

# Information Statement

Dated November 12, 2002

**Business Development Bank of Canada**



**FULPAY™ TRIMARK SELECT GROWTH FUND-LINKED NOTES  
SERIES 4**



**Due December 22, 2008**

---

**Price: \$1,000.00 per Note**

---



**Underwritten by CIBC WORLD MARKETS INC.**

*Business Development Bank of Canada ("BDC") has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Notes (as defined below) are true and accurate in all material aspects and that there are no other material facts in relation to the Notes the omission of which would make any statement herein, whether of fact or opinion, misleading.*

*No person has been authorized to give any information or to make any representations other than those that may be contained in:*

- (a) this Information Statement,*
- (b) any amendments made from time to time to this Information Statement, or*
- (c) any supplementary terms and conditions provided in any Global Note or other definitive replacement note therefor,*

*in connection with the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the Notes nor any sale thereof shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of BDC since the date hereof. This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or invitation.*

*The distribution of this Information Statement and the offering and sale of the Notes are restricted within Canada and to Canadian residents and may be subject to further restrictions within any relevant province or territory. BDC and the selling agents require persons into whose possession this Information Statement comes to inform themselves of and observe any and all such restrictions.*

*More particularly, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and the Notes may not be offered, sold or delivered within the United States or to United States persons (as such expressions are defined in the United States Internal Revenue Code and Regulations thereunder).*

*In this Information Statement, capitalized terms will have the meanings ascribed to them and references to "\$" are to Canadian dollars.*

*No securities commission or similar authority has in any way passed upon the merits of the Notes and any representation to the contrary may be an offence.*

---

AIM, AIM FUNDS and the AIM FUNDS logo are trade-marks of A I M Management Group Inc. and have been licensed for use by BDC. TRIMARK, TRIMARK INVESTMENTS and the TRIMARK INVESTMENTS logo are trade-marks of AIM Funds Management Inc. and have been licensed for use by BDC.

FULPAY is a trade-mark of Canadian Imperial Bank of Commerce, and has been licensed for use by BDC.

None of AIM Funds Management Inc., Canadian Imperial Bank of Commerce or any of their respective affiliates makes any representation, condition or warranty, express or implied, to the Investors or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Notes to track the performance of the Fund or general stock market performance or any other economic factors.

---

# Table of Contents

for  
Information Statement  
Dated November 12, 2002

## Business Development Bank of Canada

FULPAY™ Trimark Select Growth Fund-linked Notes  
Series 4  
Due December 22, 2008

	<u>Page</u>
SUMMARY.....	2
VARIABLE INTEREST CALCULATION .....	3
<i>Associated Definitions</i> .....	3
<i>Examples</i> .....	5
<i>Historical Fund Distributions</i> .....	7
<i>Theoretical Note Performance Based on Historical Fund Performance</i> .....	7
DESCRIPTION OF THE NOTES.....	7
<i>Issue</i> .....	7
<i>Principal Amount and Minimum Subscription</i> .....	7
<i>Maturity &amp; Repayment of Principal Amount</i> .....	7
<i>Variable Interest</i> .....	8
<i>Secondary Trading of Notes</i> .....	8
<i>Special Circumstances</i> .....	8
<i>Book-Entry System</i> .....	10
<i>Payment</i> .....	11
<i>Status</i> .....	11
<i>Plan of Distribution</i> .....	11
<i>Dealings With Companies</i> .....	11
<i>Notification</i> .....	12
<i>Calculation Agent</i> .....	12
<i>Paying and Transfer Agent</i> .....	12
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	12
<i>Variable Interest</i> .....	12
<i>Disposition of Notes</i> .....	12
<i>Eligibility for Investment by Registered Plans</i> .....	12
THE FUND .....	13
<i>Who manages the Fund?</i> .....	13
<i>What does the Fund invest in?</i> .....	13
<i>Top 10 holdings</i> .....	13
INDEX OF DEFINED TERMS .....	14
RISK FACTORS TO CONSIDER.....	15

## SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in the Information Statement.

A FULPAY Trimark Select Growth Fund-linked Note, Series 4, (a "Note") is a variable interest note issued by Business Development Bank of Canada. The Note is the fourth issuance of a series of Fund Unit Linked Protected Participating Yield Notes or "FULPAY™" Notes.

On the maturity of the Note, the investor will receive in Canadian dollars (i) the Principal Amount, plus (ii) an amount of interest, if any, based on the performance of the Trimark Select Growth Fund, Series A (the "Fund"). Generally stated, if the Interim Net Return in respect of the Fund measured for the first three years of the Note (based on the yearly price performances of a unit of the Fund, plus its overall re-invested distribution returns less 2% per annum for such term) is positive, the dollar equivalent of such Interim Net Return times \$1,000 would be notionally re-invested in Fund units on the three-year anniversary date and held for the remaining three years of the Note, and interest paid per Note on maturity will be an amount equal to the net asset value at maturity of such notionally invested units (including notional re-invested distributions thereon during such three year period). If the Interim Net Return is not positive after the first three years, no interest would be paid in any event. The Notes mature on December 22, 2008.

