

Sceptre Pooled Investment Fund - Canadian Equity Section

Financial Statements
December 31, 2009

February 18, 2010

**To the Unitholders of
Sceptre Pooled Investment Fund - Canadian Equity Section**

We have audited the statement of investment portfolio of **Sceptre Pooled Investment Fund - Canadian Equity Section** as at December 31, 2009, the statements of net assets as at December 31, 2009 and 2008 and the statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of Sceptre Investment Counsel Limited (the Manager). Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and 2008 and the results of its operations and the changes in its net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Sceptre Pooled Investment Fund - Canadian Equity Section

Statements of Net Assets

As at December 31

	2009	2008
	\$	\$
Assets		
Investments at fair value	256,861,039	189,470,150
Short-term investments at fair value	3,498,286	4,547,001
Cash	69,356	200,460
	<u>260,428,681</u>	<u>194,217,611</u>
Subscription receivable	40,606	-
Interest and dividends receivable	582,252	492,263
	<u>261,051,539</u>	<u>194,709,874</u>
Liabilities		
Redemptions payable	405,004	32,851
Accounts payable	12,583	19,683
	<u>417,587</u>	<u>52,534</u>
Net Assets and Unitholders' Equity	<u>260,633,952</u>	<u>194,657,340</u>
Number of units outstanding	<u>982,972</u>	<u>965,228</u>
Net Assets per unit	<u>\$ 265.15</u>	<u>\$ 201.67</u>

Sceptre Pooled Investment Fund - Canadian Equity Section

Statements of Operations

For the years ended December 31

	2009	2008
	\$	\$
Income		
Interest	38,028	226,357
Dividends	5,829,324	3,435,643
Income received from income trusts	371,336	174,166
Securities lending income	20,038	17,459
	<u>6,258,726</u>	<u>3,853,625</u>
Expenses		
Audit fees	7,800	7,115
Custodial fees	15,662	11,506
Trustee fees	1,500	1,500
Other expenses	50,111	52,694
	<u>75,073</u>	<u>72,815</u>
Net investment income for the year	<u>6,183,653</u>	<u>3,780,810</u>
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments	(2,050,572)	(1,390,529)
Transaction costs (note 6)	(91,835)	(139,672)
Change in unrealized appreciation (depreciation) in value of investments during the year	<u>62,513,504</u>	<u>(82,111,385)</u>
Net gain (loss) on investments	<u>60,371,097</u>	<u>(83,641,586)</u>
Increase (decrease) in net assets from operations	<u>66,554,750</u>	<u>(79,860,776)</u>
Increase (decrease) in net assets from operations per unit	<u>\$ 65.47</u>	<u>\$ (123.25)</u>

Sceptre Pooled Investment Fund - Canadian Equity Section

Statements of Changes in Net Assets

For the years ended December 31

	2009	2008
	\$	\$
Net assets at beginning of year	<u>194,657,340</u>	122,869,209
Increase (decrease) in net assets from operations	<u>66,554,750</u>	(79,860,776)
Capital		
Proceeds from units issued	31,386,224	167,000,623
Value of units redeemed	(31,964,362)	(15,351,716)
Capitalized distributions	<u>6,501,011</u>	3,586,118
Net capital unit transactions	<u>5,922,873</u>	155,235,025
Distributions to unitholders		
Net investment income	<u>(6,501,011)</u>	(3,586,118)
Total Distributions	<u>(6,501,011)</u>	(3,586,118)
Increase (decrease) in net assets for the year	<u>65,976,612</u>	71,788,131
Net assets at end of year	<u><u>260,633,952</u></u>	<u>194,657,340</u>
Number of Units		
Balance - beginning of year	965,228	414,846
Units issued during the year	147,587	608,611
Units redeemed during the year	<u>(129,843)</u>	(58,229)
Balance - end of year	<u><u>982,972</u></u>	<u>965,228</u>

