is a significant increase in cash on corporate balance sheets.
- Compelling Valuation of U.S. Securities.** Since early 2002, the S&P 500 Price-to-Estimated Earnings multiple has been trending downward. Despite the recent uptick, the Price-to-Estimated Earnings multiple

still remains at a low level not seen since the early 1990s which the Manager believes provides compelling value.

The following chart shows S&P 500 Price-to-Estimated Earnings multiple from January 1992 to December 2012:



Source: RBC Capital Markets Quantitative Research

The Manager also believes that U.S. high dividend paying common equity securities, including REITs, provide the following benefits not available in the Canadian market thereby providing an enhanced scope for attractive investment:

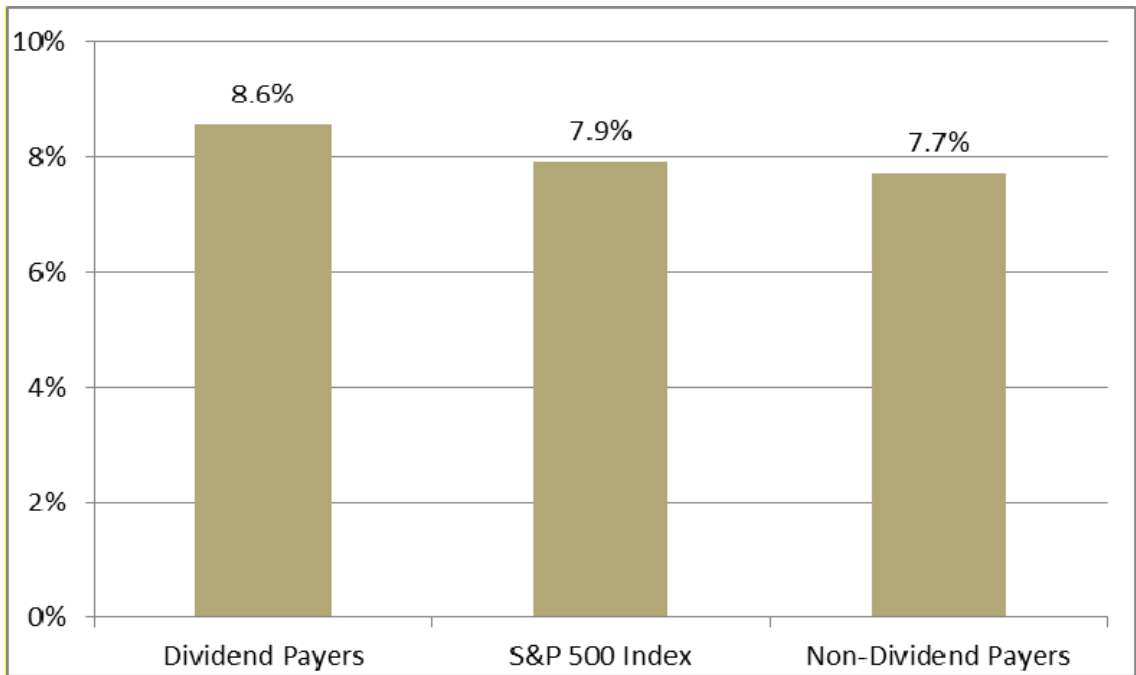
- **Geographic Diversification.** The U.S. marketplace is comprised of a number of sub geographic markets that each have their own unique economic influences that differ from the Canadian marketplace.
- **A Broader Based Economy.** Whereas the Canadian economy is significantly influenced by natural resources and commodities the importance of these areas to the U.S. economy is more marginal. Further, with the U.S. economy being approximately ten times the size of the Canadian economy there is an enhanced scope for investment diversification.
- **A Wider Range of Sectors and Industries in which Portfolio Securities may be found.** Canadian high-income common equities are largely concentrated in a few sectors: oil and gas, power, pipelines and infrastructure, financials and telecom. In the U.S., these securities can be found in additional sectors such as healthcare, information technology and a wider array of industrials and consumer staples and discretionary investments.

The Manager expects that, due to the characteristics of the Portfolio Securities, these securities will outperform the market for the following reasons:

- **Investors' Concern over Market Volatility and the Belief that Dividend Paying Securities will be Less Volatile.** The turbulence in capital markets that commenced in 2008 has led to significant volatility in equity markets making it difficult for investors to preserve their capital and obtain a reasonable yield. Further, the continuing high levels of volatility in the stock markets have caused some investors to be concerned about the risk/reward profile of investing in equities in general. Investments in high dividend paying equities, however, have outperformed the broader equity market over the last decade and have experienced less volatility than that market during that period.

The following graph compares total portfolio returns from January 1994 to December 2012 as between dividend paying securities, non-dividend paying securities and securities forming part of the S&P 500:

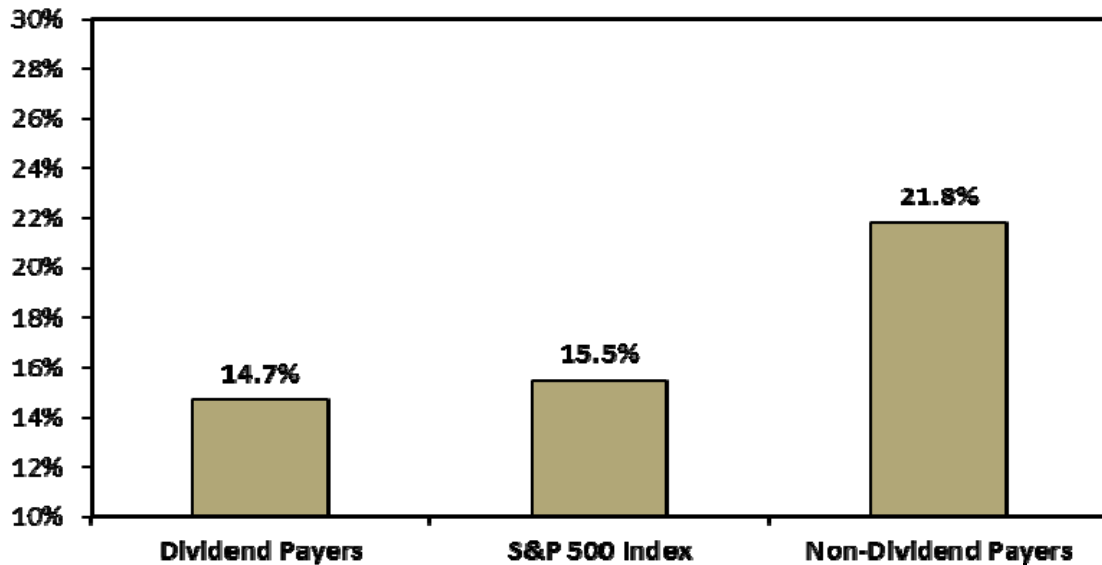
Average Annual Total Portfolio Returns (1994 – 2012)



Source: RBC Capital Markets Quantitative Research
Returns assume the re-investment of distributions.

Volatility is a measure of the historical variation in the return of a financial instrument observed over a specific period of time or the relative rate at which the price of a security moves up and down and is generally used to assess the risk of an investment for variation of price of a security over time. Generally, if the price of a stock moves up and down rapidly over short time periods, it has high volatility; whereas if the price almost never changes, it has low volatility. The following graph compares annualized volatility from January 1994 to December 2012 as between dividend paying securities, non-dividend paying securities and securities forming part of the S&P 500:

Annualized Volatility



Source: RBC Capital Markets Quantitative Research

Annualized volatility was calculated using the standard deviation (the standard deviation is a measure of how widely values are dispersed from the average value) of the monthly returns for each grouping of securities. The results were annualized through multiplication by the square root of 12.

- **Investee Companies' Strong Cash Flows.** Equity securities with strong cash flows and overall financial strength possess an enhanced ability to not only pay high dividends, but also over time to potentially increase those dividends.
- **The Discipline that a Relatively High Dividend Imposes on Management.** Companies with commitments to high dividend rates force their management to be more disciplined in their investment decisions and limit investments in non-core or low cash flow businesses and, therefore, have the potential for increased profitability. Further, when a significant amount of cash flow is dedicated to dividends, management must seek new financing from equity markets to undertake expansion and acquisitions, which provides investors with more control on these activities.
- **Low Interest Rate Environment.** The interest on short term fixed income investments is not sufficient to keep pace with the rate of inflation. The Manager does not expect interest rates in the medium term to be an investment threat to the high income common equity market; the Manager expects short term rates to rise over the next 12 months by no more than 0.25% to under 1%.
- **Low Bond Yields.** While the rates of return on government and corporate bonds are slightly better than those of short term fixed income investments, they are still at historic lows, exposing investors to potential capital losses when the value of the bonds fall either in response to the issuer's financial condition or rising interest rates. The Manager expects that high dividend paying securities will continue to provide relatively superior returns to bonds over the short and medium term. This is especially the case for investors who are individuals resident in Canada because of the significantly reduced income taxes paid on return of capital as compared to interest income.

See the following sub-headings under “Risk Factors” – “Real Property Investments”, “Changes in Legislation”, “Recent and Future Global Financial Developments”, “Risks of Investing in Equity Securities”, “Composition of the Portfolio”, “Fluctuation in Value of Portfolio Securities and Performance of the Portfolio” and “Sensitivity to Interest Rates.”

INVESTMENT RESTRICTIONS

The Fund will be subject to its investment restrictions, set out below, and will also indirectly be subject to the investment restrictions of BUIG Trust as a result of the Forward Agreement.

Investment Restrictions of BUIG Trust

BUIG Trust will be subject to certain investment restrictions which are set out in the BUIG Declaration of Trust. The investment restrictions of BUIG Trust provide that BUIG Trust will not:

- (a) have more than 10% of its Total Assets at the time of investment comprised of securities of private issuers;
- (b) have more than 15% of its Total Assets at the time of investment comprised of U.S. mortgage REITs;
- (c) take short positions other than to hedge currency risk;
- (d) invest in limited partnerships, limited liability partnerships or limited liability companies;
- (e) invest in or use derivative instruments, except in connection with the currency hedging described under “Investment Strategy – Currency Hedging”;
- (f) invest more than 10% of its Total Assets at the time of investment in the securities of any single issuer, other than securities issued or guaranteed by the Government of Canada, the Government of the United States or a province, state or territory thereof;
- (g) invest more than 25% of its Total Assets in securities other than publicly traded high dividend paying U.S. common equity securities, including REITs;
- (h) purchase securities of an issuer for the purposes of exercising control or direction, whether alone or in concert, over management of that issuer;
- (i) with the exception of securities of BUIG Trust’s own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager or any of its respective affiliates, any officer, director or shareholder of the Manager, any person, trust, firm or corporation managed by the Manager or any of its respective affiliates or any firm or corporation in which any officer, director or shareholder of the Manager may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless such transaction complies with NI 81-107;
- (j) purchase, own or control the securities of any of any Canadian issuer which constitute, or are convertible into or exercisable for, 10% or more of the outstanding voting or equity securities of that issuer or of any class of that issuer;
- (k) purchase, own or control the securities of any non-Canadian issuer which constitute, or are convertible into or exercisable for, 5% or more of the outstanding voting or equity securities of that issuer or of any class of that issuer;
- (l) purchase the common or preferred shares of Bank of Montreal;

- (m) grant, create, assume or suffer to exist any lien, hypothec, charge or other encumbrance on any of its property or permit any other person to enter into or grant, create, assume or suffer to exist any lien, hypothec, charge or other encumbrance on any of its property except in connection with foreign exchange rate hedging or securities lending as described above under “Investment Strategy”;
- (n) borrow money, guarantee the obligations of any person or employ leverage of any kind;
- (o) engage in securities lending that does not constitute a “securities lending arrangement” for purposes of the Tax Act;
- (p) make or hold any investments in entities that would be “foreign affiliates” of BUIG Trust for purposes of the Tax Act;
- (q) make or hold any securities in a non-resident trust, other than an “exempt foreign trust” as defined in proposed section 94 of the Tax Act as set forth in the Tax Proposals (or pursuant to any amendments to such proposals, subsequent provisions enacted into law, or successor provisions thereto);
- (r) at any time, hold any property that is a “non-portfolio property” for purposes of the SIFT Rules;
- (s) make or hold any investments that could require BUIG Trust to include any material amount in its income pursuant to the offshore investment fund property rules in section 94.1 of the Tax Act as modified by the Tax Proposals (or pursuant to any amendments to such provisions, subsequent provisions as enacted into law, or successor provisions thereto);
- (t) acquire any interest in a trust (or a partnership which holds such an interest) which would require BUIG Trust (or the partnership) to report income in connection with such interest pursuant to the rules in proposed section 94.2 of the Tax Act as set forth in the Tax Proposals (or amendments to such proposals, provisions as enacted into law or successor provisions thereto); or
- (u) invest in any security that is, or that would result in BUIG Trust being, a “tax shelter investment” within the meaning of section 143.2 of the Tax Act.

For the purposes of the foregoing investment restrictions applicable to BUIG Trust, the Total Assets of BUIG Trust will exclude unrealized gains or losses from foreign currency hedging contracts.

