

BARLOW CAPITAL

Statement of Corporate Policies
July 7, 2007



STATEMENT OF CORPORATE POLICIES, 2007

Introduction

(Amended July 9, 2007)

The BC Securities Commission (BCSC) has disclosure policies in place for investment advisors. The objectives of these policies are, among others, the disclosure of "connected issuers", fees and other potential conflicts of interest.

In the spirit, as well as the letter, of the regulations, we have set out to disclose the following "relationships" that Barlow Capital Management Inc. (BCM) has in place. We believe the list is exhaustive.

Wellington West Holdings Inc. (WW) acquired a 60% ownership in Barlow Capital Management Inc. (BCM) in November 2005. The company BCM was re-named Barlow Capital Management Inc. (BCM) at that time. Stephen Barlow and Brad Simpson have 51% of the voting shares in BCM. WW has had virtually no influence in the management of BCM and has never attempted to influence the investment decisions taken by the portfolio managers of BCM.

CIBC Wood Gundy (WG)

The majority of BCM's clients have their financial assets (or at least a major component) held at WG, approximately \$65 million in total. In consideration of the combined size of these accounts, we have been able to negotiate a very attractive fee schedule for our clients. We receive no referral fees, no service fees, and no kickbacks whatsoever from WG for providing custody and trade execution services to BCM's clients.

There is no contractual relationship between WG and BCM. We continue to talk to other potential custodians (RBC Global Services, UBS, Northern Trust). No two custodians provide exactly the same services to it is difficult to compare apples with apples, etc.

Wellington West Capital Inc. (WWCapital)

WWCapital also provides custodial services for BCM clients. For historical reasons, some BCM clients are serviced through the London, Ontario office of WWCapital; others through the Victoria office. National Bank Financial (NBF) actually holds the clients' financial assets. NBF also acts as the custodian for the Barlow Partners pooled funds. The custodial fees charged by NBF are extremely competitive as BCM benefits from the total assets of WWCapital (~\$7 billion).

Wellington West Capital Markets Inc. (WWCM)

WW owns 50% of WWCM. WWCM provides research, underwriting, block trading, etc to WWCcapital. BCM has taken advantage of the block trading skills of WWCM from time to time at competitive rates (usually between one and two cents per share). However, there we are under absolutely no obligation to use WWCM. BCM has utilized the institutional trading desks of Canaccord Capital and Blackmont Capital, and is presently exploring additional avenues for trade execution. However it should be noted that the vast majority of trades executed by BCM are done via electronic means directly into the market.

Another benefit of our affiliation with WWCM is our ability to purchase new securities offerings "net" of typical underwriting fees. When an issue is priced for sale to the investing public, standard industry practice is for the issue price to include a sales commission (usually around 5%) that goes to the underwriters and investment advisors. From time to time we are able to securities without paying this fee, and the net result is that instead of paying \$100 for the issue, we can buy it for \$95.

"Soft Dollars"

This expression refers to the method of an advisor like BCM receiving a benefit from a broker or other supplier that the advisor would otherwise have to pay himself. Examples are the supply of computer terminals, publications like the Wall Street Journal and the Economist, football or hockey tickets, etc. To the best of our knowledge, BCM does not have any soft dollar arrangements and we wish to explicitly state that we do not receive any financial benefits or other perquisites from specifically directing client commissions or other business to any broker, supplier, or affiliate.

Vertex One Asset Management (VRT)

Previously, BCM spent 18 months looking for a suitable hedge fund to include in private client portfolios. They decided on VRT as they got to know and admire their approach to the capital markets. VRT is now concentrating exclusively on their two mutual funds. They no longer wish to manage discretionary accounts. In recognition of our diverse corporate objectives, and the fact that neither firm employs a sales force, we have agreed to a joint marketing effort. BCM refers potential fund clients to VRT and they will refer potential discretionary clients to BCM. A service fee is paid out of each company's revenue - not a single cent from the clients. Would this fee somehow affect our objective opinion of VRT? Not likely. BCM is in the process of utilizing the services of a second hedge fund commencing in January 2007.

Best Execution

One of the issues facing portfolio managers like BCM is where to direct buy and sell orders. With the package of services supplied by WG and WWCcapital, the cost of transacting has been dramatically reduced. Were we trying to move 1 or 2 million

share orders “best execution” may be an issue. The nature of BCM’s business, i.e. each client holdings a separate, segregated portfolio, mitigates the need to block trading. Hence, in my opinion, “Best Execution” is a non-issue for BCM’s private client business. The pooled funds may, from time to time, utilize a block trading facility where liquidity is an issue.