- Issuer:** The Notes will be issued by Business Development Bank of Canada ("BDC").
- Principal Amount:** The Notes will be sold in a denomination of \$1,000.00 per Note (the "Principal Amount"), with a minimum subscription of five (5) Notes per holder (each an "Investor").
- Issue Price:**
- | <u>Price to the Investor</u> <sup>(1)</sup> | <u>Selling Agent's Commission</u> <sup>(2)</sup> | <u>Proceeds to BDC</u> <sup>(3)</sup> |
|---|--|---------------------------------------|
| \$1,000.00 (Par) per Note                   | \$32.50  | \$967.50                              |
- (1) The Issue Price has been determined by negotiation between BDC and CIBC World Markets Inc. (the "Selling Agent").
- (2) The Selling Agent will also be paid by BDC for the first three years a quarterly trailing commission dependent upon the performance of the Fund. Commissions paid to the Selling Agent do not factor into the formula for, or affect the potential amount of, Variable Interest payable to the Investors.
- (3) Before deduction of expenses of issue which, together with the Selling Agent's commissions, will be paid by the issuer out of general funds.
- Issue Date:** The Notes will be issued on or about December 20, 2002 (the actual date of issuance being the "Issue Date").
- Maturity Date/Term:** The Notes will mature on December 22, 2008 (the "Maturity Date"), resulting in a term to maturity of approximately six (6) years.
- Amounts Payable At Maturity:** The amount payable under a Note on the Maturity Date will be equal to the sum of (i) the Principal Amount, plus (ii) Variable Interest, if any (as described below).
- Principal Amount Payment:** An Investor will be paid on the Maturity Date the Principal Amount of \$1,000.00 per Note. The Notes cannot be redeemed or retracted prior to the Maturity Date.
- The Fund:** Variable Interest, if any, payable under the Notes is linked to the performance of the Trimark Select Growth Fund, Series A (the "Fund"). The Fund is more completely described below under "THE FUND". An Investor may obtain further information in respect of the Fund at [www.aimfunds.ca](http://www.aimfunds.ca) and through his or her investment advisor.
- Variable Interest Payment:** An Investor will be paid interest ("Variable Interest"), if any, in Canadian dollars on the Maturity Date (subject to the provisions outlined under "DESCRIPTION OF THE NOTES – Special Circumstances" set out below). An Investor cannot elect to receive Variable Interest prior to the Maturity Date. Variable Interest, if any, per Note payable on the Maturity Date will be a Canadian dollar amount equal to the product of:
- (i) the NAV of the Fund as of the Year Six Valuation Date, times
  - (ii) the number of Units comprising the Notional Portfolio as of the Year Six

#### Valuation Date.

In order for any Variable Interest to be payable, the Fund's Interim Net Return, measured over the first three years of the Notes, must be positive. See "VARIABLE INTEREST CALCULATION" starting on page 3 below for the precise formula for determining Variable Interest and for example calculations and see "DESCRIPTION OF THE NOTES" starting on page 7 for further details.

**Although Variable Interest is linked to the performance of the Fund, Variable Interest and the value of the Notes from time to time will not closely approximate returns on the Fund. Investors will not have any ownership interest in the Fund at any time.**

- Special Circumstances:** If a Market Disruption Event occurs on a day as of which the NAV is to be determined, determination of that NAV will be postponed to a later date. Payment of Variable Interest otherwise due may be postponed if settlement of redemption of Units is effectively suspended or postponed. The occurrence of an Extraordinary Event may accelerate the payment of Variable Interest, if any, and the manner in which it is calculated. However, the Principal Amount of each Note will not be repaid until the Maturity Date in any event. See "DESCRIPTION OF THE NOTES – *Special Circumstances*" starting on page 8.
- Eligibility for Investment:** The Notes, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the *Income Tax Act* (Canada)) and would not constitute foreign property within the meaning of that Act.
- Secondary Market:** There is currently no market for the Notes, and there can be no assurance that such a market will develop. If such a market develops, there can be no assurance that it will be liquid. The Notes will not be listed on any stock exchange.
- Book-Entry Registration:** The Notes will be evidenced by a single global certificate held by The Canadian Depository for Securities Limited or its successor ("CDS"), or its nominee on its behalf, as registered holder of the Notes. Registration of the interests in and transfers of the Notes will be made only through its book-entry system. Subject to certain limited exceptions, no Investor will be entitled to any certificate or other instrument from BDC or CDS evidencing the ownership thereof and no Investor will be shown on the records maintained by CDS except through an agent who is a participant of CDS.
- Risk Factors:** A person should consider carefully certain risk factors set out on page 15 before reaching a decision to buy the Notes.