If BUIG Trust receives from an issuer subscription rights to purchase securities of that issuer and if BUIG Trust exercises those subscription rights at a time when BUIG Trust’s holdings of securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, BUIG Trust has sold at least as many securities of the same class and value as would result in the investment restrictions being complied with. Notwithstanding the foregoing, the restrictions in (h), (o) to (u) shall be complied with at all times and may necessitate the selling of Portfolio securities from time to time.

Investment Restrictions of the Fund

The investment restrictions of the Fund, which are set forth in the Declaration of Trust, provide that the Fund will not:

- (a) with respect to the securities acquired pursuant to the Forward Agreement, purchase any securities other than “Canadian securities” for the purposes of the Tax Act;
- (b) for a period exceeding 10 Business Days, borrow or enter into leverage transactions in excess of 25% of the Fund’s Total Assets;

- (c) purchase the securities of an issuer for the purposes of exercising control over management of that issuer or if, as a result of such purchase, the Fund would be required to make a take-over bid that is a “formal bid” for the purposes of applicable securities laws;
- (d) make or hold any investment that would result in the Fund failing to qualify as a “mutual fund trust” for purposes of the Tax Act and will not acquire any property that would be “taxable Canadian property” of the Fund as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof) (or any amendments to such definition) or acquire any investment that is “specified property” to the Fund as such term is defined in draft legislation to amend the Tax Act released on September 16, 2004; or
- (e) make or hold any investment that would result in the Fund being subject to the tax for SIFT Trusts as provided in the SIFT Rules.

The Fund is not considered to be a mutual fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to conventional mutual funds under such legislation. However, the Fund is subject to certain other requirements and restrictions contained in securities legislation, including National Instrument 81-106 - *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators, which governs the continuous disclosure obligations of investment funds, including the Fund.

FEES AND EXPENSES

The following is a summary of the fees and expenses payable by the Fund and BUIG Trust, which by virtue of the Forward Agreement will therefore reduce the value of a Unitholder’s investment in the Fund.

Initial Fees and Expenses

The expenses of the Offering (including the costs of creating and organizing the Fund and BUIG Trust, the costs of printing and preparing this prospectus, legal expenses, marketing expenses and other reasonable out-of-pocket expenses incurred by the Agents and other incidental expenses), are estimated to be \$670,000 (subject to a maximum of 1.5% of the gross proceeds of the Offering), and, together with the Agents’ fee, will be paid by the Fund from the proceeds of the Offering. See also “Plan of Distribution”.

Management Fee

The Manager will receive a Management Fee (i) from the Fund equal in the aggregate to 0.80% per annum of the Net Asset Value of the Fund comprised of 0.40% per annum of the Net Asset Value of the Fund, calculated and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Service Fee of 0.40% per annum of the Net Asset Value attributable to the Units described below, and (ii) from BUIG Trust equal to 0.75% per annum of the Net Asset Value of BUIG Trust, as reduced to take into account any leverage, calculated and payable monthly in arrears, plus, in each case, applicable taxes. As such, the Manager will receive an aggregate Management Fee from the Fund and BUIG Trust equal to 1.55% of the applicable Net Asset Value (0.80% from the Fund and 0.75% from BUIG Trust). The Management Fee payable to the Manager in respect of the month in which Closing occurs will be pro-rated based on the fraction that the number of days from and including the Closing Date to and including the last day of the month is of the number of days in such month.

Service Fee

The Manager will pay to registered dealers a Service Fee (typically calculated quarterly and paid as soon as practicable after the end of each calendar quarter) equal to 0.40% per annum of the Net Asset Value attributable to the Units held by clients of such registered dealers plus applicable taxes, commencing the quarter ending June 30, 2013. The Manager will pay the Service Fee, plus applicable taxes, to such registered dealers based on the number of Units held by clients of such registered dealers at the end of the relevant period. The Service Fee payable on June 30, 2013 will be increased to include an amount in respect of the calendar quarter during which Closing occurs,

which amount will be pro-rated based on the fraction that the number of days from and including the Closing Date to and including the last day of the calendar quarter is of the number of days in such calendar quarter.

Counterparty Fees

The Fund will pay to the Counterparty an additional purchase amount under the Forward Agreement, calculated daily and payable monthly in arrears, of 0.35% per annum of the notional amount of the Forward Agreement (being effectively equal to the Net Asset Value of BUIG Trust).

Ongoing Expenses

Each of the Fund and BUIG Trust will pay for all of the ordinary expenses incurred in connection with its operation and administration, estimated to be approximately \$165,000 per annum for the Fund and \$110,000 per annum for BUIG Trust in the case of the maximum Offering (which amounts exclude the estimated costs of employing leverage, the costs of portfolio transactions, the Management Fee, the Service Fee and fees under the Forward Agreement, as applicable). All fees and expenses of the Fund and BUIG Trust will be paid in cash. Each class of Units is responsible for the expenses specifically related to that class and a proportionate share of expenses that are common to all classes of Units. It is expected that the expenses for the Fund and BUIG Trust will include, without limitation: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, fees and expenses of the members of the IRC, expenses related to compliance with NI 81-107, fees and expenses relating to the voting of proxies by a third party, premiums for directors' and officers' insurance coverage for the directors and officers of the Manager and members of the IRC, costs of reporting to Unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements and investor relations, website maintenance costs, taxes, brokerage commissions, costs and expenses relating to the issue of Units, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund or BUIG Trust may incur and all amounts paid on account of indebtedness. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund or BUIG Trust.

Additional Services

Any arrangements for additional services between the Fund or BUIG Trust and the Manager, or any affiliate thereof, that have not been described in this prospectus will be on terms that are no less favourable to the Fund and BUIG Trust, as applicable, than those available from arm's length persons (within the meaning of the Tax Act) for comparable services and the Fund and BUIG Trust, as applicable, will pay all expenses associated with such additional services.

RISK FACTORS

Certain risk factors relating to the Fund, BUIG Trust and the Units are described below. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund or BUIG Trust. If any such risk actually occurs, the undertaking, financial condition, liquidity or results of operations of the Fund or BUIG Trust, and the ability of the Fund to meet its objectives and make distributions on the Units, could be materially adversely affected.

No Assurance in Achieving Investment Objectives

There is no assurance that the Fund or BUIG Trust will be able to achieve their respective investment objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value of the Fund will appreciate or be preserved. It is possible that, due to declines in the market value of the assets in the Portfolio, the Fund will, after settlement or partial pre-settlement of the Forward Agreement, have insufficient assets to achieve its distribution and capital preservation and growth investment objectives.

Risks of Investing in Equity Securities

BUIG Trust will be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which BUIG Trust invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change. In addition, issuers of equity securities may reduce or eliminate dividends.

Real Property Investments

Investments in REITs are subject to the general risks associated with real property investments. Real property investments are affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. A REIT's income and funds available for distributions to its securityholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or if the REIT were unable to lease a significant amount of available space in its properties on economically favorable lease terms.

Investments in U.S. Mortgage REITs

U.S. mortgage REITs that invest primarily in mortgage-backed securities and/or other mortgage related securities are subject to certain risks that could reduce the value of their securities, including: the risk that borrowers may prepay their mortgage loans at faster than expected rates, which may adversely affect a U.S. mortgage REIT's profitability; the risk that falling interest rates may result in borrowers prepaying their mortgage loans at faster than expected rates, which may adversely affect a U.S. mortgage REIT's profitability; default risk resulting from a U.S. mortgage REIT that invests in mortgage-backed securities which are not backed by the full faith and credit of the U.S. government, as a result of which the maximum potential liability of such entities may greatly exceed their current resources and such entities may not be able to meet their obligations in the future; the risk that borrowers may prepay their mortgage loans at slower than expected rates, thereby adversely affecting a U.S. mortgage REIT's profitability; the risk that rising interest rates may result in borrowers prepaying their mortgage loans at slower than expected rates, which may adversely affect a U.S. mortgage REIT's profitability; rising interest rates, which will result in the value of a U.S. mortgage REIT's investment in fixed-rate obligations falling; changes in U.S. government policies, including changes that result in the winding down, nationalization, privatization, elimination or reduction in government support for certain U.S. governmental agencies that provide financial support for mortgages, may create market uncertainty and have the effect of reducing the actual or perceived credit quality of securities issued or guaranteed by U.S. governmental agencies and could increase the risk of loss on investments held by a U.S. mortgage REIT; and exposure to credit risk, which is the possibility that a borrower will be unable and/or unwilling to make timely interest payments and/or repay the principal on a loan to the U.S. mortgage REIT when such payments are due and, in the event of any default of a mortgage loan, the U.S. mortgage REIT bears the risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the loan.

Fluctuation in Value of Portfolio Securities and Performance of the Portfolio

The Net Asset Value of the Fund will vary according to the value of the securities included in the Portfolio by virtue of the Forward Agreement. The Portfolio Securities will be purchased at their prevailing market price, but such prices will vary, potentially substantially, over time. The Fund, BUIG Trust and the Manager have no control over the factors that affect the value of the assets in the Portfolio, such as general economic and market conditions, political conditions and fluctuations in interest and exchange rates, and factors unique to issuers of the Portfolio Securities and their business, such as liquidity and funding conditions, legal and compliance risks, operational risks, tax-related risks, changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, and other events that may affect the value of their securities.

Composition of the Portfolio

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

Risks Associated with the Use of Leverage

The Fund may employ leverage of up to 25% of the value of the Portfolio (equivalent to up to 33¹/₃% of the Net Asset Value). As a result of fluctuations in the prices of the assets in the Portfolio, leverage may temporarily, and from time to time, exceed 25%. The addition of leverage has the potential to enhance returns but also involves additional risks. There can be no assurance that the leverage employed by the Fund will enhance returns. The use of leverage may reduce returns (both distributions and capital) to Unitholders. If there is a decline in the value of the assets in the Portfolio, the leverage will cause a decrease in the Net Asset Value of the Fund by virtue of the Forward Agreement in excess of that which would otherwise be experienced if no leverage was utilized. Under certain conditions, leverage may be reduced or discontinued.

Sensitivity to Interest Rates

It is anticipated that the market price for Units and the value of the Portfolio Securities at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Units and increase the costs of borrowing to the Fund, if any.

Securities Lending

BUIG Trust may engage in securities lending. Although it will receive collateral for the loans and such collateral will be marked-to-market, BUIG Trust will be exposed to the risk of loss should the borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Recent and Future Global Financial Developments

Global financial markets have experienced a sharp increase in volatility in the last several years. This was initially precipitated in part, by the revaluation of assets on the balance sheets of international financial institutions and related securities. This contributed to a reduction in liquidity among financial institutions which reduced the availability of credit to those institutions and to the issuers that borrow from them. While central banks as well as global governments attempted to restore much needed liquidity to global economies, concerns emerged as to the ability of certain of these governments, including those of certain European Union countries, to borrow. No assurance can be given that stimulus undertaken by central banks will continue or that, if it continues, it will be successful, or that these economies will not be further adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. No assurance can be given that the combined impact of the significant revaluations, constraints on the availability of credit, the deterioration of the financial condition of certain market economies and concerns with respect to the borrowing capacity of certain governments will not continue to materially and adversely affect markets around the world and the performance of the various securities that provide exposure to them. Some global economies continue to experience a diminished growth and some may experience or are experiencing or have experienced a recession. The circumstances surrounding the recent increase in the U.S. government debt limit and the subsequent reduction in the U.S. government's credit rating has contributed to further volatility in global markets. These market conditions and further volatility or illiquidity in the capital markets may adversely affect the prospects of the Fund and the value of Portfolio Securities. A substantial reduction in the value of the markets in which the Fund invests could be expected to have a negative effect on the Fund.

Liquidity Risk

There is no assurance that an adequate market will exist for the assets included in the Portfolio and it cannot be predicted whether the assets included in the Portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. Certain assets held in the Portfolio may trade infrequently, if at all, and may trade at a significant premium or discount to the latest price at which they are valued in the Portfolio. Some Portfolio investments are very thinly traded or no market for them exists, which may make it difficult for BUIG Trust to value them or dispose of them at an acceptable price, or at all, when it wants to.

Reliance on the Manager

The Manager will manage the Portfolio in a manner consistent with the investment objectives and the investment restrictions of BUIG Trust. The officers of the Manager who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios; however, there is no certainty that such individuals will continue to be employees of the Manager until the termination of the Fund. The performance of BUIG Trust (and therefore the return to Unitholders) will be dependent on the ability of the Manager to successfully execute the investment strategy of BUIG Trust.

Counterparty Risk

In entering into the Forward Agreement, which will be the sole material asset of the Fund, the Fund is fully exposed to the credit risk associated with the Counterparty. The possibility exists that the Counterparty will default on its obligations under the Forward Agreement. To secure the obligations of the Counterparty under the Forward Agreement, the Counterparty will pledge collateral in favour of the Fund with an aggregate value equal to 100% of the mark-to-market value of the exposure under the Forward Agreement and the amount of the collateral will be reset on a weekly basis to 100%. Should a bankruptcy or other similar event related to the Counterparty occur that precludes the Counterparty from performing its obligations under the Forward Agreement, the Fund would have to enforce its security interest and the Forward Agreement would be terminated. Through the Forward Agreement, the Counterparty will also provide leverage, which may constitute a conflict of interest. See “Risk Factors – Early Termination of the Forward Agreement” and “Overview of the Investment Structure – The Forward Agreement”.