SCEPTRE POOLED INVESTMENT FUND- CANADIAN EQUITY

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2009

	NUMBER OF SHARES/ UNITS	AVERAGE COST (\$)	FAIR VALUE (\$)	% OF TOTAL
Cash		69,605	69,356	0.03
Short-Term Notes				
Treasury Bills				
Canada Treasury Bills, with various due dates to Apr 29, 2010 0.250% - 0.285%		3,497,606	3,498,286	1.34
Total Short-Term Notes		3,497,606	3,498,286	1.34
Equities				
Energy				
ARC Energy Trust	115,349	2,718.925	2,300,059	
Cameco Corp.	113,669	2,910.368	3,843,149	
Canadian Natural Resources Ltd.	131,808	8,429.671	9,973,911	
Canadian Oil Sands Trust	147,700	3,390.324	4,399,983	
Conovus Energy Inc.	236,088	6,424.808	6,249,249	
Crescent Point Energy Corp.	83,340	2,699.617	3,287,763	
EnCana Corp.	236,188	7,068.333	8,042,201	
Husky Energy Inc.	50,852	1,825.897	1,526,577	
Imperial Oil Ltd.	76,957	3,913.745	3,125,224	
Nexen Inc.	227,517	5,173.911	5,719,777	
Suncor Energy Inc.	303,403	12,434.127	11,259,285	
Talisman Energy Inc.	137,187	1,963.349	2,682,006	
Total Energy		58,953,075	62,409,184	23.97
Materials				
Agnico-Eagle Mines Ltd.	48,651	2,679.258	2,762,890	
Barrick Gold Corp.	123,155	4,833.330	5,098,617	
Franco-Nevada Corp.	73,900	2,207.656	2,075,112	
Goldcorp Inc.	195,969	6,211.423	8,095,479	
Kinross Gold Corp.	75,160	1,378.003	1,452,843	
Potash Corp. of Saskatchewan	97,730	10,883.916	11,151,970	
Teck Cominco Ltd., Class B	159,647	4,540.958	5,859,045	
Total Materials		32,734,544	36,495,956	14.02
Industrials				
Capital Goods				
Finning International Inc.	80,200	1,263.459	1,330,518	0.51
Transportation				
Canadian National Railway Co.	192,109	8,245.285	10,979,029	
Canadian Pacific Railway Ltd.	60,713	3,608.406	3,442,427	
		11,253.691	14,421,456	5.54
Total Industrials		12,517,150	15,751,974	6.05
Consumer Discretionary				
Media				
Shaw Communications Inc., Class B	235,170	4,608.861	5,079,672	1.95
Retailing				
Canadian Tire Corp. Ltd., Class A	54,300	2,561.515	3,114,105	1.20
Total Consumer Discretionary		7,170,376	8,193,777	3.15

The accompanying notes are an integral part of these financial statements.

SCEPTRE POOLED INVESTMENT FUND- CANADIAN EQUITY

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2009

	NUMBER OF SHARES/ UNITS	AVERAGE COST (\$)	FAIR VALUE (\$)	% OF TOTAL	
Consumer Staples					
Food & Staples Retailing					
Shoppers Drug Mart Corp.	99,958	4,491,644	4,537,094		
Total Consumer Staples		4,491,644	4,537,094	1.74	
Financials					
Banks					
Bank of Montreal	88,445	4,073,312	4,934,347		
Bank of Nova Scotia	299,038	12,362,124	14,709,679		
Canadian Imperial Bank of Commerce	143,218	9,253,802	9,731,663		
Royal Bank of Canada	367,810	15,632,950	20,729,773		
Toronto-Dominion Bank	121,604	6,706,485	8,018,568		
		48,028,673	58,124,030	22.33	
Insurance					
Manulife Financial Corp.	490,200	13,908,324	9,460,860		
Power Corp. of Canada	45,555	1,200,743	1,326,562		
Power Financial Corp.	168,025	4,632,197	5,207,095		
		19,741,264	15,994,517	6.14	
Real Estate					
Brookfield Asset Management Inc., Class A	153,422	5,025,835	3,580,869	1.37	
Total Financials		72,795,772	77,699,416	29.84	
Information Technology					
Technology Hardware & Equipment					
Research In Motion Ltd.	129,615	9,394,451	9,197,480	3.53	
Total Information Technology		9,394,451	9,197,480	3.53	
Telecommunication Services					
BCE Inc.	149,393	5,033,704	4,324,928		
Rogers Communications Inc., Class B	181,899	5,452,493	5,922,632		
Total Telecommunication Services		10,486,197	10,247,560	3.93	
Total Equities		208,543,209	224,532,441	86.23	
Pooled Funds					
Sceptre Pooled Investment Fund - Small Capitalization Section	293,175	27,089,446	32,328,598		
Total Pooled Funds		27,089,446	32,328,598	12.41	
Total Equities, and Pooled Funds		235,632,655	256,861,039	98.63	
Transaction costs		(165,572)			
Total Investment Portfolio Including Cash and Short-Term Notes			239,034,294	260,428,681	100.00

The accompanying notes are an integral part of these financial statements.

