
ARCTIC GLACIER INCOME FUND

2005 TAX INFORMATION

THIS SUMMARY IS INTENDED TO PROVIDE INDIVIDUAL UNITHOLDERS OF THE FUND ADDITIONAL INFORMATION TO ASSIST IN THE PREPARATION OF THEIR 2005 INCOME TAX RETURNS. THE INFORMATION PRESENTED IS OF A GENERAL NATURE ONLY, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL, BUSINESS OR TAX ADVICE TO ANY PARTICULAR UNITHOLDER. THE FUND RECOMMENDS THAT UNITHOLDERS CONSULT THEIR OWN TAX ADVISORS REGARDING THE INCOME TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

CANADIAN RESIDENTS

2005 Cash Distribution Summary for Income Tax Purposes

The following chart summarizes the distributions of the Fund per trust unit for Canadian residents:

Record Date	Payment Date	Dividend	Other Taxable Income	Return of Capital	Total
January 31, 2005	February 15, 2005	-	\$0.05580	\$0.03340	\$0.08920
February 28, 2005	March 15, 2005	-	\$0.05038	\$0.03882	\$0.08920
March 31, 2005	April 15, 2005	-	\$0.05578	\$0.03592	\$0.09170
April 29, 2005	May 13, 2005	-	\$0.05395	\$0.03775	\$0.09170
May 31, 2005	June 15, 2005	-	\$0.05574	\$0.03596	\$0.09170
June 30, 2005	July 15, 2005	-	\$0.05392	\$0.03778	\$0.09170
July 29, 2005	August 15, 2005	-	\$0.05570	\$0.03600	\$0.09170
August 31, 2005	September 15, 2005	-	\$0.05569	\$0.03601	\$0.09170
September 30, 2005	October 14, 2005	-	\$0.05103	\$0.04067	\$0.09170
October 31, 2005	November 15, 2005	-	\$0.06300	\$0.02870	\$0.09170
November 30, 2005	December 15, 2005	-	\$0.06099	\$0.03071	\$0.09170
December 30, 2005	January 13, 2006	-	\$0.06278	\$0.02892	\$0.09170
2005 Total		-	\$0.67476	\$0.42064	\$1.09540
<i>Allocation</i>		<i>0.0%</i>	<i>61.6%</i>	<i>38.4%</i>	<i>100.0%</i>

For tax purposes, cash distributions received on January 13, 2006 are considered to be income in 2005.

Trust Units Held Within an RRSP, RRIF, RESP or DPSP

For investors who hold Fund units within a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Education Savings Plan (RESP), or Deferred Profit Sharing

Plan (DPSP), income earned in respect of the Fund units held within the plan is not subject to tax in the year earned. No amounts are required to be reported on the 2005 T1 Income Tax Return for these Fund units. Instead, the amount of capital and any income earned in the plan is taxed only on withdrawal from the plan.

Trust Units Held Outside of an RRSP, RRIF, RESP or DPSP

Investors who hold Fund units outside of a RRSP, RRIF, RESP or DPSP and who received cash distributions in 2005 will receive a T3 Supplementary Slip prior to March 31, 2006. Please note that if the Fund units are registered in the investor's name, the T3 will be sent directly from the Fund's transfer agent to the unitholder and if the Fund units are held in the name of a broker or intermediary, the T3 will be sent from the Fund's transfer agent to the broker or intermediary.

Adjusted Cost Base

Investors who hold Fund units are required to reduce the Adjusted Cost Base of their units by the cumulative amount of any distributions received in the form of Return of Capital. The Adjusted Cost Base is used in calculating capital gains and losses on the sale of units that are held as capital property by the owner.

Distribution Reinvestment Plan

For investors who participated in the Distribution Reinvestment Plan, the amounts received and subsequently reinvested in the Fund are subject to tax in accordance with the cash distribution summary. The Adjusted Cost Base of the units will be increased by the amounts reinvested.

UNITED STATES RESIDENTS

2005 Cash Distribution Summary for Income Tax Purposes

The following chart summarizes the distributions of the Fund per trust unit for U.S. residents:

Record Date	Payment Date	U.S. Source Interest Income	Canadian Source Interest Income	Return of Capital (Tax deferred)	Total
January 31, 2005	February 15, 2005	\$0.03723	\$0.02549	\$0.02648	\$0.08920
February 28, 2005	March 15, 2005	\$0.03420	\$0.02302	\$0.03198	\$0.08920
March 31, 2005	April 15, 2005	\$0.03692	\$0.02710	\$0.02768	\$0.09170
April 29, 2005	May 13, 2005	\$0.03637	\$0.02621	\$0.02912	\$0.09170
May 31, 2005	June 15, 2005	\$0.03810	\$0.02708	\$0.02652	\$0.09170
June 30, 2005	July 15, 2005	\$0.03648	\$0.02619	\$0.02903	\$0.09170
July 29, 2005	August 15, 2005	\$0.03707	\$0.02706	\$0.02757	\$0.09170
August 31, 2005	September 15, 2005	\$0.03649	\$0.02705	\$0.02816	\$0.09170
September 30, 2005	October 14, 2005	\$0.03387	\$0.02292	\$0.03491	\$0.09170
October 31, 2005	November 15, 2005	\$0.04353	\$0.02533	\$0.02284	\$0.09170
November 30, 2005	December 15, 2005	\$0.04225	\$0.02451	\$0.02494	\$0.09170
December 30, 2005	January 13, 2006	\$0.04308	\$0.02532	\$0.02330	\$0.09170
2005 Total		\$0.45559	\$0.30728	\$0.33253	\$1.09540
<i>Allocation</i>		<i>41.6%</i>	<i>28.0%</i>	<i>30.4%</i>	<i>100.0%</i>

Please note that 2005 distributions are comprised of U.S. source interest income, foreign source interest income and return of capital for U.S. tax purposes. The 2005 distributions are not considered Qualifying Dividends under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

For tax purposes, cash distributions received on January 13, 2006 are considered to be income in 2006.

Adjusted Cost Base

Investors who hold Fund units are required to reduce the Adjusted Cost Base of their units by the cumulative amount of any distributions received in the form of Return of Capital. The Adjusted Cost base is used in calculating capital gains and losses on the sale of units that are held as capital property by the owner.