## VARIABLE INTEREST CALCULATION

Each Note will bear interest (referred to as Variable Interest) in an amount in Canadian dollars, without any need for the Investor to elect or otherwise take any action. Variable Interest will be paid on the Maturity Date (subject to (i) postponement of the determination of the amount of Variable Interest due to a Market Disruption Event or (ii) the earlier occurrence of an Extraordinary Event, as described below).

Variable Interest, if any, per Note payable on the Maturity Date will be a Canadian dollar amount equal to the product of:

- (i) the NAV as of the Year Six Valuation Date, times
- (ii) the number of Units comprising the Notional Portfolio as of the Year Six Valuation Date.

**The amount of Variable Interest, if any, that may be payable on the Maturity Date is uncertain. There is a possibility that an Investor may not receive any Variable Interest. An Investor will definitely not receive any Variable Interest unless the Interim Net Return is positive.**

### **Associated Definitions**

The associated definitions in respect of Variable Interest are set out alphabetically below:

“Actual Distribution Return” means, in respect of a period, the Canadian dollar value of the amount of distributions actually made by the Fund per Unit during such period (where such value is determined as of the date or dates of such distributions), expressed as a percentage (rounded to three decimal places) of the NAV per Unit as of the start of such period.

“Business Day” means a day (other than a Saturday or a Sunday) on which (i) both commercial banks and AIM are open for business in Toronto, Ontario, and (ii) BDC is open for business in Montreal, Quebec.

“Ending NAV” means, in respect of any period, the NAV in respect of the last occurring Business Day of such period, subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Interim Net Return” means the result (expressed as a percentage rounded to three decimal places) obtained using the following formula:

$$((1 + \text{Year One Net Return}) \times (1 + \text{Year Two Net Return}) \times (1 + \text{Year Three Net Return})) - 1$$

subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Interim Reference Amount” means the result (expressed in Canadian dollars rounded to the nearest cent) obtained using the following formula:

$$\text{Interim Net Return} \times \$1,000.00$$

“NAV” means, in respect of a date, the net asset value per Unit as officially determined by AIM as of the close of business on such date, provided that, if such date is not a Business Day, such NAV will mean the net asset value per Unit as officially determined by AIM as of the immediately preceding Business Day.

“Net Distribution Return” means, in respect of a period, a percentage (which may be positive or negative) equal to the total of (i) the Actual Distribution Return in respect of such period, **minus (ii) 2%**.

“Notional Portfolio” means, on any date, a notional portfolio of Units equal to the Number of Initial Notional Units, plus all Unit distributions that would have been made by the Fund from the Year Three Valuation Date up to and including such date in respect of such Number of Initial Notional Units plus all Unit distributions that would have been made by the Fund up to and including such date on such Unit distributions.

“Number of Initial Notional Units” means the number of notional Units (rounded to three decimal places) that could be purchased for the Interim Reference Amount at a price per Unit equal to the NAV as of the Year Three Valuation Date. For purposes of certainty, unless the Interim Net Return is positive, the Number of Notional Units, and the Variable Interest payable, will be nil.

“Price Return” means, in respect of any period, the number, expressed as a percentage rounded to three decimal places, determined in accordance with the following formula:

$$\frac{\text{Ending NAV} - \text{Starting NAV}}{\text{Starting NAV}}$$

“Starting NAV” means, in respect of any period, the NAV as of the Business Day immediately preceding the start of such period, subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Year One Net Return” means the total of (i) the Price Return in respect of the period from (but excluding) the Issue Date to (and including) the Year One Valuation Date, plus (ii) Net Distribution Return in respect of such period.

“Year One Valuation Date” means December 19, 2003 (or if such date is not a Business Day, the immediately preceding Business Day), subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Year Two Net Return” means the total of (i) the Price Return in respect of the period from (but excluding) the Year One Valuation Date to (and including) the Year Two Valuation Date, plus (ii) Net Distribution Return in respect of such period.

“Year Two Valuation Date” means December 20, 2004 (or if such date is not a Business Day, the immediately preceding Business Day), subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Year Three Net Return” means the total of (i) the Price Return in respect of the period from (but excluding) the Year Two Valuation Date to (and including) the Year Three Valuation Date, plus (ii) Net Distribution Return in respect of such period.

“Year Three Valuation Date” means December 20, 2005 (or if such date is not a Business Day, the immediately preceding Business Day), subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

“Year Six Valuation Date” means the third Business Day prior to the Maturity Date, subject to the provisions set out below under “DESCRIPTION OF THE NOTES – *Special Circumstances*”.

### Examples

The examples set out below are included for illustration purposes only. The NAVs and Actual Distribution Returns of the Fund used to illustrate the calculation of Variable Interest are not estimates or forecasts of those values over the term of the Notes. All examples assume the Investor has purchased a single Note.

**Example #1:** Assume the Fund performs over the first three years to produce a positive Interim Net Return, and thereafter the Fund performs strongly.