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

1. Organization

The Sceptre Pooled Investment Fund (the "Fund") was established under a Declaration of Trust dated May 4, 1983, as amended, with RBC Dexia Investor Services Trust as Trustee as a means by which assets of certain of the clients of Sceptre Investment Counsel Limited (the "Manager") are pooled and jointly managed. Since fees are charged to the participants, no fees are charged to the fund by Sceptre Investment Counsel Limited, although the fund does bear certain administrative costs.

The Canadian Equity Section of the Fund (the "Section") commenced operations on November 24, 1997 with a net asset value of \$100 per unit.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Actual results could vary from these estimates.

(a) Adoption of new accounting standards

On January 20, 2009, The Canadian Institute of Chartered Accountants (CICA) Accounting Standards Board issued Emerging Issues Committee Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC-173). EIC-173 supplements CICA Handbook Section 3855, wherein it states that fair value takes into account the credit quality of a financial instrument. The EIC-173 affirms that an entity's own credit risk (in the case of financial liabilities) and counterparty's credit risk (in the case of financial assets) should be taken into account in determining the fair values of financial assets and financial liabilities, including derivative instruments.

The Manager has reviewed its policies for valuation of assets and liabilities and believes that the fair values ascribed to the financial assets and financial liabilities in these financial statements incorporate appropriate levels of credit risk.

Effective January 1, 2009, the Section adopted the recent amendments to CICA 3862, "Financial Instruments – Disclosures".

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

These amendments establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows.

- | | |
|---------|---|
| Level 1 | Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities. |
| Level 2 | Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active. |
| Level 3 | Inputs that are based on unobservable market data and which require significant management judgment or estimation. |

(b) Financial Instruments and Capital Disclosures

On January 1, 2008, the Section adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation". The standard replaced Section 3861, "Financial Instruments – Disclosure and Presentation". These sections establish standards for the comprehensive disclosure and presentation requirements for financial instruments. The standards include requirements to quantify certain risk exposures and to provide sensitivity analysis for certain risks. Refer to Financial Instrument Risk (note 10) for disclosures relating to the adoption of the requirements.

The Section's financial instruments consist of cash, available-for-trading investments, receivables and payables. The carrying values of cash, receivables and payables approximate fair value due to their short term nature. The Section is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests.

On January 1, 2008 the Section also adopted CICA Section 1535, "Capital Disclosures", which requires that the Sections disclose information about their objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. This standard impacts the Sections' disclosure provided but does not affect the Sections' results or financial position.

(c) Valuation of investments

Investments are deemed as held for trading in accordance with CICA Section 3855 and Accounting Guideline 18 and the fair value of investments as at the financial reporting period end is determined as follows:

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

- (i) Securities traded in an active market are valued at their bid prices through recognized public stock exchanges or through recognized investment dealers. Securities with no available bid prices are valued at their closing sale prices.
- (ii) Securities not traded in an active market are valued using valuation techniques, using observable market inputs where possible on such basis and in such manner as established by the Manager.
- (iii) Short-term notes, treasury bills, bonds, asset backed securities and other debt instruments are valued at the bid quotations from recognized investment dealers.
- (iv) Underlying funds are valued each business day at the price calculated by the manager of such underlying funds in accordance with the relevant documents of such underlying fund.

The Section continues to use the close or last trade price as fair value of a security to determine the daily transactional Net Asset Value (“NAV”) per unit for purchases and redemptions by clients, in accordance with Part 1.4 of National Instrument 81-106 – Investment Fund Continuous Disclosure.

This means the valuation method used to calculate the daily Net Asset Value to transact units of the Section is not identical to the accounting policies used to determine the financial statement Net Assets. Any difference between the Net Asset Value and Net Assets is not significant and is disclosed in note 9.

(d) Transaction costs

Transaction costs are expensed as incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

(e) Unit valuation and valuation date

Units are issued and redeemed on a continuous basis at their Net Asset Value per unit which is determined on each day that the Toronto Stock Exchange is open for business. The unit valuation is determined by dividing the aggregate market value of the net assets by the total number of units outstanding at the close of business on the valuation day.

(f) Investment transactions

Investment transactions are accounted for on the trade date. The cost of investments represents the amount paid for each security, and is determined on the average cost basis.

