
ARCTIC GLACIER INCOME FUND

2006 TAX INFORMATION

THIS SUMMARY IS INTENDED TO PROVIDE INDIVIDUAL UNITHOLDERS OF THE FUND ADDITIONAL INFORMATION TO ASSIST IN THE PREPARATION OF THEIR 2006 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

2006 Cash Distribution Summary for Income Tax Purposes

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

<u>Record Date</u>	<u>Payment Date</u>	<u>Dividend</u>	<u>Other Taxable Income</u>	<u>Return of Capital</u>	<u>Total</u>
January 31, 2006	February 15, 2006	-	\$0.05456	\$0.03714	\$0.09170
February 28, 2006	March 15, 2006	-	\$0.04927	\$0.04243	\$0.09170
March 31, 2006	April 14, 2006	-	\$0.05454	\$0.03716	\$0.09170
April 28, 2006	May 15, 2006	-	\$0.05277	\$0.03893	\$0.09170
May 31, 2006	June 15, 2006	-	\$0.04609	\$0.04561	\$0.09170
June 30, 2006	July 14, 2006	-	\$0.04260	\$0.04910	\$0.09170
July 31, 2006	August 15, 2006	-	\$0.04401	\$0.04769	\$0.09170
August 31, 2006	September 15, 2006	-	\$0.04400	\$0.04770	\$0.09170
September 29, 2006	October 13, 2006	-	\$0.04256	\$0.04914	\$0.09170
October 31, 2006	November 15, 2006	-	\$0.04361	\$0.04809	\$0.09170
November 30, 2006	December 15, 2006	-	\$0.04289	\$0.04881	\$0.09170
December 29, 2006	January 15, 2007	-	\$0.04431	\$0.04739	\$0.09170
2006 Total		-	\$0.56121	\$0.53919	\$1.10040
<i>Allocation</i>		<i>0.0%</i>	<i>51.0%</i>	<i>49.0%</i>	<i>100.0%</i>

For tax purposes, cash distributions paid on January 15, 2007 are considered to be income in 2006.

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 2006 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 an RRSP, RRIF, RESP or DPSP and who received cash distributions in 2006 will receive a T3 Supplementary Slip prior to March 31, 2007. 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

2006 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 Income	Canadian Source Income	Return of Capital (Tax deferred)	Total
January 31, 2006	February 15, 2006	\$0.03959	\$0.02477	\$0.02734	\$0.09170
February 28, 2006	March 15, 2006	\$0.03547	\$0.02237	\$0.03386	\$0.09170
March 31, 2006	April 14, 2006	\$0.03957	\$0.02476	\$0.02737	\$0.09170
April 28, 2006	May 15, 2006	\$0.03780	\$0.02396	\$0.02994	\$0.09170
May 31, 2006	June 15, 2006	\$0.03311	\$0.01984	\$0.03875	\$0.09170
June 30, 2006	July 14, 2006	\$0.03433	\$0.01496	\$0.04241	\$0.09170
July 31, 2006	August 15, 2006	\$0.03613	\$0.01546	\$0.04011	\$0.09170
August 31, 2006	September 15, 2006	\$0.03566	\$0.01545	\$0.04059	\$0.09170
September 29, 2006	October 13, 2006	\$0.03440	\$0.01495	\$0.04235	\$0.09170
October 31, 2006	November 15, 2006	\$0.03575	\$0.01531	\$0.04064	\$0.09170
November 30, 2006	December 15, 2006	\$0.03536	\$0.01505	\$0.04129	\$0.09170
December 29, 2006	January 15, 2007	\$0.03726	\$0.01555	\$0.03889	\$0.09170
2006 Total		\$0.43443	\$0.22243	\$0.44354	\$1.10040
<i>Allocation</i>		<i>39.5%</i>	<i>20.2%</i>	<i>40.3%</i>	<i>100.0%</i>

The 2006 distributions are **not** considered Qualifying Dividends under the Jobs and Growth Tax Relief Reconciliation Act of 2003. Please note that 2006 distributions are comprised of U.S. source income, foreign source income, and return of capital for U.S. tax purposes. For U.S. purposes, the Fund is taxed as a partnership. U.S. investors who hold Fund units registered in the investor's name and who received cash distributions in 2006 will receive a K-1 Form "Partner's Share of Income, Deductions, Credits, etc." directly from the Fund prior to March 15, 2007. When the K-1's have been distributed to these registered unitholders, we will notify investors by way of updating this information bulletin. If the Fund units are held in the name of a broker or intermediary, the investor will receive their tax forms as prepared by their broker, bank, or other intermediary.

For tax purposes, cash distributions received on January 15, 2007 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.