	Year End Date	NAV	Price Return (A)	Actual Distribution Return (B)	Net Distribution Return (C = B - 2%)	Net Annual Return (A + C)
	Issue Date	\$10.0000				
Year One	December 19, 2003	\$11.2100	12.100%	3.260%	1.260%	13.360% (D)
Year Two	December 20, 2004	\$13.2500	18.198%	1.810%	-0.1900%	18.008% (E)
Year Three	December 20, 2005	\$13.7800 (F)	4.000%	2.330%	0.330%	4.330% (G)
Interim Net Return = $\{(1 + D) \times (1 + E) \times (1 + G) - 1\} \times 100\% = \{(1.13360 \times 1.18008 \times 1.0433) - 1\} \times 100\% = 39.566\%$						
Interim Reference Amount = Interim Net Return x \$1,000.00 = 39.566% x \$1,000 = \$395.66 (H)						
Initial Number of Notional Units = Interim Reference Amount ÷ Year-Three NAV = H ÷ F = \$395.66 ÷ \$13.7800 = 28.7128 Units (I)						
	Year End Date	NAV	Price Return	Unit Distributions	Number of Units in Notional Portfolio	
Year Four	December 20, 2006	\$15.10000	9.579%	0.5136 Units (J)	29.2264 (I + J = K)	
Year Five	December 20, 2007	\$16.7900 (L)	11.192%	1.2091 Units (M)	30.4355 (K + M = O)	
Year Six	December 17, 2008	\$18.5400 (N)	10.423%	0.8451 Units (P)	31.2806 (O + P = Q)	
Variable Interest = Year Six NAV x Final Number of Notional Units = N x Q = \$18.5400 per Unit x 31.2806 Units = \$579.94 per Note						

**Therefore, for each Note, Variable Interest of \$579.94, plus the original Principal Amount of \$1,000.00, would be payable on the Maturity Date.**

**Example #2:** Assume the Fund performs over the first three years to produce a positive Interim Net Return the same as Example #1, but thereafter the Fund performs poorly.

	Year End Date	NAV	Price Return (A)	Actual Distribution Return (B)	Net Distribution Return (C = B - 2%)	Net Annual Return (A + C)
	Issue Date	\$10.0000				
Year One	December 19, 2003	\$11.2100	12.100%	3.260%	1.260%	13.360% (D)
Year Two	December 20, 2004	\$13.2500	18.198%	1.810%	-0.1900%	18.008% (E)
Year Three	December 20, 2005	\$13.7800 (F)	4.000%	2.330%	0.330%	4.330% (G)
Interim Net Return = $\{(1 + D) \times (1 + E) \times (1 + G) - 1\} \times 100\% = \{(1.13360 \times 1.18008 \times 1.0433) - 1\} \times 100\% = 39.566\%$						
Interim Reference Amount = Interim Net Return x \$1,000.00 = 39.566% x \$1,000 = \$395.66 (H)						
Initial Number of Notional Units = Interim Reference Amount ÷ Year-Three NAV = H ÷ F = \$395.66 ÷ \$13.7800 = 28.7128 Units (I)						
	Year End Date	NAV	Price Return	Unit Distributions	Number of Units in Notional Portfolio	
Year Four	December 20, 2006	\$12.0300	-12.700%	0.3289 Units (J)	29.0417 (I + J = K)	
Year Five	December 20, 2007	\$11.1500 (L)	-7.315%	0.6267 Units (M)	29.6684 (K + M = O)	
Year Six	December 17, 2008	\$10.7500 (N)	-3.587%	0.0 Units (P)	29.6684 (O + P = Q)	
Variable Interest = Year Six NAV x Final Number of Notional Units = N x Q = \$10.7500 per Unit x 29.6684 Units = \$318.94 per Note						

**Therefore, for each Note, Variable Interest of \$318.94, plus the original Principal Amount of \$1,000.00, would be payable on the Maturity Date.**

**Example #3:** Assume the Fund performs poorly over the first three years to produce a negative Interim Net Return.

	Year End Date	NAV	Price Return (A)	Actual Distribution Return (B)	Net Distribution Return (C = B - 2%)	Net Annual Return (A + C)
	Issue Date	\$10.0000				
Year One	December 19, 2003	\$10.0300	0.200%	3.260%	1.260%	1.460% (D)
Year Two	December 20, 2004	\$9.83000	-1.896%	1.810%	-0.1900%	-2.086% (E)

Year Three	December 20, 2005	\$9.6400 (F)	-1.933%	2.330%	0.330%	-1.603% (G)
Interim Net Return = $\{(1 + D) \times (1 + E) \times (1 + G) - 1\} \times 100\% = \{(1.01460 \times 0.97914 \times 0.98397) - 1\} \times 100\% = -2.249\%$						