Early Termination of the Forward Agreement

In the event the Forward Agreement terminates prior to the termination of the Fund, the Fund may enter into one or more new forward agreements or may temporarily hold the Portfolio directly. The tax consequences to Unitholders may be different in the event that the Fund holds the Portfolio directly. See “Termination of the Fund”.

Currency Exposure

While the Portfolio and the dividends and distributions from the Portfolio are denominated in U.S. dollars, Class A Units of the Fund are priced in Canadian dollars. Substantially all of the U.S. dollar value of the Portfolio attributable to the Class A Units will be hedged back to Canadian dollars. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager’s assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Trading Price of Class A Units

The Class A Units may, and there can be no assurance that the Class A Units will not, trade in the market at a discount to the Net Asset Value per Class A Unit. Units will be redeemable at 100% of Net Asset Value per Unit on an Annual Redemption Date less any costs associated with the redemption. While the redemption right provides Unitholders the option of annual liquidity at the Net Asset Value per Unit, there can be no assurance that it will reduce trading discounts of the Class A Units.

Taxation of the Fund

In determining its income for tax purposes, the Fund will not treat the acquisition of Canadian Securities Portfolio securities under the Forward Agreement as a taxable event and will treat gains or losses on any disposition of Canadian Securities Portfolio securities acquired under the Forward Agreement as capital gains and losses. No advance income tax ruling has been requested or obtained from the CRA regarding the timing or characterization of the Fund’s income, gains or losses. If, contrary to the advice of counsel to the Fund, whether through the application of the general anti-avoidance rule or otherwise or as a result of a change of law, the acquisition of Canadian Securities Portfolio securities under the Forward Agreement was a taxable event or if gains realized on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement were treated other than as capital gains on the sale of such securities, after-tax returns to Unitholders would be reduced.

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

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentive to Restore Employment Act (“FATCA”) generally impose a reporting and 30% withholding tax regime with respect to certain U.S. source income (including interest, dividends, and other types of passive income (“FDAP income”)) and gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends (collectively referred to as “withholdable payments”) made by non-U.S. financial institutions. Under FATCA, unless the Fund enters into an agreement with the U.S. Internal Revenue Service (the “IRS”) pursuant to which it agrees to report to the IRS information regarding the U.S. holders of, and certain U.S. persons that indirectly hold, interests in the Fund (other than equity and debt interests that are regularly traded on an established securities market), and to comply with other reporting, verification, due diligence and other procedures established by the IRS, the Fund will be subject to 30% withholding tax on FDAP income paid to it after December 31, 2013, on the gross proceeds from the disposition of property that produces U.S.-source FDAP income paid to it after December 31, 2016. Obligations issued prior to January 1, 2014 are exempt from such withholding, unless such obligation is materially modified. If any interests in the Fund are not regularly traded on an established securities market, the Fund generally will be required to withhold 30% U.S. tax on a portion of the distributions that it makes to holders of such interests that fail to provide information requested by the Fund to comply with FATCA. It is expected that the Class A Units will be regularly traded on an established securities market. In addition, regardless of whether Class A Units are regularly traded on an established securities market, the Fund may be required to withhold U.S. tax on a portion of payments made by the Fund after December 31, 2016 to any non-U.S. financial institution (for example, a Unitholder’s Canadian investment dealer) that has not entered into a FATCA agreement with the IRS, including any non-U.S. financial institution through which distributions on the Units are made or to a Unitholder that fails to provide information requested by such non-U.S. financial institution to comply with FATCA. These rules may be modified if Canada and the United States enter into an inter-governmental agreement. Investors should consult their own tax advisors regarding the possible implications of this legislation on their investment and the entities through which they hold their investment.

U.S. REITs are subject to special U.S. federal tax requirements. Unlike corporations, U.S. REITs do not have to pay income taxes if they meet certain requirements set forth in the U.S. Internal Revenue Code of 1986, as amended. To qualify, a U.S. REIT must distribute at least 90% of its taxable income to its shareholders and receive at least 75% of that income from rents, mortgages and sales of property. A U.S. REIT’s failure to comply with these requirements may subject it to U.S. federal income taxation. This may adversely impact upon the U.S. REIT’s performance.

Withholding Tax Risks

As the Portfolio will consist of securities issued by foreign issuers, distributions received by BUIG Trust on the securities in the Portfolio may be subject to foreign withholding tax. The return on the Portfolio will be net of such foreign withholding tax. The obligations of the Counterparty to the Fund under the Forward Agreement will be determined by reference to the performance of BUIG Trust (which is subject to the performance of the Portfolio). As a result, if distributions received by BUIG Trust on securities in the Portfolio are subject to foreign withholding tax, foreign withholding tax paid by BUIG Trust will effectively reduce the value of the Canadian Securities Portfolio required to be delivered by the Counterparty to the Fund pursuant to the Forward Agreement. Neither Unitholders nor the Fund will be entitled to a foreign tax credit or deduction in respect of foreign withholding tax paid by BUIG Trust.

No Ownership Interest in Portfolio Securities

An investment in Units does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own the securities held by the Fund or BUIG Trust.

It is possible that the proceeds from the sale of securities acquired under the Forward Agreement will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third-party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of securities acquired under the Forward Agreement, to pay its liabilities. Unitholders will have no recourse or rights against the assets of BUIG Trust.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund and/or BUIG Trust, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act will not be changed in a manner which adversely affects the Fund or Unitholders. Any such changes could have a negative effect upon the value of the Portfolio and upon the investment opportunities available to the Portfolio.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb investment losses.

Conflicts of Interest

The Manager and its respective directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund and BUIG Trust. Although none of the directors or officers of the Manager will devote his or her full time to the undertaking and affairs of the Fund or BUIG Trust, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the undertaking and affairs of (in the case of officers) the Fund, BUIG Trust and the Manager, as applicable.

Status of the Fund

As the Fund is not a mutual fund as defined under Canadian securities laws, the Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds. It is intended that the Fund will be a mutual fund trust for purposes of the Tax Act.

Risks Relating to Redemptions

The purpose of the annual redemption right is to prevent Units from trading at a substantial discount and to provide investors with the right to eliminate entirely any trading discount once per year. While the redemption right provides investors the option of annual liquidity, there can be no assurance that it will reduce trading discounts. There is a risk that the Fund may incur significant redemptions if Units trade at a significant discount to their Net Asset Value per Unit, thereby providing arbitrage traders an opportunity to profit from the difference between the applicable Net Asset Value per Unit and the discounted market price at which they purchased their Units. If a significant number of Units are redeemed, the trading liquidity of the Units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the Unitholders to do so. The Manager may also suspend the redemption of Units in the circumstances described under “Redemption of Units – Suspension of Redemptions”.

Lack of Operating History

The Fund is a newly organized investment fund with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market for the Units will develop or be sustained after completion of the Offering.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

Nature of Units

Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

Class U Units will not be Listed

The Class U Units will not be listed on any stock exchange. It is expected that liquidity for Class U Units will be obtained primarily by means of conversion of Class U Units into Class A Units and the subsequent sale of such Class A Units. A conversion of Class U Units into Class A Units will be a disposition of the Class U Units for purposes of the Tax Act.

DISTRIBUTION POLICY

The Fund intends to make monthly tax-advantaged cash distributions to Unitholders. Distributions will be paid no later than the 15th Business Day following the end of the month for which the distribution is payable. The initial cash distribution will be payable to Unitholders of record on April 30, 2013 and is expected to be paid on or about May 15, 2013, based on an anticipated closing of March 21, 2013 and will be pro-rated to reflect the period from the Closing Date to April 30, 2013. The Fund will not have a fixed monthly distribution amount but intends to, at least annually in January of each year, set distribution targets based on the Manager's estimate of distributable cash flow of BUIG Trust for the period. Based on the Manager's current estimates, the initial distribution target for the Fund is expected to be \$0.05 per Class A Unit per month and U.S.\$0.05 per Class U Unit per month (\$0.60 and U.S.\$0.60 per annum, respectively, to yield 6.00% on the subscription price of \$10.00 per Class A Unit or U.S.\$10.00 per Class U Unit, as applicable, representing a pre-tax interest rate equivalent yield of 8.94% per annum in Ontario). Based on current estimates and assuming (i) an aggregate size of the Offering of \$100 million, (ii) the employment of the investment strategy as described under "Investment Strategy", (iii) the use of leverage as described herein, (iv) the fees and expenses described under "Fees and Expenses", and (v) foreign exchange rates remain constant, the Portfolio would be required to generate a return of 8.06% (6.85% net of withholding tax) in order to pay the initial estimated level of distributions through partial settlements of the Forward Agreement and maintain a stable Net Asset Value. As of January 23, 2013, the Indicative Portfolio had a current cash yield of 8.17% (6.94% net of withholding tax). If the current cash yield generated by the Portfolio decreases to a level below the amount necessary to fund the targeted monthly distributions (through partial settlement of the Forward Agreement) and is not offset by Portfolio appreciation and if the Manager chooses to nevertheless effect settlements of the Forward Agreement to ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the Net Asset Value per Unit would be reduced. Based on the foregoing assumptions, but assuming the gross proceeds of the Offering are \$50 million, the Portfolio would be required to generate net income available for distribution of 8.34% (7.09% net of withholding tax) per annum, and the Portfolio would be required to generate an additional return of approximately 0.18% (0.15% net of withholding tax) per annum in excess of the current cash yield generated by the Indicative Portfolio as at January 23, 2013, including from capital appreciation, to allow the Fund (through partial settlement of the Forward Agreement) to make its distributions at the initial level of 6.0% per annum and to maintain a stable Net Asset Value of the Fund. **The amount of monthly distributions may fluctuate from month to month and there can be no assurance as to the amount of the targeted distributions or that the Fund will make any distribution in any particular month.** See "Risk Factors".

It is expected that distributions to Unitholders will consist primarily of returns of capital but may also include capital gains for income tax purposes. Amounts distributed on the Units that represent returns of capital are generally not subject to tax but will reduce the Unitholder's adjusted cost base of the Units for tax purposes.

If the Fund's net income for tax purposes, including net realized capital gains, for any year exceeds the aggregate amount of the regular monthly distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions (in either cash or Units) in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. See "Income Tax Considerations". Immediately after a *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will automatically be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

There can be no assurance given as to the amount of targeted distributions, if any, in the future. There is no assurance that the Fund will meet its investment objectives.

Distribution Reinvestment Plan

The Fund intends to adopt a distribution reinvestment plan (the “Reinvestment Plan”) which will provide that monthly cash distributions made by the Fund on the Class A Units shall, at the election of each Unitholder of Class A Units, be automatically reinvested in additional Class A Units on each such Unitholder’s behalf in accordance with the terms of such plan (as described below). Notwithstanding the foregoing, Unitholders who are not residents of Canada will not be able to participate in the Reinvestment Plan and Unitholders who cease to be residents of Canada will be required to terminate their participation in the Reinvestment Plan. The Manager expects that the Reinvestment Plan will commence in respect of the distributions beginning July, 2013.

In order to participate in the Reinvestment Plan, a Unitholder of Class A Units must enrol in the Reinvestment Plan through his or her CDS Participant in sufficient time for notice to be provided to CIBC Mellon Trust Company in its capacity as agent under the Reinvestment Plan (the “Plan Agent”), as described below. Once a Class A Unitholder has enrolled in the Reinvestment Plan, participation continues automatically until the Fund terminates, unless terminated earlier in accordance with the terms of the Reinvestment Plan. Unitholders who do not hold Class A Units are not eligible to participate in the Reinvestment Plan.

A Unitholder of Class A Units may elect to become a participant in the Reinvestment Plan for a distribution (a “Plan Participant”) by giving notice of such Unitholder’s decision to become a Plan Participant for the relevant Record Date to the Plan Agent via the Unitholder’s dealer/CDS Participant through which such Unitholder holds its Class A Units, which notice shall be provided to the CDS Participant no later than 4:00 p.m. (Toronto time) on such Record Date or otherwise in accordance with such CDS Participant’s customary procedures. The CDS Participant will be required to provide notice to CDS in accordance with CDS’ customary procedures. CDS in turn will provide a single notice to the Plan Agent prior to 10:00 a.m. (Toronto Time) on the Business Day immediately following the relevant Record Date.

Subject to the foregoing, all monthly cash distributions will be applied to purchase additional Class A Units on behalf of those Unitholders who are residents of Canada and who elect to participate in the Reinvestment Plan. Such distributions due to Plan Participants will be paid to the Plan Agent and applied to the purchase of Class A Units on the TSX (or such other stock exchange on which the Class A Units are listed, if the Class A Units are no longer listed on the TSX) at the Market Price. Participants that would otherwise be entitled to a fractional Class A Unit will receive cash in lieu of that fraction.