New Issue Allocations

BCM’s policy on allocating new issues is spelled out in some detail in our corporate brochure. To summarize, we try to be fair and when in the odd situation that we cannot receive an adequate allocation from the underwriters, we will determine who among our clients the new security best fits. Otherwise, we will simply fill client orders on a pro-rata basis to ensure fairness. We want to assure everyone that our families are at the bottom of the food chain in this regard. No one gets special treatment.

Pooled Funds - Referral Fees, Service Fees, Rebates, Etc.

Through the management of the pooled funds, BCM has the ability from time to time to earn small fees. An example would be the service fee paid to BCM by CIBC for investing in their Premium Money Market fund. BCM receives a fee equal to 25 basis points (0.25%) for using this fund. It is our policy to use any and all such fees earned to offset the pooled funds’ direct operating expenses (eg. Audit fees, custodian charges, etc). In this manner, all fund unitholders benefit from these fees.

Principals of BCM

The partners of BCM, Stephen Barlow and Brad Simpson, do not trade for their own accounts. Most of the Barlow Family assets are invested in the Barlow Partners Income and Growth Portfolio.

Related and Connected Issuers

The securities laws of certain jurisdictions in Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. In certain provinces or territories, these rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities statutes for the particulars of these rules and their rights or consult with a legal adviser.

Our relationship with you is considered to be that of an “Adviser”. Advisers are required to disclose relevant matters regarding transactions with Related, Connected or Associated parties (i.e. entities that have an ownership or business relationship with the Adviser) where those Related, Connected or Associated parties are reporting companies.

List of Related, Connected and Associated Parties

Company	Relationship	Reporting / Non-Reporting
CIBC	Related - Custodian	Reporting
National Bank	Related - Custodian	Reporting
Wellington West Capital	Connected - Ownership Interest	Non-Reporting
Barlow Capital Partners	Connected - Common Shareholder	Non-Reporting
Wellington West Financial Services	Associated - Subsidiary of WWCI	Non-Reporting
Wellington West Capital Markets	Associated - Subsidiary of WWCI	Non-Reporting
Wellington West Capital Markets (USA)	Associated - Subsidiary of WWCI	Non-Reporting
Wellington West Total Wealth Management	Associated - Subsidiary of WWCI	Non-Reporting
One Capital Management LLC	Associated - Subsidiary of WWCI	Non-Reporting

Use of Pooled Funds

Discretionary investment management services are provided by BCM to many of its clients through the use of pooled funds. The pooled funds are not reporting companies. BCM has a relationship with the persons or companies listed below. BCM or its directors, officers, salespersons or other employees may, from time to time, recommend that you trade in a security issued by these listed persons or companies. If you require further information concerning the relationship between BCM and these listed persons or companies, please contact us.

- ◆ Barlow Partners Income & Growth Portfolio
- ◆ Barlow Partners Growth Portfolio

Trading Securities of Related, Connected and Associated Parties

Under certain circumstances we may deal with or for you in securities transactions where the issuer of the securities or the other party to the transaction is this firm or a party having an ownership or business relationship with us. Since these transactions may create a conflict between our interests and yours, we are required by provincial law to disclose to you certain relevant matters relating to the transactions. In these situations, we must disclose either our relationship with the issuer of the securities, or that we are the issuer. We must also make disclosure to you where we know or should know that, as a result of our acting as your dealer or adviser, or of our exercising discretion on your behalf, securities will be purchased from or sold to us, an associated party or, in the course of an initial distribution, a connected party.

The following is a list of the time and manner in which these disclosures must be made.

- ◆ Where we underwrite securities, the required disclosure will be contained in the prospectus or other document being used to qualify those securities.

- ◆ Where we buy or sell securities for your account, the required disclosure will be contained in the confirmation of trade which we prepare and send to you.
- ◆ Where we advise you with respect to the purchase or sale of securities, the disclosure must be made prior to our giving the advice.

In addition, where we exercise discretion under your authority in the purchase or sale of securities for your account, we may not exercise that discretion for the types of transactions described above unless we have obtained your prior specific and informed written consent. In this regard, the Letter of Engagement and Trading Authorization you sign gives us authority to invest your assets through our in-house managed pooled funds.

In Summary

We firmly believe in “full, plain and true disclosure”. Our billing approach where we actually send client invoices (as opposed to the mutual fund practice of directly deducting fees from the clients’ assets) says a lot. We go out of our way to either avoid or fully disclose what we consider to be conflict of interest situations. Your interests are our interests - plain and simple. If you have any questions, please don’t hesitate to call us.

Sincerely,

Barlow Capital Management Inc.
July 2007

The securities laws of the Province of Ontario require securities dealers and advisors, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consults with a legal advisor. R.R.O. 1990, Reg. 1015, s.223(1); O.Reg. 80/95, s.29(1); O.Reg. 542/98, s.1(1).



BARLOW CAPITAL

Suite 340-730 View Street
Victoria, British Columbia
V8W 3Y7

(250) 385-3333