***Because the Interim Net Return is not positive, there will be no Notional Units and NO VARIABLE INTEREST WOULD BE PAYABLE AT MATURITY, regardless of how well the Fund performed in the three years prior to maturity of the Notes. Only the original Principal Amount of \$1,000.00 would be payable on the Maturity Date.***

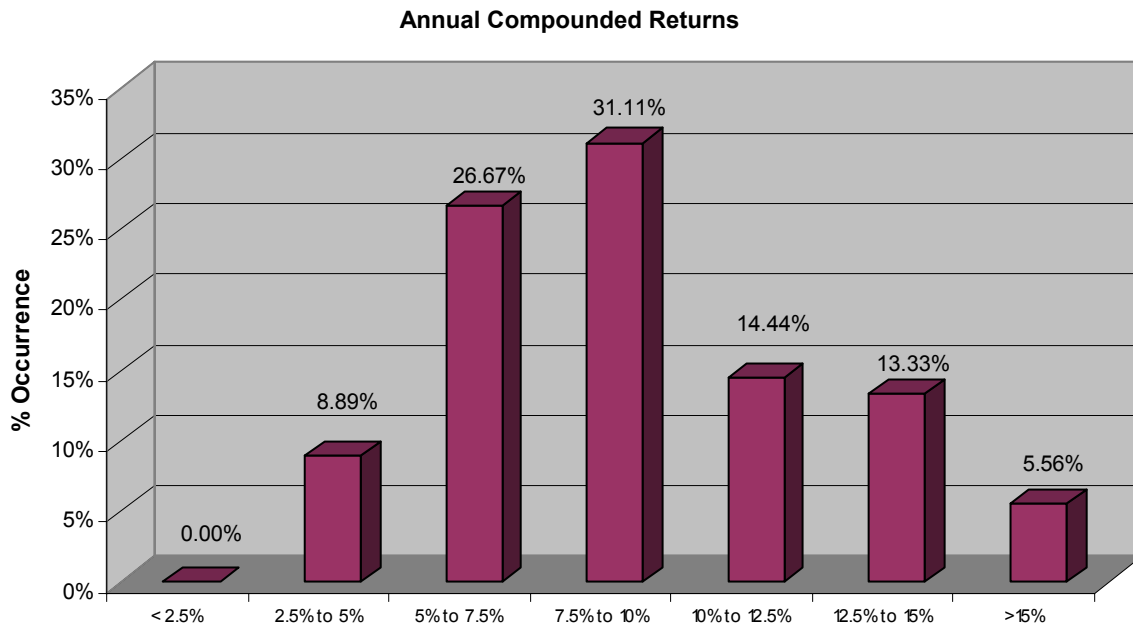


### **Historical Fund Distributions**

Fund distributions, if any, are made in December each year. Distributions of the Fund will affect the amount of Variable Interest, if any, payable. Distributions by the Fund have averaged 2.683% of the net asset value of the Fund each calendar year over the period from 1989 (the inception of the Fund) to December 2001 (with some years having no distributions and one year having the largest distribution of 17.500% of the net asset value of the Fund).

### **Theoretical Note Performance Based on Historical Fund Performance**

The chart set out below shows the distribution of what the performance of the Notes (expressed as annually compounded percentage returns) would have been using the historical performance of the Fund for various 6-year periods maturing on sequential month-end dates over the period from and including May 31, 1995 to and including October 31, 2002. Where the Variable Interest returns would have been nil, only the full Principal Amount of such Notes would have been paid upon maturity.



*Historical performance of the Fund will not necessarily predict future performance of the Fund or the Notes or how much Variable Interest may be payable on the Notes. See "THE FUND" below for additional information on the Fund and its historical performance.*

## **DESCRIPTION OF THE NOTES**

### **Issue**

FULPAY Trimark Select Growth Fund-linked Notes, Series 4, will be issued by BDC on the Issue Date. BDC reserves the right to issue the Notes in an aggregate number and in an aggregate Principal Amount as BDC may determine in its absolute discretion.

### **Principal Amount and Minimum Subscription**

Each Note will be issued in a face amount of \$1,000.00 (also referred to as the Principal Amount). The minimum subscription per Investor will be five Notes.

### **Maturity & Repayment of Principal Amount**

Each Note matures on the Maturity Date, on which date the Investor will receive the Principal Amount (i.e., \$1,000.00 per Note). However, if the Maturity Date as defined in this Information Statement does not occur on a Business Day, then the Maturity Date will be deemed to occur on the next following Business Day and no interest will be paid in respect of such postponement.

### **Variable Interest**

Each Note will bear interest (referred to as Variable Interest), if any, in an amount in Canadian dollars, without any need for the Investor to elect or otherwise take any action.

Variable Interest payable at maturity will be determined by the Calculation Agent (as identified below) in accordance with the formula and related definitions specified under "VARIABLE INTEREST CALCULATION" starting on page 3 above.