If the Class A Units are thinly traded, purchases in the market under the Reinvestment Plan may significantly affect the market price. Depending on market conditions, direct reinvestment of cash distributions by Unitholders of Class A Units in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. Class A Units purchased in the market will be allocated on a pro rata basis to the Plan Participants. The Plan Agent will furnish to each Plan Participant a report of the Class A Units purchased for the Plan Participant’s account in respect of each distribution and the cumulative total purchased for that account. The Plan Agent’s charges for administering the Reinvestment Plan and all brokerage fees and commissions in connection with purchases in the market pursuant to the Reinvestment Plan will be paid by the Fund. **The automatic reinvestment of distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax considerations applicable to distributions by the Fund.** See “Income Tax Considerations”.

The Manager, on behalf of the Fund, will be able to terminate the Reinvestment Plan at any time in its sole discretion, upon not less than 30 days’ notice to: (i) the Plan Participants via the CDS Participants through which the Plan Participants hold their Units, (ii) the Plan Agent, and (iii) if necessary, the TSX. The Manager, on behalf of the Fund, also reserves the right to amend or suspend the Reinvestment Plan at any time in its sole discretion, provided that any amendment to the Reinvestment Plan is subject to prior approval of any exchange upon which the Units are listed and posted for trading, but such action shall have no retroactive effect that would prejudice the interest of the Plan Participants. All Plan Participants will be sent written notice of any such amendment, suspension or termination, which notice may be given by the Fund by issuing a press release or in any other manner the Manager determines to be appropriate.

PURCHASE OF UNITS

Prospective purchasers may purchase Units through any one of the Agents or any member of a sub-agency group that the Agents may form. Prospective purchasers may acquire Units by cash payment only. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. Closing of the Offering will take place on or about March 21, 2013, or such later date as may be agreed upon by the Fund and the Agents that is not later than 90 days after a final receipt for this prospectus has been issued. The offering price of each class of Unit was determined by negotiation between the Agents and the Fund. See “Plan of Distribution”.

REDEMPTION OF UNITS

Annual Redemptions

Units may be redeemed annually on the Annual Redemption Date. Commencing in 2014, Units may be surrendered annually for redemption during the Notice Period subject to the Fund’s right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the second last Business Day in October of each year and the Unitholder will receive a redemption price per Unit equal to 100% of the Net Asset Value per Unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that is distributed to Unitholders concurrently with the redemption proceeds. Redemption proceeds will be paid no later than the Redemption Payment Date. See “Risk Factors”.

Monthly Redemptions

In addition to the annual redemption right, Unitholders may choose to redeem Units on a Monthly Redemption Date, subject to certain conditions including the Fund’s right to suspend redemptions in certain circumstances. In order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the Redemption Payment Date. Concurrently with, and as part of, the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains or income of the Fund realized by it to fund the payment of the redemption price. See “Risk Factors”.

Unitholders surrendering a Class A Unit for redemption on a Monthly Redemption Date will receive a redemption price equal to the Monthly Redemption Amount. Unitholders surrendering a Class U Unit for redemption will receive an amount equal to the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated Net Asset Value per Unit of a Class U Unit and the denominator of which is the most recently calculated Net Asset Value per Unit of a Class A Unit. For such purpose, the Fund will utilize the Reference Exchange Rate current at, or as nearly as practicable to, the Monthly Redemption Date in respect of a monthly redemption of Class U Units.

Pre-Settling the Forward Agreement

The Fund may settle the Forward Agreement in whole or in part prior to the Forward Termination Date in order to fund redemptions. The value of the Forward Agreement on an Annual Redemption Date or a Monthly Redemption Date, and accordingly, the Net Asset Value per Unit on an Annual Redemption Date or Monthly Redemption Date, as applicable, and the redemption price will be dependent upon the performance of BUIG Trust and the Net Asset Value of BUIG Trust.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges must do so by causing the CDS Participant through which he or she holds his or her Units to deliver to CDS at its office in the City of Toronto on behalf of the Unitholder, a written notice of the Unitholder’s intention to redeem Units by no later than 5:00 p.m. (Toronto time) on the applicable notice date described above. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption right sufficiently in

advance of the Annual Redemption Date or Monthly Redemption Date deadline so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the applicable notice date described herein.

By causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Units, the Unitholder will be deemed to have irrevocably surrendered his or her Units for redemption and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that the Manager may from time to time prior to the Annual Redemption Date or Monthly Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Fund. Any expense associated with the preparation and delivery of the redemption notice will be for the account of the Unitholder exercising the redemption privilege.

Any redemption notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the redemption privilege to which it relates will be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with a Unitholder's instructions will not give rise to any obligations or liability on the part of the Fund, the Trustee or the Manager to the CDS Participant or the Unitholder.

Suspension of Redemptions

The Fund may suspend the redemption of Units or payment of redemption proceeds with the prior permission of the Canadian securities regulators, where required, (a) for the whole or any part of a period during which normal trading is suspended on one or more exchanges on which more than 50% of the securities included in the Canadian Securities Portfolio (by value) are listed and traded and if such securities are not traded on any other exchange that represents a reasonable, practical alternative for the Fund, or (b) for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or BUIG Trust or which impair the ability of the Manager to determine the value of the assets of the Fund or BUIG Trust. The suspension may apply to all requests for redemption received prior to the suspension, but for which payment has not been made, as well as to all requests received while the suspension is in effect. In such circumstances all Unitholders will have, and will be advised that they have, the right to withdraw their requests for redemption. The suspension will terminate in any event on the first Business 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 Fund, any declaration of suspension made by the Manager will be conclusive.

INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary is applicable to a Unitholder who is an individual (other than a trust that is not a Registered Plan) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length, and is not affiliated, with the Fund, and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" owned or subsequently owned by them treated as capital property by making an irrevocable election in accordance with the Tax Act. This summary is based on the assumptions that the Canadian Securities Portfolio will consist solely of "Canadian securities" (within the meaning of the Tax Act) and that the Fund will elect in accordance with the Tax Act to have each of its Canadian securities treated as capital property.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing by it prior to the date hereof, the Tax Proposals and certificates of the Manager and Agents as to certain factual matters. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action,

nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations. There can be no assurance that any Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or territory in which the investor resides or carries on business. Counsel express no views herein in respect of the deductibility of interest on any funds borrowed by a Unitholder to purchase Units. **This summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.**

Status of the Fund

This summary is based on the assumptions that the Fund will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act and that the Fund will elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Units and certain investment criteria referred to under "Investment Restrictions – Investment Restrictions of the Fund". If the Fund were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.

This summary is also based on the assumption that the Fund will at no time be a SIFT Trust. Provided the Fund complies with the investment restrictions, as described under the heading "Investment Restrictions – Investment Restrictions of the Fund", the Fund should not hold any investment that would result in the Fund being subject to the special tax for SIFT Trusts.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. Counsel have been advised that the Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Fund makes distributions in each year of its income, including its net realized capital gains as described under "Distribution Policy", it will generally not be liable in such year for income tax under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a "capital gains refund"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of Canadian Securities Portfolio securities acquired by the Fund under the Forward Agreement in connection with a redemption of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days.

The Fund will not realize any income, gain or loss as a result of entering into the Forward Agreement and no amount will be included in computing the Fund's income as a result of the acquisition of Canadian Securities Portfolio securities under the Forward Agreement. The cost to the Fund of such Canadian Securities Portfolio securities will be that portion of the aggregate amount paid by the Fund under the Forward Agreement attributable to such securities and any other costs of acquisition. Provided the Fund elects in accordance with the Tax Act to have each of its "Canadian securities" treated as capital property, gains or losses realized by the Fund on the sale of Canadian Securities Portfolio securities acquired under the Forward Agreement will be taxed as capital gains or capital losses.

Taxation of Unitholders

A Unitholder will generally be required to include, in computing income for a taxation year, the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year, whether paid in cash or additional Units. The non-taxable portion of the Fund's net realized capital gains paid or payable and designated to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed gain. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

On the disposition or deemed disposition of a Unit, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (net of any reasonable costs of disposition) exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property that were acquired before that time. For this purpose, the cost of Units that have been issued as an Additional Distribution or as a reinvestment of a distribution will generally be equal to the amount of the net income or capital gain distributed to the Unitholder in Units. If a Unitholder participates in the Reinvestment Plan and acquires a Unit from the Fund at a price that is less than the fair market value of the Unit, it is the CRA's administrative position that the Unitholder must include the difference in income and increase the cost of such Unit by the corresponding amount. The consolidation of Units following an Additional Distribution will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units to a Unitholder.

The cost and proceeds of disposition of Class U Units must be computed in Canadian dollars using the exchange rate at the time of acquisition or disposition, respectively.

One-half of any capital gain ("taxable capital gain") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

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

Based on counsels' understanding of the current published administrative policies and assessing practices of the CRA, a conversion of Class U Units into Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act.

Taxation of Registered Plans

Amounts of income and capital gains distributed by the Fund to a Registered Plan and capital gains realized on the disposition of Units held in a Registered Plan are generally not taxable under Part I of the Tax Act while retained in a Registered Plan, provided that the Units are qualified investments under such Registered Plan. See "Income Tax Considerations – Eligibility for Investment". Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Taxation Implications of the Fund's Distribution Policy

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the

Units. Since the Fund makes monthly distributions, as described under “Distribution Policy”, the consequences of acquiring Units late in a calendar year will generally depend on the amount of the monthly distributions throughout the year and whether an Additional Distribution is necessary late in the calendar year to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act.

Eligibility for Investment

In the opinion of Stikeman Elliott LLP, counsel for the Fund, and McCarthy Tétrault LLP, counsel for the Agents, provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act or, in the case of the Class A Units, if such Units are listed on a designated stock exchange (which currently includes the TSX), the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans. See “Income Tax Considerations”.

Notwithstanding the foregoing, if the Units are “prohibited investments” for a tax-free savings account (“TFSA”), a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be will be subject to a penalty tax as set out in the Tax Act. The Units will not be “prohibited investments” provided that the holder or annuitant, as the case may be: (i) deals at arm’s length with the Fund, (ii) does not have a “significant interest” in the Fund (within the meaning of the Tax Act), and (iii) does not have a “significant interest” (within the meaning of the Tax Act) in a corporation, partnership or trust that does not deal at arm’s length with the Fund. Tax Proposals released on December 21, 2012 propose to delete the condition in (iii) above. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult with their own tax advisors in this regard.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

The Manager

Bloom is the manager, portfolio manager and trustee of the Fund and BUIG Trust and will perform the management functions, including the day-to-day management of the Fund and BUIG Trust, as applicable, and will provide investment advisory and portfolio management services to the Fund and BUIG Trust pursuant to the Declaration of Trust and the BUIG Declaration of Trust, respectively.

The Manager was established in 1985 and specializes in the management of segregated investment portfolios for wealthy individuals, corporations, institutions and trusts and was an active participant in investing in the income trust market from its inception. The Manager also has over fifteen years of experience investing in, high-income equities, including dividend paying common equity securities, income trusts and REITs, and has a strong long-term track record of managing high income equity portfolios including for four currently TSX-listed closed-end funds with similar investment objectives: Blue Ribbon Income Fund (“RBN.UN”) (established September 1997), Canadian High Income Equity Fund (“CIQ.UN”) (established February 2010), Bloom Income & Growth Canadian Fund (“BI.UN”) (established October 2011) and Bloom Select Income Fund (“BLB.UN”) (established April 2012). These four funds seek to provide holders with monthly cash distributions and the opportunity for capital appreciation through actively managed, diversified portfolios comprised of Canadian high income equities and each fund has made all its distributions since inception. However, these funds are not focused on investing in U.S. securities. In addition to its conventional investment management business, the Manager currently manages specialty high-income equity portfolios comprised of dividend paying common equity securities, income trusts and REITs. The Manager has managed more than ten TSX-listed closed-end fund portfolios in this specialty area since 1997, with an aggregate market value of over \$2.5 billion. The address of the Manager is 150 York Street, Suite 1710, Toronto, Ontario M5H 3S5.

Duties and Services to be provided by the Manager

Pursuant to the Declaration of Trust and the BUIG Trust Declaration of Trust, the Manager has exclusive authority to manage the undertaking and affairs of the Fund and of BUIG Trust, as applicable, to make all decisions regarding the undertaking of the Fund and BUIG Trust and has authority to bind the Fund and BUIG Trust, respectively. The Manager may, pursuant to the terms of the Declaration of Trust and BUIG Trust Declaration of Trust, delegate certain of its powers to third parties at no additional cost to the Fund and BUIG Trust where, in the discretion of the Manager, it would be in the best interests of the Fund and the Unitholders and/or BUIG Trust and its unitholders to do so.

The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Unitholders and the unitholders of BUIG Trust, as applicable, and to exercise the care, diligence and skill that a reasonably prudent and qualified manager would exercise in comparable circumstances. The Declaration of Trust and BUIG Trust Declaration of Trust provide that the Manager will not be liable in any way for any default, failure or defect of the assets of the Fund, BUIG Trust or the Portfolio, as the case may be, or for any loss or diminution in value of such assets, if it has satisfied the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence or breach of its duties or standard of care, diligence and skill and is responsible for any investment advisory and portfolio management services provided to the Fund and BUIG Trust. Among other restrictions imposed on the Manager, it may not dissolve the Fund or BUIG Trust or wind up the affairs of the Fund or BUIG Trust except if, in its opinion, it would be in the best interests of the unitholders of the applicable fund to terminate the Fund or BUIG Trust, as applicable, or otherwise in accordance with the provisions of the Declaration of Trust and the BUIG Declaration of Trust.