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

(g) Revenue recognition

- (i) Interest income and income from securities lending is recorded on an accrual basis.
- (ii) Dividend income is recorded on the ex-dividend date and is net of withholding taxes.
- (iii) Realized gains and (losses) on investments and unrealized appreciation (depreciation) in value of investments are calculated with reference to the average cost of the related investments.
- (iv) Income received from income trusts is recorded on the ex-distribution date and allocated between income, capital gains and return of capital when the information necessary for such an allocation becomes available.
- (v) Income includes distributions received from other pooled fund units.

The Fund continues to use the close or last trade price as fair value of a security to determine the daily transactional Net Asset Value for purchases and redemptions by clients. This means the valuation method used to calculate the daily Net Asset Value to transact units of the Fund is not identical to the accounting policies used to determine the financial statement Net Assets. Any difference between the Net Asset Value per unit and Net Assets per unit is not significant and is disclosed in note 9.

(h) Foreign exchange

Foreign currency amounts are expressed in Canadian dollars on the following basis:

- (i) Market value of investments, other assets and liabilities at the rate of exchange prevailing on December 31.
- (ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

(i) Increase (decrease) in net assets from operations per unit

“Increase (decrease) in net assets from operations per unit” in the Statements of Operations represents the increase (decrease) in net assets from operations attributable to each class for the year, divided by the weighted average units outstanding during the year.

3. Fair Value Disclosure

The Section’s assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the amendment to CICA 3862. See note 2(a) for a discussion of the Section’s policies regarding this hierarchy. The following fair value hierarchy table presents information about the Section’s assets measured at fair value on a recurring basis as of December 31, 2009.

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

(Thousands of dollars)	Financial Assets at fair value as at December 31, 2009		
	Level 1	Level 2	Total
Equities - Long	224,532	-	224,532
Pooled Funds	32,329	-	32,329
Short Term Notes	-	3,498	3,498
	256,861	3,498	260,359

During the year, there were no transfers between Level 1 and Level 2 and no Level 3 financial assets were held.

4. Income Taxes

The Section qualifies as a Unit Trust as defined in the Income Tax Act (Canada). Pursuant to the terms of The Declaration of Trust establishing the Fund, the Section is deemed to distribute annually to the unitholders all of the net taxable income, including net realized gains on investment transactions and such distributions are immediately recontributed to the Section without any increase in the number of units outstanding. As the net income, including net realized gains, is paid or payable to the unitholders, under existing tax legislation it is taxable in the hands of the unitholders and not in the Section. Accordingly, no provision for Canadian income taxes on such income has been included in these financial statements.

As at December 31, 2009, the Section had nil accumulated (2008- \$nil) non-capital losses and \$2,911,101 (2008 - \$1,421,094) in net capital losses to carry forward.

The net capital losses are available for carry forward indefinitely for tax purposes, and may be applied against net capital gains realized in the future.

5. Related Party Transactions

The Section invests in other sections of the Fund. All sections of the Fund are under common control. As at December 31, 2009 and 2008 these investments were as follows:

Name	Fair Value	
	2009	2008
Sceptre Pooled Investment Fund -		
Small Capitalization Section	\$ 32,328,598	\$ 17,053,507
Total	\$ 32,328,598	\$ 17,053,507

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

6. Commissions and Other Transaction Costs

The amounts paid by the Section for brokerage commissions and other transaction costs for portfolio transactions are included in the Statement of Operations for each Section.

The Section paid \$14,320 (2008 - \$31,691) in soft dollar commissions during the year.

7. Securities Lending

The aggregate market value of securities loaned and collateral held under securities lending transactions as at December 31, 2009 and 2008 are as follows

	Outstanding Loans		Collateral Amount	
	2009	2008	2009	2008
Canadian Equity Section	\$ 9,966,336	\$ 16,939,546	\$ 10,464,654	\$ 18,006,986

The collateral held is in the form of Treasury Bills, Bankers' Acceptances and debt obligations of the Federal and Provincial Governments. The collateral held is not included in the Statement of Investment Portfolio.

8. Filing Exemption

National Instrument 81-106 Investment Fund Continuous Disclosure (the "rule") allows for Investment Funds categorized as non-reporting issuers to take advantage of an exemption to file annual and interim financial statements with the relevant regulatory authority as per Section 2.11 of the rule. The Fund, as a non-reporting issuer, is relying on this exemption and therefore does not make such filings.