**The amount of Variable Interest, if any, will depend upon the performance of the Fund. It is possible that no Variable Interest will be payable.**

Variable Interest, if any, will be paid on the Maturity Date (subject to the provisions outlined under "*Special Circumstances*" below). More particularly, payment of Variable Interest, if any, will be made by BDC on the third Business Day immediately following the Year Six Valuation Date. However, the timing and manner of determining Variable Interest may be affected by the occurrence of certain unusual events. See "*Special Circumstances*" starting on page 8 below. Generally stated, the payment date for Variable Interest, if any, will be the Maturity Date, provided that the scheduled Year Six Valuation Date is not postponed to a later date due to a Market Disruption Event or the determination of Variable Interest is not accelerated due to an Extraordinary Event as described under "*Special Circumstances*" below.

A day on which a NAV is to be determined for computing Variable Interest is referred to as a "Valuation Date". The occurrence of a Valuation Date is subject to the provisions set out below under "*Special Circumstances*".

### **Secondary Trading of Notes**

An Investor cannot elect to receive Variable Interest before the Maturity Date. However, if there is an available secondary market (and there can be no assurance that there will be such a market or whether such market will be liquid), the Investor could sell a Note before the Maturity Date.

The trading price of a Note at any time will be dependent upon, among other things, (i) how much the NAV per Unit of the Fund has risen or fallen since the Issue Date and the aggregate performance of the Fund over the period concluded up to such time, (ii) the fact that if the Interim Net Return is not positive, no Variable Interest would be payable regardless of the performance of the Fund over the last three years prior to the Maturity Date, (iii) the fact that the \$1,000 Principal Amount of the Note is payable on the Maturity Date regardless of the performance of the Fund concluded up to such time or at any time thereafter, and (iv) a number of other interrelated factors, including, without limitation, volatility in the NAV of the Fund, prevailing interest rates, the realized distribution yields of the Fund, the time remaining to the Maturity Date, and the market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. In particular, Investors should realize that the trading price, especially during the first few years of the term, (a) will have a low sensitivity to the rises and falls in the Fund (i.e., the trading price of a Note will increase and decrease at a lesser rate compared to the respective percentage increases and decreases of the Fund) and (b) may be substantially affected by changes in the level of interest rates independent of performance of the Fund.

An Investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Note (assuming the availability of a secondary market) or hold the Note until the Maturity Date.

### **Special Circumstances**

#### ***Calculation Agent in respect of Special Circumstances***

If the Calculation Agent determines that any circumstance described below under "*Postponement of Valuation Date Due to Market Disruption Event*" or "*Extraordinary Event May Trigger Early Variable Interest*" has occurred, the Calculation Agent will give notice to the Investors of such determination (together with brief reasons therefor). The Calculation Agent will act as an independent expert in respect of such occurrence, and not as agent for BDC or the Investors, and its calculations and determinations shall, absent manifest error, be final and binding on BDC and the Investors. The calculations will be available to an Investor from the Calculation Agent. The Calculation Agent will not be responsible for its errors or omissions if made in good faith.

#### ***Postponement of Valuation Date Due to Market Disruption Event***

If the Calculation Agent determines that a Market Disruption Event (as defined below) has occurred and is continuing in respect of any date that but for that event would be a Valuation Date, then Variable Interest will be calculated (and the applicable NAV will be determined) on the basis that such Valuation Date will be postponed to the next Business Day on which there is no Market Disruption Event in effect.

However, there will be a limit for postponement of any Valuation Date. If on the third Business Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event on or after such third Business Day (and assuming BDC has not given notice to elect to

accelerate the determination and payment of Variable Interest due to the occurrence of an Extraordinary Event on such third Business Day):

- (i) such third Business Day shall be the Valuation Date, and
- (ii) where on that third Business Day a Market Disruption Event has occurred and is continuing, then the net asset value per Unit for such Valuation Date used for determining the relevant NAV in the calculation of Variable Interest will be a value (the "Expert Estimated NAV") estimated for the Fund by the Calculation Agent as at such Valuation Date taking into account all relevant market circumstances.

"Market Disruption Event" means, in respect of any Business Day, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of BDC or any person that does not deal at arm's length with BDC which has or will have an adverse effect on the ability of an investor in the normal course to buy or redeem Units on such Business Day, or to obtain the NAV for Units as of the previous Business Day. For the avoidance of doubt, a Market Disruption Event in respect of any Business Day includes the suspension or limitation of sale or redemption of Units on such Business Day for any reason.