Under the terms of the Declaration of Trust, the Manager is responsible for providing, or causing to be provided, management and administrative services and facilities to the Fund, including, without limitation: maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements, income tax returns and financial and accounting information as required by the Fund; ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the Fund complies with regulatory requirements including its continuous disclosure requirements under applicable securities laws; preparing the Fund's reports to Unitholders and to the Canadian securities regulators; providing the Custodian with information and reports necessary for the Custodian to fulfill its fiduciary responsibilities; administering the redemption of Units; arranging for any payment required on the termination of the Fund; dealing and communicating with Unitholders; negotiating contracts with third party providers of services including, but not limited to, custodians, transfer agents, legal counsel, auditors and printers and entering into, on behalf of the Fund, the Forward Agreement and any additional forward, derivative or other transactions and arranging for the settlement of the Fund's obligations under the Forward Agreement and the receipt by the Fund of the securities it is entitled to receive on the settlement or partial settlement of the Forward Agreement. The Manager will also implement and monitor the suitability of the Fund's investment objectives, investment strategy and investment restrictions. The BUIG Trust Declaration of Trust contains similar provisions.

In consideration for these services, the Fund and BUIG Trust will pay to the Manager the Management Fee and reimburse the Manager for all reasonable costs and expenses incurred by the Manager on behalf of the Fund and BUIG Trust. See "Fees and Expenses – Management Fee". The Manager and each of its directors, officers, employees, consultants and agents are indemnified and will be reimbursed by the Fund and by BUIG Trust, as applicable, to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Fund and BUIG Trust, as applicable, and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with the services provided to the Fund or BUIG Trust described herein or as a director, officer, employee, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the manager, the trustee or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from the person's wilful misconduct, bad faith, negligence, breach of such person's duties or standard of care, diligence and skill or material breach or default of such person's obligations under any agreements with the Fund and BUIG Trust, as applicable, to which such person is a party.

Directors and Officers of the Manager

The board of directors of the Manager consists of three members. Directors are appointed to serve on the board of directors until such time as they retire or are removed and their successors are appointed. The name, municipality of residence, position with the Manager and principal occupation of each director and senior officer is set out in the table below:

Name and Municipality of Residence	Position Held with the Manager	Principal Occupation
M. Paul Bloom Toronto, Ontario	Director (Chair), President and Secretary	Director, President and Secretary, Bloom
Adina Bloom Somer Toronto, Ontario	Director, Vice-President, Portfolio Manager	Director, Vice-President, Portfolio Manager, Bloom
Fiona E. Mitra Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, Bloom
Niall C.T. Brown Toronto, Ontario	Vice-President, Portfolio Manager	Vice-President, Portfolio Manager, Bloom
Sara N. Gottlieb Toronto, Ontario	Vice-President, Portfolio Manager	Vice-President, Portfolio Manager, Bloom
Beverly Lyons Toronto, Ontario	Independent Director	Director, Management Consultant

Except as otherwise indicated in the biographies below, during the past five years, all of the directors and officers of the Manager have held the principal occupations noted opposite their respective names, or other occupations with their current employer or a predecessor company.

M. Paul Bloom. Mr. Bloom is the President of the Manager and has overall responsibility for overseeing the investment management activities of Bloom. Mr. Bloom has over 40 years' experience in the Canadian investment industry, the last 27 of which as principal of Bloom which he founded in 1985. Mr. Bloom has provided investment advice on the management of over \$2.5 billion of investment assets. Prior to immigrating to Canada from England in 1971, Mr. Bloom attended Manchester Polytechnic and graduated with a BA (Hons.) degree in law. From 1971 to 1972 Mr. Bloom was employed in the mergers and acquisitions department of Canada Permanent Trust. From 1972 until starting Bloom in 1985, Mr. Bloom was an Investment Analyst and later the Investment Manager at Slater, Walker of Canada Limited (later renamed Talcop Limited). From 1993 to 2002 Mr. Bloom served as an independent director of Canadian General Investments Limited, one of the oldest closed-end funds in North America. Mr. Bloom was a member of the Investment Committee of a leading Toronto charitable foundation from 2006 until 2011.

Adina Bloom Somer. Ms. Bloom Somer has over 14 years of capital markets experience and has extensive day-to-day responsibilities for the portfolios. Ms. Bloom Somer joined Bloom as a Vice President, Portfolio Manager in 2010 and in 2011 was appointed as a Director. Prior to joining Bloom, Ms. Bloom Somer was employed at TD Newcrest, a division of TD Securities, Inc. for 9 years. Ms. Bloom Somer commenced her employment with TD Newcrest as an Equity Research Associate and was later promoted to the position of Vice President, Equity Research Analyst. At TD Newcrest, Ms. Bloom Somer provided in-depth fundamental security analysis for common equities and income trusts in both the Media and Special Situations universes. Prior to joining TD, Ms. Bloom Somer was a Sales and Marketing Coordinator in the Private Client Marketing department at CIBC Wood Gundy. Ms. Bloom Somer graduated from the University of Toronto in 1997 with an Honours BA in Political Science and graduated in 2000 from the Schulich School of Business with a Master of Business Administration (MBA) specializing in Finance and Marketing. Ms. Bloom Somer has completed Level 1 of the Chartered Financial Analyst (CFA) designation and also holds the Canadian Investment Manager (CIM) designation.

Fiona E. Mitra. Ms. Mitra has almost 16 years of public accounting experience. Ms. Mitra joined Bloom in 2011 after a career break of five years, during which time she operated a part-time consulting services business. Ms. Mitra worked for PricewaterhouseCoopers LLP in Toronto from May 1995 to June 2006 as a Manager and Senior Manager in the assurance and business advisory services practice, concentrating on clients in the Canadian investment management arena. Ms. Mitra worked for Coopers & Lybrand in England from September 1990 to May 1994, primarily providing audit and assurance services for various financial services clients. Ms. Mitra is a Chartered Accountant and Chartered Professional Accountant and a member of the Ontario Institute of Chartered Accountants. Ms. Mitra also earned her A.C.A. (U.K. chartered accounting designation), and received a Masters degree in engineering from the University of Cambridge.

Niall C.T. Brown. Mr. Brown has extensive day-to-day responsibility for the management of the portfolios. Mr. Brown joined Bloom in 2007 as Vice President and Portfolio Manager. Mr. Brown has over 20 years' experience in the North American equity markets. Prior to joining Bloom, Mr. Brown was employed by Manulife Global Investment Management, Inc. in 2003 and left, as a Portfolio Manager, in 2007. Mr. Brown started his investment career with the Canada Trust Investment Management Group in 1989 as an Investment Associate progressing to the position of Research Analyst. Mr. Brown, on the merger of Canada Trust with Toronto Dominion Bank in 2000, joined Toronto Dominion Bank Asset Management Inc. as Vice President and Portfolio Manager. Mr. Brown earned his Chartered Financial Analyst (CFA) designation in 2001.

Sara N. Gottlieb. Ms. Gottlieb is employed at Bloom as a portfolio manager and has been with the firm for over 15 years as Vice President. Prior to joining Bloom, Ms. Gottlieb was employed as a Research Associate at First Marathon Securities Limited. Ms. Gottlieb graduated from the University of Toronto in 1995 with an Honours BA in Economics and Political Science. Ms. Gottlieb earned her Chartered Financial Analyst (CFA) designation in 1999. Ms. Gottlieb is actively involved in charitable endeavours both domestically and internationally.

Beverly Lyons. Ms. Lyons became an Independent Director of Bloom in 2011. Since July 2008, Ms. Lyons has acted as a director and business advisor for a variety of companies providing accounting advice and general management consulting. Ms. Lyons became a director of Lorex Technology Inc. in 2009 until its sale in December 2012. With respect to Lorex Technology Inc., she was the Chair of the Audit Committee and the Special Committee as well as sitting on other committees. From September 1980 to June 2008, Ms. Lyons was an Audit Partner with PricewaterhouseCoopers LLP and its predecessor firms. Ms. Lyons is an experienced financial professional who currently is a Fellow of the Institute of Chartered Accountants of Ontario and a member of the Institute of Corporate Directors and holds the ICD.D designation. Ms. Lyons holds her Bachelor of Commerce degree from University of Toronto.

Independent Review Committee

NI 81-107 requires all publicly offered investment funds, such as the Fund, to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for identifying and dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the independent review committee in carrying out its functions. The IRC will be required to conduct regular assessments and provide reports to the Manager and to Unitholders in respect of its functions. The members of the Fund's IRC are:

Lea M. Hill. Mr. Hill has more than 38 years of experience in capital markets in Canada. Mr. Hill started his career in the capital markets at Wood Gundy Limited in 1973, when he joined the Fixed Income Credit Analysis Department. In 1986, Mr. Hill moved from the Fixed Income Department to the Marketing Department, initially as a U.S. Equities Specialist, but subsequently specializing in Canadian equities. In 1993, the function of equity marketing to the Canadian retail sales force was spun out of the Marketing Department into a new department, the Equity Advisory Group. Mr. Hill ran the Equity Advisory Group until it was merged with Private Client Investing at the time of the acquisition of the retail sales force of Merrill Lynch Canada in November, 2001. From 2001 to 2011 Mr. Hill was CIBC Wood Gundy's Specialist for closed-end funds and split share corporations. In this position Mr. Hill analyzed both structure and governance of these investment vehicles and was the only full time closed-end fund specialist in Canada. Mr. Hill retired from CIBC Wood Gundy in June 2011. Mr. Hill holds his Bachelor of Business Management from Ryerson University.

Helen M. Kearns. Ms. Kearns has more than 30 years of experience as a senior executive, entrepreneur in the investment industry and corporate director. Ms. Kearns was named President and Chief Executive Officer of Bell Kearns & Associates Ltd. in February 2008 which provides extensive investment advisory services to families, corporations, estates and foundations. Prior to this Ms. Kearns was President of NASDAQ Canada (2001-2004), and an officer of NASDAQ Inc. As President of NASDAQ Canada, Ms. Kearns won regulatory approval for NASDAQ as a marketplace in B.C. Prior to this Ms. Kearns launched a successful institutional investment firm, Kearns Capital Limited. From 1980-1995, Ms. Kearns worked at Richardson Greenshields of Canada Limited, where she attained positions of increasing responsibility until she was named Head of Institutional Sales and Trading, a role that also included senior management responsibilities on the Executive Committee. During this time Ms. Kearns also served two terms as a Governor of the TSX, where she participated actively in the strategic review process that eventually resulted in the consolidation of Canada's capital markets and the

demutualization of the TSX.

Ms. Kearns completed the Institute of Corporate Directors Course in 2010 and received the ICD Directors Designation. Ms. Kearns served on the board of the Ontario Teachers' Pension Plan from June 2005 to December 2011. Ms. Kearns served on the Investment Committee, the Audit Committee and the Governance Committee and co-chaired the Benefits and Adjudication Committee. Ms. Kearns was also actively engaged in an IT Governance review process at Ontario Teachers'. Currently, Ms. Kearns is the Lead Director for KingSett Canadian Real Estate Income Fund. Ms. Kearns also serves on the Multiple Sclerosis Research Foundation Board (2005-present) and co-chairs the capital campaign. Previously, Ms. Kearns served two terms on the Board of Governors of the TSX (1993-1999), The National Ballet School of Canada (1996-2004), Women in the Lead Inc. (2004-2011), the George Brown College Foundation (2006-2010) and was a founding member of the Financial Women's Association of Quebec (2001-2004).

In 2002 Ms. Kearns was the recipient of the John Molson School of Business Award of Distinction. In addition, Ms. Kearns was a recipient of the Montreal Board of Trade Women of Distinction Award (2002), the "Women on the Move" Entrepreneur of the Year Award (1997), and was recognized by the Financial Post as one of the 100 Most Powerful Women in Canada (2004). The Women Against Multiple Sclerosis (WAMS) named her their 2009 WAMS Gala Luncheon honouree.

Anthony P. L. Lloyd. Mr. Lloyd has over 35 years' experience in corporate finance and private equity financing both as a Principal and Advisor in a broad range of public and private market transactions. Mr. Lloyd has served as an executive with Slater, Walker of Canada Ltd. (later renamed Talcop Limited), Harlequin Enterprises, and Cavendish Investing, and from 1985 to 2000 he was a Senior Partner of Capital Canada Limited, a Toronto-based investment bank. Since 2001, Mr. Lloyd has been a corporate director serving as an Independent Director on the boards of a number of publicly listed companies principally involved in the mining, minerals exploration and shipping industries. Mr. Lloyd graduated from The Royal School of Mines in 1968 with a B.Sc. (Hons.) in mining engineering, and in 1972 with an MBA from Columbia University. He holds the ICD.D designation from The Institute of Corporate Directors.