9. Comparison of Net Asset Value and Net Assets

The table below shows the difference between Net Asset Value per unit and Net Assets per unit as at December 31:

	2009		2008	
	Net Assets Per Unit (\$)	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)	Net Asset Value Per Unit (\$)
Sceptre Pooled Investment Fund - Canadian Equity Section	265.15	265.62	201.67	202.03

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

10. Financial Instrument Risk

The Section's financial instruments consist of cash, investments, receivables and payables. As a result, the Section is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, credit risk, liquidity risk and underlying fund risk. These risks and related risk management practices employed by the Section are discussed below.

Market Risk

Market risk is comprised of three components: market price risk, interest rate risk and foreign currency risk.

The Section's market risk is primarily related to changes in actual market prices on its portfolio of equity securities, and to a limited degree by interest rate risk on its short-term note investments. There is no foreign currency risk as the Section's financial instruments are denominated in Canadian dollars.

(a) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Section are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Section is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Section's market price risk is managed through diversification of the investment portfolio. The Investment Manager monitors the Section's overall market positions on a daily basis and positions are maintained within established ranges.

Utilizing a predicted beta of 1.07 (2008 – 1.03), if the S&P/TSX Composite index had increased or decreased by 5% at December 31, 2009, with all other variables held constant, the Section's net assets could have increased or decreased, respectively, by approximately \$12,718,000 (2008 - \$9,758,000). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

arises when the Section invests in interest-bearing financial instruments, and indirectly through its investment holdings in underlying Sections of the Fund. Interest rate risk is considered to be minimal in the Section as its holdings of short-term investments, represent only 1.34% (2008: 2.34%) of the fair value of the Section at December 31, 2009.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Section is subject to credit risk from its short-term note investments. However, since the short-term notes are Canada Treasury Bills or are guaranteed by the Government of Canada, and represent only 1.34% (2008: 2.34%) of the fair value of the Section, credit risk is considered minimal.

All portfolio transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities are received by the broker. The trade will not settle if either party fails to meet its obligation.

The Section may engage in securities lending transactions with counterparties. Credit risk associated with these transactions is considered minimal as: the value of the collateral must be no less than 102% of the value of the loaned securities (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below 102% minimum level); the collateral to be held may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan; the Section cannot loan more than 50% of the total value of its assets through securities lending transactions; and the Section's total exposure to any one borrower in securities, derivative transactions and securities lending will be limited to 10% of the total value of the Section's assets.

Liquidity Risk

Liquidity risk is the risk that the Section will encounter difficulty in raising funds to meet cash-flow commitments associated with financial instruments. The Section is exposed to daily cash redemptions of redeemable units. The units of the Section are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Section's assets in investments that are traded in an active market and can be readily disposed of. In addition, the Section aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

The Section's investments are considered readily realizable and highly liquid, therefore the Section's liquidity risk is considered minimal.

Underlying Fund Risk

Underlying fund risk is the risk that the securities of underlying fund may be held in significant percentages by the Section. In order to meet redemption requests by the Section, the underlying fund may have to alter its portfolio significantly to accommodate large fluctuations in assets and sell their investments at unfavorable prices. This can reduce the returns of the underlying fund. However, the Section's investments in underlying funds at December 31, 2009 and 2008 are not significant in relation to the size of the underlying funds and therefore, underlying fund risk is considered minimal.

11. Unitholders' Equity

Units of the Section, which are redeemable at the option of the unitholder in accordance with the provisions of the Declaration of Trust, do not have any nominal or par value and the number of units which may be issued is unlimited. Units of the Section are issued or redeemed on a daily basis at the NAV per unit next determined after the purchase order of redemption request, respectively, is received by the Manager.

Units issued and outstanding represent the capital of the Section. Changes in the Section's capital during the year are reflected in the Statements of Changes in Net Assets. The Manager is responsible for managing the capital of the Section in accordance with their investment objectives and in managing its liquidity in order to meet redemption requests.

12. Future changes in accounting standards

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises effective January 1, 2011, which includes investment funds. The Section will adopt IFRS on January 1, 2011. Management has commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS and is in the process of developing a changeover plan, which will include identifying differences between the Sections' current accounting policies and those it expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on NAV of the Section. Management has presently determined that there will be no significant impact to NAV per Unit as a

Sceptre Pooled Investment Fund - Canadian Equity Section

Notes to Financial Statements

December 31, 2009

result of the changeover to IFRS. Management is continuing to assess the impact to NAV of the Section of future accounting changes relating to the convergence of IFRS with US GAAP.