***Extraordinary Event May Trigger Early Variable Interest***

If the Calculation Agent determines that any of the following has occurred (an "Extraordinary Event"):

- (i) a Market Disruption Event has occurred and is continuing, and that any such Market Disruption Event has continued for at least three consecutive Business Days, or
- (ii) AIM ceases to be the manager of the Fund, or the Fund announces that it will be discontinued or otherwise wound-up; or
- (iii) where a dealer or other entity is hedging BDC's exposure in respect of Variable Interest, an event occurs after the Issue Date that adversely and materially affects the ability or cost of the dealer or other entity to provide such hedge (which event may include, but is not limited to, a fundamental change in the Fund's investment objectives or investment strategies or AIM's failure to fulfil any of its material obligations to such dealer or other entity providing such hedge),

then BDC may, at its option upon notice to the Investors to be given effective on a Business Day (the date of such notification being the "Extraordinary Event Notification Date"), elect to accelerate the determination and payment of Variable Interest, if any, on all Notes (and thus discharge its obligations in respect of Variable Interest). Upon such election, Variable Interest, if any, per Note will be determined and calculated as of the Extraordinary Event Notification Date, subject to the following:

- (i) The amount of Variable Interest per Note payable by BDC will not be calculated in accordance with the provisions set out in "VARIABLE INTEREST CALCULATION" above. Instead, the amount of Variable Interest, if any, per Note payable by BDC will be equal to an amount (the "Variable Interest Early Payment Amount") estimated by a Calculation Agent to be:
  - (a) where the Extraordinary Event Notification Date occurs after the Year Three Valuation Date, the value of the Notional Portfolio, if any, as of the Extraordinary Event Notification Date determined as the product of:
    - (1) the NAV as of the Extraordinary Event Notification Date, times
    - (2) the number of Units comprising the Notional Portfolio as of the Extraordinary Event Notification Date.
  - (b) where the Extraordinary Event Notification Date occurs on or prior to the Year Three Valuation Date, an amount equal to the Interim Reference Amount, provided that the Interim Net Return used in determining that Interim Reference Amount will be calculated with the following modifications:
    - (1) The first Valuation Date scheduled to occur immediately after the Extraordinary Event Notification Date shall be accelerated to occur on the Extraordinary Event Notification Date in order to determine the related Year One Net Return, the Year Two Net Return or the Year Three Net Return (as the case may be) of the current period which has not been determined; and
    - (2) The Year Two Net Return and/or the Year Three Net Return (as the case may be) of the period(s) subsequently to be determined after such first Valuation Date scheduled to occur immediately after the Extraordinary Event Notification Date shall be deemed in each case to be equal to 1.
- (ii) Payment of Variable Interest per Note will be made on the tenth Business Day after the Extraordinary Event Notification Date.

In these circumstances, payment of the Principal Amount per Note will not be accelerated and will remain due and payable on the Maturity Date. It should also be noted that the Variable Interest Early Payment Amount, if any, will

reflect a return to the Investors that may be less than the return on the Fund up to the occurrence of the Extraordinary Event.

***Suspension of Fund Redemption May Postpone Variable Interest Determination and Payment***

If on any Business Day from and including the date on which Variable Interest (or the Variable Interest Early Payment Amount) would otherwise be payable to and including the third Business Day prior to such date there exists a suspension or limitation of redemption of Units or of the settlement of such redemption, BDC may postpone such payment of Variable Interest and, if affected by such suspension or limitation, the determination of the applicable NAV used to calculate the amount of Variable Interest (or the Variable Interest Early Payment Amount) payable, until such suspension or limitation is lifted. In the unlikely event that such postponement is extended for one year after the date that Variable Interest or the Variable Interest Early Payment Amount would otherwise have been payable, the applicable NAV shall be deemed to be nil.

***Adjustment Event***

If an Adjustment Event (as defined below) occurs, the Calculation Agent will, as soon as practicable thereafter, make adjustments, if any, to the formula for calculating Variable Interest, or a NAV, the number of Units in the Notional Portfolio or any other component or variable relevant to the determination of Variable Interest in such a way as the Calculation Agent reasonably determines appropriate to account for any diluting or concentrative effect of such Adjustment Event to preserve the intended economics to the Investors as of the Issue Date. Upon making any such adjustment, the Calculation Agent shall promptly give notice of such adjustment and brief details of the Adjustment Event to CDS and the Investors' investment dealers who are participants in CDS (or directly to the Investors in the case where the Notes are directly registered in their name and issued in definitive form). Save as expressly provided below, the Calculation Agent shall make no adjustment in respect of any Actual Distribution Returns.

"Adjustment Event" means, in respect of a Unit, the occurrence of any of the following events:

- (a) a subdivision, consolidation or reclassification of such Unit;
- (b) a distribution or dividend to existing holders of the Units of other than Units or cash;
- (c) a call in respect of Units that are not fully paid;
- (d) a repurchase by the Fund of Units whether out of profits or capital of the Fund and whether the consideration for such repurchase is cash, securities or otherwise; or
- (e) any other similar event that may have a diluting or concentrative effect on the theoretical value of the Units other than cash or Unit distributions.

***Book-Entry System***

All Notes will be represented in the form of a single fully-registered book-entry only global note (the "Global Note") held by or on behalf of CDS as custodian of the Global Note (for its participants), and registered in the name of CDS or its nominee (the "Nominee"), initially CDS & Co. (All references to the Notes and a Note contained in this Information Statement will include the Global Note unless the context otherwise requires.)