The IRC will prepare a report, at least annually, of its activities for Unitholders which will be available on the Manager's website at www.bloomfunds.ca or at the Unitholder's request at no cost, by contacting the Manager at 1-855-BLOOM18. Information contained on the Manager's website is not part of this prospectus and is not incorporated herein by reference.

The members of the IRC are paid an annual fee for serving on the IRC of the investment funds in the Bloom family of investment funds. Each investment fund, including the Fund, will be responsible for a portion of that fee which is allocated by the Manager among the various funds. The Fund is currently the third fund in the Bloom family of investment funds. The annual fee payable to each member of the IRC (other than the Chair) is \$10,000 per fund per annum, and the annual fee payable to the IRC Chair is \$12,500 per fund per annum. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds in the Bloom family of funds, including the Fund.

Conflicts of Interest

The Manager and its affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager or any of its affiliates from providing similar services to other investment funds or clients (whether or not their investment objectives, strategies and policies are similar to those of the Fund) or from engaging in other activities. The Manager's investment decisions for the Fund will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, the Manager will make the same investment for the Fund and for one or more of its other clients. If the Fund and one or more of the other clients of the Manager, or any of its affiliates, are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard, the Manager will generally endeavour to allocate investment opportunities to the Fund on a *pro rata* basis. Where the Manager or its affiliates otherwise perceive, in the course of their businesses, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

Brokerage Arrangements

The Manager is responsible for making brokerage arrangements for the purchase and sale of securities for the Portfolio. The primary objective in choosing brokers for the purchase and sale of securities for the Portfolio will be to obtain competitive net results, taking into account such factors as commission fees, provision of research, size of order, difficulty of execution, and the degree of skill required of the broker/dealer. The capability and financial condition of the broker may also be criteria for the choice of broker. BUIG Trust will not participate in “soft dollar” arrangements.

The Trustee

Bloom will also act as trustee of the Fund and BUIG Trust pursuant to the provisions of the Declaration of Trust and the BUIG Trust Declaration of Trust. The Trustee is responsible for certain aspects of the day-to-day management of the Fund and BUIG Trust as described in the Declaration of Trust and the BUIG Trust Declaration of Trust respectively, including calculating, or arranging for the calculation of net income and net realized capital gains of the Fund and BUIG Trust, and executing instruments on behalf of the Fund and BUIG Trust.

Pursuant to the Declaration of Trust and BUIG Trust Declaration of Trust, the Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and BUIG Trust, respectively, and to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Declaration of Trust and BUIG Trust Declaration of Trust provide that the Trustee will not be liable in carrying out its duties under the relevant declaration of trust except in cases of wilful misconduct, bad faith, negligence or the disregard of its obligations or duties or breach of its standard of care and duty. Each of the Declaration of Trust and BUIG Trust Declaration of Trust provides that the Trustee will not be liable in any way for any default, failure or defect in any of the securities of the Fund’s and BUIG Trust’s respective portfolios if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Trustee and each of its directors, officers, and employees will be indemnified by the Fund and BUIG Trust for all liabilities and expenses reasonably incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against the Trustee or any of its officers, directors or employees in the exercise of its duties under the relevant declaration of trust, except those resulting from such person’s wilful misconduct, bad faith, negligence, disregard of such person’s obligations or duties or breach of their standard of care in relation to the matter in respect of which indemnification is claimed.

The Trustee of the Fund and BUIG Trust may resign upon 60 days’ notice to Unitholders or unitholders of BUIG Trust, as applicable. The Trustee may be removed by Extraordinary Resolution approved at a meeting of unitholders called for such purpose or by the Manager (if the Manager is then not the Trustee), if the Trustee ceases to be a resident of Canada for purposes of the Tax Act, if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the relevant declaration of trust which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns or is deemed to resign, its successor may be appointed by the Manager. The successor must be a resident in Canada for purposes of the Tax Act and approved by unitholders at the meeting at which the Trustee’s removal was approved if the Trustee is removed by unitholders. If no successor has been appointed within 60 days, the Trustee or any unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The address of the Trustee is 150 York Street, Suite 1710, Toronto, Ontario, M5H 3S5.

The Custodian

CIBC Mellon Trust Company will be appointed custodian of the Fund pursuant to the Fund Custodian Agreement and custodian of BUIG Trust pursuant to the BUIG Trust custodian agreement (collectively the “Custodian Agreements”). The Custodian’s principal place of business in respect of the Fund will be Toronto, Ontario.

In the Custodian Agreements, the Custodian will covenant, when carrying out its duties in respect of the safekeeping of and dealing with the assets of the Fund and BUIG Trust, as applicable, to exercise, at a minimum, the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Custodian will agree to hold, or direct its subcustodians to hold, for the account of the Fund and BUIG Trust, as

applicable, all securities, collateral security and other non-cash property (other than securities which are held in a book-based system). The Fund and/or BUIG Trust may employ sub-custodians as considered appropriate in the circumstances.

Pursuant to the Custodian Agreements, the Custodian will be indemnified out of the Fund's or BUIG Trust's assets, as the case may be, in certain circumstances, including from and against any direct loss, liability, claim or expense (including reasonable legal counsel fees and disbursements) suffered or incurred by the Custodian arising from or in connection with the performance of its duties under the agreement except with respect to any costs, expenses, damages, liabilities and losses resulting primarily from bad faith, wilful default, fraud or negligence of the Custodian or any of its employees, directors or officers.

Auditor

The independent auditor of the Fund and of BUIG Trust is PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants, at its office located in Toronto, Ontario.

Transfer Agent and Registrar

CIBC Mellon Trust Company will act as transfer agent and registrar for the Units and will maintain the securities registers at its office in Toronto, Ontario.

The Promoter

The Manager may be considered a promoter of the Fund for purposes of securities legislation in certain provinces and territories of Canada by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. The Manager will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than amounts paid to the Manager as described under "Fees and Expenses".

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Manager will calculate, or will arrange for the calculation of, the Net Asset Value per Unit of each class of Unit of the Fund and of each class of unit of BUIG Trust as at the close of business on each Valuation Date. At a minimum, the Valuation Date will be each Business Day, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit of each class. The Fund will make the Net Asset Value per Unit of each class available to the financial press for publication on a weekly basis. Such amount will also be available on the Manager's website at www.bloomfunds.ca.

Valuation Policies and Procedures

For reporting purposes other than financial statements, the Net Asset Value of the Fund or BUIG Trust on a Valuation Date will be equal to (i) the Total Assets of the Fund or BUIG Trust, as applicable, less (ii) the aggregate value of the liabilities of the Fund or BUIG Trust, as applicable. The Net Asset Value per Unit of a class on a Valuation Date will be calculated by dividing the Net Asset Value of the Fund attributable to such class on such Valuation Date by the total number of Units of such class issued and outstanding on such Valuation Date.

Unless otherwise required by law, for the purpose of calculating the Net Asset Value of the Fund or BUIG Trust on a Valuation Date, the Total Assets of the Fund or BUIG Trust on such Valuation Date will be determined as follows:

- (a) the value of any cash on hand or on deposit, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Manager determines that any such deposit, is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

- (b) the value of any bonds, debentures and other debt obligations will be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities at consistent times on a Valuation Date;
- (c) short term securities including notes and money market instruments shall be valued at cost plus accrued interest;
- (d) the value of any security which is listed or dealt with on a recognized stock exchange shall be determined by taking the latest available sale price for a board lot at the time at which the valuation is calculated, or lacking any recent sales or any record thereof, the mean of the latest available ask price and the latest available bid price as at the close of business on the Business Day or if such a recognized stock exchange is not open for trading on that date, then on the last previous date on which such a recognized stock exchange was open for trading, all as reported by any means in common use;
- (e) the value of any security which is not dealt with on any public exchange shall be determined on the basis of such price or yield equivalent quotations (which may be public quotations or may be obtained from major market makers) as the Manager determines best reflect its fair value;
- (f) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the class or series of a class of which the restricted security forms part that are not restricted securities, equal to the percentage that the acquisition cost was of the market value of the securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the restricted securities will cease to be restricted securities;
- (g) the value of a forward contract, including the Forward Agreement, or swap shall be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;
- (h) margin paid or deposited on forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (i) all assets valued in a foreign currency and all liabilities and obligations payable in foreign currency shall be converted into Canadian currency on each Business Day on the basis of the foreign currency exchange rate obtained from the best available sources to the Manager including, but not limited to, an accounting agent appointed by the Manager or any affiliate of such accounting agent; and
- (j) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair and reasonable value thereof determined in such manner as the Manager from time to time provides.

The Net Asset Value per Unit of a class is calculated in Canadian dollars in accordance with the rules and policies of the Canadian securities regulators or in accordance with any exemption therefrom that the Fund may obtain. The Net Asset Value per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian generally accepted accounting principles. Under current Canadian generally accepted accounting principles, the primary differences are that securities traded in an active market are generally valued using the bid prices for securities held long and the ask prices for securities held short.

Reporting of Net Asset Value

The Net Asset Value per Unit of the Fund will be provided to Unitholders on request, at no cost, by calling toll-free 1-855-BLOOM18 and will be made available on the Manager's website at www.bloomfunds.ca. The Fund will also make the Net Asset Value per Unit of the Fund available to the financial press for publication on a weekly basis.

DESCRIPTION OF THE UNITS

The Units

The beneficial interest in the net assets and net income of the Fund is divided into trust units of such classes of units as may be determined by the Trustee. Initially, two classes of Units, Class A Units and Class U Units, shall be created and authorized for issuance. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. Additional classes of units and other securities of the Fund may be created in the future at the Trustee's discretion and shall have the rights, privileges and attributes as the Trustee determines.

Each Unit of a class entitles the holder to the same rights and obligations as a Unitholder of such class and no Unitholder of a class is entitled to any privilege, priority or preference in relation to any other Unitholder of such class. Each Unit of a class entitles the Unitholder to one vote at all meetings of all Unitholders and at all meetings of Unitholders of that class. Each Unitholder of a class is entitled to participate equally with respect to any and all distributions to the class made by the Fund, including distributions of net realized capital gains, if any. On the redemption of Units, however, the Fund may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains or income realized by the Fund to fund the redemption price in the taxation year in which the redemption occurred. On termination or liquidation of the Fund, the Unitholders of record of a class are entitled to receive on a *pro rata* basis all of the assets of the Fund allocated to that class remaining after payment of all debts, liabilities and liquidation expenses of the Fund allocated to that class. Unitholders will have no voting rights in respect of securities held by the Fund. BUIG Trust has delegated to the Manager the responsibility for voting on matters for which BUIG Trust receives, in its capacity as a securityholder, proxy materials for a meeting of securityholders of an issuer included in the Portfolio. See "Proxy Voting Disclosure".

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario) and (ii) the trust is governed by the laws of Ontario. The Fund and BUIG Trust are each reporting issuers under the *Securities Act* (Ontario) and are governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust and the BUIG Trust Declaration of Trust, respectively.

The Declaration of Trust provides that the Fund will only issue additional units of any class following the initial Offering: (i) for net proceeds per unit of a class of not less than 100% of the Net Asset Value per unit of that class most recently calculated prior to setting the subscription price for such issuance or in the event a new class is created, is otherwise not dilutive to Unitholders existing prior to the issuance of such new class of Units (and, for greater certainty, in making such determination if such Net Asset Value per Unit is calculated prior to a record date for a distribution in respect of units of a class being issued, the most recently calculated Net Asset Value per unit for the purposes of determining the subscription price will be adjusted to account for any distributions which have been declared payable in respect of such units and which will not be received by the subscriber), (ii) by way of Unit distributions or any offering of rights, warrants or options to acquire Units to all Unitholders at a price no less than the aggregate of (A) the Net Asset Value per Unit of the Fund and (B) any expenses associated with the issuance of such warrants or rights, (iii) with the approval of Unitholders by Extraordinary Resolution (defined below under "Unitholder Matters — Matters Requiring Unitholder Approval"), or (iv) pursuant to a distribution reinvestment plan. Immediately after an Additional Distribution of Units of a class to all Unitholders in satisfaction of any non-cash distributions, the number of outstanding Units of that class will be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units of that class as the Unitholder held before the Additional Distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Subject to the foregoing, the Fund may allot and issue additional Units and additional classes of units and other securities of the Fund at such time or times, and in such manner, as the Trustee in its sole discretion shall determine.

Conversion of Class U Units

A Unitholder of Class U Units may convert such Class U Units into Class A Units on a monthly basis and it is expected that liquidity for the Class U Units will be obtained primarily by means of conversion into Class A Units and a sale of such Class A Units. Class U Units may be converted in any month on the first Business Day of such

month by delivering a notice and surrendering such Class U Units by 3:00 p.m. (Toronto time) at least ten Business Days prior to the applicable Conversion Date.

For each Class U Unit so converted, a Unitholder will receive that number of Class A Units equal to the Net Asset Value per Class U Unit as at the close of trading on the Business Day immediately preceding the Conversion Date divided by the Net Asset Value per Class A Unit as at the close of trading on the Business Day immediately preceding the Conversion Date. For such purpose, the Fund will utilize the Reference Exchange Rate as of the Business Day immediately preceding the conversion day. No fraction of a Class A Unit will be issued upon any conversion of Class U Units and any fractional amounts will be rounded down to the nearest whole number of Class A Units. A conversion of Class U Units into Class A Units will constitute a disposition of such Class U Units for the purposes of the Tax Act. See “Income Tax Considerations – Taxation of Unitholders”.

Purchase for Cancellation

The Declaration of Trust provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager’s assessment that such purchases are accretive to Unitholders, in all cases at a price per Class A Unit not exceeding the most recently calculated Net Asset Value per Class A Unit immediately prior to the date of any such purchase of Class A Units. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Class A Units are then listed.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Units and not less than 90% of the aggregate of the Units (but not including any Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

The Declaration of Trust also provides that if, prior to the termination of the Fund, a formal bid (as defined in the *Securities Act* (Ontario)) is made for all of the Class U Units and such bid would constitute a formal bid for all Class A Units if the Class U Units had been converted to Class A Units immediately prior to such bid and the offer does not include a concurrent identical take-over bid, including in terms of price (relative to the Net Asset Value per Unit of the class), for the Class A Units then the Fund shall provide the unitholders of Class A Units the right to convert all or a part of their Class A Units into Class U Units and to tender such units to the offer. In the circumstances described above, the Fund shall by press release provide written notice to the unitholders of the Class A Units that such an offer has been made and of the right of such unitholders to convert all or a part of their Class A Units into Class U Units and to tender such units to the offer.

Book-Based System

Registrations of interests in and transfers of Units will be made only through the book-based system administered by CDS.

Units must be purchased, converted, transferred and surrendered for redemption through a CDS Participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by, CDS or the CDS Participant through which the Unitholder holds such Units. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased and will not have the right to receive physical certificates evidencing their ownership in the Units.

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

The Fund has the option to terminate registration of the Units through the book-based system administered by CDS, in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders may be convened by the Trustee by a written requisition specifying the purpose of the meeting, and must be convened by the Trustee if requisitioned by Unitholders holding not less than 10% of the then outstanding Units entitled to vote on the matter (whether Class A Units and/or Class U Units) by a written requisition specifying the purpose of the meeting. The Trustee or the Manager may convene a Class A Meeting or a Class U Meeting if the nature of the business to be transacted at that meeting is only relevant to Unitholders of the applicable class.

Notice of all meetings of Unitholders (whether a meeting of all Unitholders, a Class A Meeting or a Class U Meeting) will be given in accordance with applicable law. The quorum for a meeting of Unitholders is two or more Unitholders present in person or represented by proxy holding not less than five percent of the Units then outstanding (whether Class A Units and/or Class U Units). In the event that such quorum is not present within one-half hour after the time called for a meeting, the meeting, if convened upon the request of a Unitholder, will be dissolved, but in any other case, the meeting will stand adjourned to such day no more than 14 days later and to such time and place as may be appointed by the chairman of the meeting (which for greater certainty can be at a later time on the date of the originally scheduled meeting), and if at such adjourned meeting a quorum is not present, the Unitholders present in person or by proxy at such adjourned meeting will be deemed to constitute a quorum.

The Fund does not intend to hold annual meetings of Unitholders. However, the Fund will undertake to the TSX to hold annual meetings of Unitholders if so instructed by the TSX.

Amendment of Declaration of Trust

Except as provided below, the Declaration of Trust may be amended by an Ordinary Resolution approved at a meeting of Unitholders duly convened and held in accordance with the provisions in that regard contained in the Declaration of Trust, or by written consent in lieu of a meeting if there is only one Unitholder.

The following matters may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

- (a) the removal of the Trustee or any of its affiliates as the trustee of the Fund;
- (b) any change in the investment objectives, investment strategy or investment restrictions of the Fund, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (c) a change in the Manager except if the new manager is an affiliate of the Manager;
- (d) any increase in the Management Fee, except as described under “Fees and Expenses – Service Fee”;
- (e) any amendment, modification or variation in the provisions or rights attaching to the Units;
- (f) any issue of Units (other than (i) pursuant to any warrants or rights issued by the Fund to existing Unitholders at a price no less than the aggregate of (A) the Net Asset Value per Unit of the Fund and (B) any expenses associated with the issuance of such warrants or rights, or (ii) the distribution reinvestment plan) when the net proceeds per Unit are less than the most recently calculated Net Asset Value per Unit prior to the date of setting the subscription price for such issuance calculated as more particularly described under “Description of the Units”.

- (g) any change in the frequency of calculating the Net Asset Value per Unit to less often than daily;
- (h) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund (other than in the ordinary course of business or a Permitted Merger);
- (i) a reorganization (other than a Permitted Merger) with, or transfer of assets to, a mutual fund trust, if:
 - (i) the Fund ceases to continue after the reorganization or transfer of assets; and
 - (ii) the transaction results in Unitholders becoming unitholders in a mutual fund trust;
- (j) a reorganization (other than a Permitted Merger) with, or acquisition of assets of, a mutual fund trust, if:
 - (i) the Fund continues after the reorganization or acquisition of assets;
 - (ii) the transaction results in the unitholders of the mutual fund trust becoming Unitholders; and
 - (iii) the transaction would be a significant change to the Fund;
- (k) any liquidation, dissolution or termination of the Fund except if it is determined by the Manager, in its sole discretion, to be in the best interests of the Unitholders or otherwise in accordance with the terms of the Declaration of Trust or in connection with a Permitted Merger; and
- (l) any amendment to the above provisions except as permitted by the Declaration of Trust.

Notwithstanding the foregoing, the Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) reflect changes to the Tax Act or bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not in the opinion of the Manager adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;
- (d) maintain the status of the Fund as a “mutual fund trust” or, if applicable, a “registered investment” for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof;
- (e) divide the capital of the Fund into additional classes or series of Units and establish the attributes of each class or series;
- (f) provide added protection or benefit to Unitholders; or
- (g) make such modifications as may be necessary or desirable in connection with the termination of the Forward Agreement prior to the termination of the Fund.

In addition, the Manager may, without obtaining Unitholder approval, merge the Fund (a “Permitted Merger”) with another fund or funds, provided that:

- (a) the fund(s) with which the Fund is merged must be managed by the Manager or an affiliate of the Manager (the “Affiliated Fund(s)”);
- (b) Unitholders are permitted to redeem their Units at a redemption price equal to 100% of the Net Asset Value per Unit of the applicable class, less any costs of funding the redemption, including commissions prior to the effective date of the merger;
- (c) the funds being merged have similar investment objectives as set forth in their respective declarations of trust, as determined in good faith by the Manager in its sole discretion;
- (d) the Manager must have determined in good faith that there will be no increase in the management expense ratio borne by the Unitholders as a result of the merger;
- (e) the merger of the funds is completed on the basis of an exchange ratio determined with reference to the net asset value per unit of each fund; and
- (f) the merger of the funds must be capable of being accomplished on a tax-deferred rollover basis for Unitholders.

If the Manager determines that a merger is appropriate and desirable, the Manager can effect the merger, including any required changes to the Declaration of Trust, without seeking Unitholder approval for the merger or such amendments. If a decision is made to merge, the Manager will issue a press release at least 30 days prior to the proposed effective date thereof disclosing details of the proposed merger.

While the funds to be merged will have similar investment objectives, the funds may have different investment strategies, guidelines and restrictions and, accordingly, the units of the merged funds will be subject to different risk factors.

Reporting to Unitholders

The Fund will make available to Unitholders such financial statements and other continuous disclosure documents as are required by applicable law including unaudited interim and audited annual financial statements and management reports of fund performance of the Fund and BUIG Trust, prepared in accordance with Canadian generally accepted accounting principles. The Fund will make available to each Unitholder annually and before March 31 of the following year information necessary to enable such Unitholder to complete an income tax return with respect to the amounts paid or payable by the Fund. Such financial statements and other reports will also be made available on SEDAR (the System for Electronic Document Analysis and Retrieval, found at www.sedar.com).

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. Pursuant to the Declaration of Trust, the Fund will terminate on the date specified in an Extraordinary Resolution calling for the termination of the Fund or when terminated by the Manager as described below. In addition to such termination, the Declaration of Trust also provides that:

- (a) in the event that the Manager resigns and no new Manager is appointed by the Trustee within 90 days of the Manager giving notice to the Trustee of such resignation, the Fund will automatically terminate on a date which is no later than 60 days following the end of such 90 day period; and
- (b) the Manager may, in its discretion, terminate the Fund without the approval of Unitholders if, in its opinion, it would be in the best interests of the Unitholders.

The Manager will provide notice of such termination as described in (b) above upon at least 30 days’ notice to the Unitholders of the termination date by way of press release. The Fund will issue a second press release at

least 10 Business Days in advance of the termination date. Upon such a termination the Fund will pre-settle the Forward Agreement, liquidate the Canadian Securities Portfolio and distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for, which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Fund will be dissolved.

The Declaration of Trust provides that, prior to the termination of the Fund, the Manager will dispose of all of its assets and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust provides that the Manager may, in its discretion and upon not less than 30 days prior notice to the Unitholders (which may be given by press release), postpone any termination date by a period of up to 180 days if the Manager determines that it will be unable to convert all of its assets to cash prior to any termination date and the Manager determines that it would be in the best interests of the Unitholders to do so.

The Manager may also terminate the Fund in connection with a Permitted Merger. See “Unitholder Matters – Amendment of Declaration of Trust”.

USE OF PROCEEDS

The net proceeds from the issue of the minimum number of Units offered hereby (after payment of the Agents’ fee and the expenses of the Offering) are estimated to be approximately \$18,650,000. The net proceeds from the issue of the maximum number of Units offered hereby (after payment of the Agents’ fee and the expenses of the Offering) are estimated to be approximately \$117,767,500, assuming that the Over-Allotment Option is not exercised (assuming only Class A Units are sold). If the Over-Allotment Option is exercised in full under the maximum Offering the net proceeds to the Fund are estimated to be approximately \$135,533,125 (assuming only Class A Units are sold).

The Fund will use the net proceeds of the Offering (including any net proceeds from the exercise of the Over-Allotment Option) for the pre-payment of its purchase obligations under the Forward Agreement with the Counterparty. Under the Forward Agreement, the Fund will, on or about the Forward Termination Date, acquire the Canadian Securities Portfolio having an aggregate value equal to the redemption proceeds that would be received on a redemption of the relevant number of units of BUIG Trust.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as, and have been appointed as, the sole and exclusive agents of the Fund to offer the Units for sale, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund in accordance with the conditions contained in the Agency Agreement. The Class A Units will be issued at a price of \$10.00 per Unit and the Class U Units will be issued at a price of U.S.\$10.00 per Unit. The offering price per Unit was determined by negotiation between the Agents and the Manager on behalf of the Fund. In consideration for their services in connection with the Offering, the Agents will be paid a fee of \$0.525 per Class A Unit (5.25%) and U.S.\$0.525 per Class U Unit (5.25%) sold under the Offering and will be reimbursed for reasonable out of pocket expenses incurred by them. The Agents’ fees and expenses will be paid by the Fund out of the proceeds of the Offering. The Agents may form a sub-agency group including other qualified investment dealers and limited market dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold.

The Fund has granted to the Agents an option, which is exercisable for a period of 30 days from the Closing Date to purchase up to 15% of the aggregate number of Class A Units issued on Closing on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Class A Units will be sold at \$10.00 per Class A Unit and the Agents will be paid a fee of \$0.525 per Class A Unit sold. If the Over-Allotment Option is exercised in full under the maximum Offering, the price to the public, Agents’ fee and net proceeds to the Fund are estimated to be \$143,750,000, \$7,546,875 and \$136,203,125, respectively (assuming only Class A Units are sold). This prospectus qualifies the grant of the Over-Allotment Option and the distribution of the

Class A Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Class A Units forming part of the Agents' over-allocation position acquires such Class A Units under this prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscription amounts received in trust will be held in segregated accounts with a depository who is a registered dealer, bank or trust company until the minimum amount of subscriptions for Units has been obtained. If subscriptions for a minimum of 2,000,000 Class A Units (or \$20,000,000) have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue and subscription proceeds will be returned to investors, without interest or deduction, unless an amendment to this prospectus is filed. In the event the Closing does not occur for any reason, subscription proceeds received from prospective purchasers in respect of the Offering will be returned to such purchasers promptly without interest or deduction. Under the terms of the Agency Agreement, the Agents, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, may terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. The Closing will take place on or about March 21, 2013 or such later date as the Fund and the Agents may agree, but in any event not later than 90 days after a final receipt for this prospectus is issued.

The Units have not been, nor will they be, registered under the U.S. Securities Act or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act. The Agents have agreed that they will not offer or sell the Units within the United States or to, or for the account or benefit of, U.S. persons except in transactions that are exempt from the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States or to, or for the account or benefit of, a U.S. person by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such an offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

The Fund will enter into the Forward Agreement with the Counterparty, which will be a Canadian chartered bank or an affiliate thereof and an affiliate of one of the Agents). Accordingly, the Fund may be considered a "connected issuer" of such Agent. See "Overview of the Investment Structure - The Forward Agreement".

The TSX has conditionally approved the listing of the Class A Units. Listing of the Class A Units is subject to the Fund fulfilling all of the listing requirements of the TSX on or before May 26, 2013. The Class A Units, if listed, will be listed for trading under the symbol "BUA.UN".

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers, the Agents may not, throughout the period of distribution under this prospectus, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, an Agent may, in connection with the Offering, over-allot or effect transactions in connection with its over-allotted position. Such transactions, if commenced, may be discontinued at any time.

Although units of BUIG Trust are not being offered to the public, the Fund has agreed to obtain a receipt for a prospectus of BUIG Trust from each of the Autorité des marchés financiers and the Ontario Securities Commission. The Fund has also agreed to deliver a copy of such prospectus to a purchaser of Units in the Province of Québec prior to the purchase of Units by such person in the Province of Québec.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager is entitled to receive the Management Fee and will be reimbursed by the Fund for all expenses incurred in connection with the operation and administration of the Fund. See “Organization and Management Details of the Fund” and “Fees and Expenses”.

PROXY VOTING DISCLOSURE

The proxies associated with the securities comprising the Portfolio will be voted by the Manager in accordance with the Manager’s proxy voting policy (the “Proxy Voting Policy”). The objective in voting is to support proposals and director nominees that maximize the value of the Fund’s investments – and those of its Unitholders – over the long term. In evaluating proxy proposals, information from many sources will be considered, including management or shareholders of a company presenting a proposal and independent proxy research services. Substantial weight will be given to the recommendations of a company’s board, absent guidelines or other specific facts that would support a vote against management. The Manager has developed guidelines that address the following circumstances: election of directors; contested director elections; classified boards; director/officer indemnification; director ownership; approval of independent auditors; stock based compensation plans; bonus plans; employee stock purchase plans; executive severance agreements; shareholder rights plans; defences; cumulative voting; voting requirements matters related to shareholder meetings, among others.

While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which the Fund may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Manager will evaluate the issue and cast the Fund’s vote in a manner that, in the Manager’s view, will maximize the value of the Fund’s investment.

The current Proxy Voting Policy and procedures of the Manager are available to Unitholders on request, at no cost, by calling toll-free 1-855-BLOOM18.

The Fund’s proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request, at no cost, and will also be available on the Internet at www.bloomfunds.ca. Information contained on the Manager’s website is not part of this prospectus and is not incorporated herein by reference.

MATERIAL CONTRACTS

The only material contracts entered into by the Fund or the Manager during the past two years or to which either of them will become a party prior to, or on the date of, the Closing, as applicable, other than during the ordinary course of business, are as follows:

- (a) the Declaration of Trust referred to under “Overview of the Legal Structure of the Fund”;
- (b) the Fund Custodian Agreement referred to under “Organization and Management Details of the Fund – The Custodian”;
- (c) the Agency Agreement referred to under “Plan of Distribution”; and
- (d) the Forward Agreement referred to under “Overview of the Investment Structure – The Forward Agreement”.

Copies of the foregoing documents may be examined during normal business hours at the principal office of the Fund during the period of distribution to the public of the Units offered under the Offering and for a period of 30 days thereafter. Copies of the Declaration of Trust may be obtained at any time from the Manager on written request.

EXPERTS

Certain legal matters in connection with the issuance and sale of the Units offered by this prospectus will be passed upon on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Agents by McCarthy Tétrault LLP.

The auditor of the Fund is PricewaterhouseCoopers LLP, Chartered Accountants, Licensed Public Accountants. PricewaterhouseCoopers LLP has advised that it is independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two Business Days after receipt or deemed receipt of a prospectus and any amendment thereto. 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 this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such 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 his or her province or territory of residence for the particulars of these rights or consult with a legal advisor.

In addition, the Trustee has agreed on behalf of the Fund that purchasers in the Province of Québec have the right to withdraw from an agreement to purchase Units which may be exercised within two Business Days after receipt or deemed receipt of a prospectus of BUIG Trust.

INDEPENDENT AUDITOR'S CONSENT

We have read the prospectus of Bloom U.S. Advantaged Income & Growth Fund (the "Fund") dated February 25, 2013 relating to the offering of Class A units and Class U units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Unitholder and the Trustee of the Fund on the statement of net assets of the Fund as at February 25, 2013. Our report is dated February 25, 2013.

Toronto, Ontario
February 25, 2013

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants
Licensed Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Unitholder and the Trustee of Bloom U.S. Advantaged Income & Growth Fund.

We have audited the accompanying financial statement of Bloom U.S. Advantaged Income & Growth Fund, which comprises the statement of net assets as at February 25, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Bloom U.S. Advantaged Income & Growth Fund as at February 25, 2013 in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
February 25, 2013

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants
Licensed Public Accountants

BLOOM U.S. ADVANTAGED INCOME & GROWTH FUND

STATEMENT OF NET ASSETS

As at February 25, 2013

Assets

Cash**\$10**

Unitholder's Equity

Unitholder's Equity Class A (1 Unit) (Note 1).....**\$10**

Net Assets per Unit**\$10**

The accompanying notes are an integral part of this statement of net assets.

Approved on behalf of Bloom U.S. Advantaged Income & Growth Fund
By: Bloom Investment Counsel, Inc.

(Signed) M. PAUL BLOOM
Director

(Signed) ADINA BLOOM SOMER
Director

BLOOM U.S. ADVANTAGED INCOME & GROWTH FUND

NOTES TO STATEMENT OF NET ASSETS

As at February 25, 2013

1. ORGANIZATION AND UNITHOLDER'S EQUITY

Bloom U.S. Advantaged Income & Growth Fund (the "Fund") is an investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of February 25, 2013. The beneficiaries of the Fund will be the unitholders of Class A Units and Class U Units (collectively, the "Units").

The beneficial interest in the net assets and net income of the Fund is divided into two classes of units, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of transferable, redeemable Units. The Class U Units may be converted into Class A Units on a monthly basis. On February 25, 2013 the Fund was settled and issued an initial Class A Unit for cash consideration of \$10 to M. Paul Bloom, as settlor of the Fund.

The Fund will use the net proceeds from its initial public offering for the pre-payment of its purchase obligations under a forward agreement with a counterparty. On the closing of the offering, such counterparty or one of its affiliates may subscribe for units of BUIG Trust, a newly created investment fund established pursuant to the laws of the Province of Ontario for the purpose of acquiring and holding a portfolio consisting primarily of publicly traded high dividend paying U.S. common equity securities, including REITs (the "Portfolio"), with an aggregate purchase price of not less than the pre-payment received from the Fund as the pre-payment of its purchase obligations under the forward agreement. BUIG Trust will use any subscription proceeds to acquire the Portfolio.

Units may be redeemed annually on the last business day of October, commencing in 2014 (each, an "Annual Redemption Date"). Units may be surrendered annually for redemption during the period from September 15 until 5:00 p.m. (Toronto time) on the last business day in September of each year subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the second last business day in October of each year and the holder of Units ("Unitholder") will receive a redemption price per Unit equal to 100% of the net asset value per unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that is distributed to Unitholders concurrently with the redemption proceeds. Redemption proceeds will be paid no later than the 15th business day immediately following an Annual Redemption Date.

In addition to the annual redemption right, Unitholders may choose to redeem Units on the second last business day of each month other than a month in which an Annual Redemption Date occurs (each, a "Monthly Redemption Date"), subject to certain conditions including the Fund's right to suspend redemptions in certain circumstances. In order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last business day of the month preceding the Monthly Redemption Date. Payment of the redemption price will be made on or before the means the 15th business day of the month immediately following a Monthly Redemption Date. Concurrently with, and as part of, the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains or income of the Fund realized by it to fund the payment of the redemption price.

Unitholders surrendering a Class A Unit for redemption on a Monthly Redemption Date will receive a redemption price equal to the lesser of (i) 94% of the weighted average trading price on the Toronto Stock Exchange ("TSX") (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date and (ii) 100% of the closing price of the Class A Unit on the TSX on such Monthly Redemption Date (or such other stock exchange on which the Class A Unit is listed) or, if there was no trade on the relevant Monthly Redemption Date, the average of the last bid

and the last ask prices of the Class A Unit on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that is distributed to a Unitholder concurrently with the proceeds of disposition on redemption (the “Monthly Redemption Amount”). Unitholders surrendering a Class U Unit for redemption will receive an amount equal to the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated net asset value per Unit of a Class U Unit and the denominator of which is the most recently calculated net asset value per Unit of a Class A Unit. For such purpose, the Fund will utilize the Bank of Canada closing rate as found on www.bankofcanada.ca/rates/exchange/ current at, or as nearly as practicable to, the Monthly Redemption Date in respect of a monthly redemption of Class U Units.

2. SIGNIFICANT ACCOUNTING POLICIES

This financial statement has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). In applying Canadian GAAP, management may make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statement.

Issue Costs: Issue costs incurred in connection with the offering will be charged to equity.

Cash: Cash is stated at fair value.

IFRS: For periods beginning on or after January 1, 2014, the Fund expects to report using International Financial Reporting Standards.

3. MANAGEMENT AND SERVICE FEES

The Manager will receive a management fee (i) from the Fund equal in the aggregate to 0.80% per annum of the net asset value of the Fund comprised of 0.40% per annum of the net asset value of the Fund, calculated and payable monthly in arrears, plus an amount calculated quarterly and paid as soon as practicable after the end of each calendar quarter equal to the Service Fee of 0.40% per annum of the net asset value attributable to the Units referred to below, and (ii) from BUIG Trust equal to 0.75% per annum of the net asset value of BUIG Trust, as reduced to take into account any leverage, calculated and payable monthly in arrears, plus, in each case, applicable taxes.

The Fund will pay to the counterparty under the forward agreement an additional purchase amount under the forward agreement, calculated daily and payable monthly in arrears, of 0.35% per annum of the notional amount of the forward agreement (being effectively equal to the net asset value of BUIG Trust).

4. SUBSEQUENT EVENTS

The Fund and the Manager, have entered into an agency agreement with BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Raymond James Ltd., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc., Dundee Securities Ltd., Industrial Alliance Securities Inc. and Manulife Securities Incorporated (collectively, the “Agents”) dated as of February 25, 2013 pursuant to which the Fund has agreed to create, issue and sell, and the Agents have agreed to offer for sale to the public a minimum of 2,000,000 Class A Units and/or Class U Units and a maximum of 12,500,000 Class A Units and/or Class U Units at \$10 per Class A Unit and U.S.\$10 per Class U Unit. In consideration for their services in connection with the offering, the Agents will be paid a fee of \$0.525 per Class A Unit and U.S.\$0.525 per Class U Unit out of the proceeds of the offering. In addition, expenses of the initial offering of an amount not to exceed 1.5% of the gross proceeds of the offering will be paid out of the gross proceeds of the offering.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: February 25, 2013

This prospectus 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 all of the provinces and territories of Canada.

BLOOM INVESTMENT COUNSEL, INC.

as Manager, Promoter and on behalf of

BLOOM U.S. ADVANTAGED INCOME & GROWTH FUND

BY: (SIGNED) M. PAUL BLOOM
PRESIDENT AND SECRETARY, AS CHIEF
EXECUTIVE OFFICER

BY: (SIGNED) FIONA E. MITRA
CHIEF FINANCIAL OFFICER

On behalf of the Board of Directors
of
BLOOM INVESTMENT COUNSEL, INC.

BY: (SIGNED) ADINA BLOOM SOMER
DIRECTOR

BY: (SIGNED) BEVERLY LYONS
DIRECTOR

CERTIFICATE OF THE AGENTS

Dated: February 25, 2013

To the best of our knowledge, information and belief, this prospectus 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 all of the provinces and territories of Canada.

BMO NESBITT BURNS INC.

(SIGNED) ROBIN G. TESSIER

CIBC WORLD MARKETS INC.

(SIGNED) MICHAEL D. SHUH

RBC DOMINION SECURITIES INC.

(SIGNED) EDWARD V. JACKSON

NATIONAL BANK FINANCIAL
INC.

(SIGNED) TIMOTHY D. EVANS

RAYMOND JAMES LTD.

(SIGNED) J. GRAHAM FELL

SCOTIA CAPITAL INC.

(SIGNED) BRIAN D.
MCCHESNEY

TD SECURITIES INC.

(SIGNED) CAMERON GOODNOUGH

CANACCORD GENUITY CORP.

(SIGNED) RON SEDRAN

DESJARDINS SECURITIES INC.

(SIGNED) BETH A. SHAW

GMP SECURITIES L.P.

(SIGNED) NEIL M. SELFE

MACKIE RESEARCH CAPITAL
CORPORATION

(SIGNED) DAVID J. KEATING

MACQUARIE PRIVATE WEALTH INC.

(SIGNED) BRENT LARKAN

DUNDEE SECURITIES LTD.

(SIGNED) AARON UNGER

INDUSTRIAL ALLIANCE
SECURITIES INC.

(SIGNED) BRUNO BLOUIN

MANULIFE SECURITIES
INCORPORATED

(SIGNED) WILLIAM PORTER



MANAGED BY BLOOM INVESTMENT COUNSEL, INC.