The Notes will be able to be purchased, transferred and repurchased through a broker or dealer who can effect trades under the book-entry system established and maintained by CDS (a "CDS Participant" and the "Book-Entry System", respectively). Subject to certain exceptions outlined below, certificates evidencing the Notes will not be available to Investors under any circumstances and registration of ownership of the Notes will be made only through the Book-Entry System. Upon purchase of any Notes, an Investor will receive only the customary confirmation sent to such Investor by the investment dealer from whom or through whom such Notes are purchased.

Definitive certificates in relation to the Notes will be issued to CDS Participants if (i) the Paying and Transfer Agent advises the Investors that CDS is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Notes and the Investors and BDC is unable to locate a qualified successor depositary system or (ii) the Paying and Transfer Agent, at its option, advises the Investors in writing that BDC elects to terminate the use of the Book-Entry System with respect to the Notes. In either event, the Global Note requires the Paying and Transfer Agent to notify all CDS Participants and Investors, through the Book-Entry System, of the availability of definitive certificates. Upon the surrender by CDS of the Global Note representing the Notes and instructions from CDS for registration, BDC will issue, or cause to be issued, definitive certificates to CDS Participants appearing on the records maintained by CDS at the time of or as soon as practicable prior to such delivery, which definitive certificates will thereafter evidence Notes previously evidenced by the Global Note.

The text of the definitive certificates evidencing Notes will contain such provisions as BDC may deem necessary or advisable. The Paying and Transfer Agent will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Paying and Transfer Agent, or at such other offices notified by BDC to Investors.

No transfer of a definitive certificate evidencing a Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to BDC or its agent, and upon compliance with such reasonable conditions as may be required by BDC or its agent and with any requirement imposed by law, and entered on the register. No Global Note may be transferred except as a whole by CDS to a nominee of CDS or by a nominee of CDS to CDS or another nominee of CDS.

### ***Payment***

The amounts payable under the Global Note on any due date will be made available by BDC through CDS or its Nominee in accordance with arrangements between BDC and CDS. CDS or its Nominee (as the case may be) will, upon receipt of any such amount, immediately facilitate payment to the applicable CDS Participants, or credit to those CDS Participants' CDS accounts, in amounts proportionate to their respective beneficial interests as shown on the records of CDS or its Nominee. BDC expects that payments by CDS Participants to owners of beneficial interests in the Global Note held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name". These payments are the responsibility of such CDS Participants. The responsibility and liability of BDC in respect of Notes represented by the Global Note is limited to making payment of any amount due on the Global Note to CDS or its Nominee.

Neither BDC nor the Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of Notes represented by the Global Note or for maintaining, supervising or reviewing any records relating to such ownership.

Payments on a definitive Note, if issued, will be made by cheque mailed to the applicable Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Investor at least five Business Days before the date of the payment and agreed to by BDC, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Note is conditional upon the Investor first delivering the Note to the Paying and Transfer Agent who reserves the right on behalf of BDC, in the case of payment of the Variable Interest prior to the Maturity Date, to mark on the Note that Variable Interest has been paid in full or in part (as the case may be), or, in the case of payment of Variable Interest and the Principal Amount under the Note in full at any time, to retain the Note and mark the Note as cancelled.

None of BDC, the Paying and Transfer Agent or CDS will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

### ***Status***

The Notes will constitute direct unconditional obligations of BDC under the terms of its medium term note program. The Notes will rank *pari passu* and will be payable rateably without any preference or priority.

### ***Plan of Distribution***

Each Note will be issued at 100% of the Principal Amount thereof (i.e., \$1,000.00). The issue price was determined by negotiation between BDC and CIBC World Markets Inc. The Selling Agent will be paid an upfront commission of 3.25% of the Principal Amount, and quarterly thereafter will be paid a trailing commission as a percentage of the Principal Amount, which percentage will be dependent upon the performance of the Fund from the Issue Date to the Year Three Valuation Date. Commissions paid to the Selling Agent do not factor into the formula for, or affect the potential amount of, Variable Interest payable to the Investors.

Dealers may from time to time purchase and sell Notes in the secondary market but are not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by such dealers.

BDC reserves the right to issue additional Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by BDC concurrently with the offering of Notes. BDC further reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to the Investors in general.

### ***Dealings With Companies***

Each of the Calculation Agent, the Paying and Transfer Agent and BDC may from time to time, in the course of its normal business operations, hold interests linked to the Fund or hold securities of, extend credit to or enter into other business dealings with AIM and one or more of the companies whose securities are owned by the Fund. Each has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances and shall not take into account the effect, if any, of such actions on the value of the Fund or the amount of Variable Interest that may be payable on the Notes.

### **Notification**

All general notices to Investors regarding the Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to CDS and the relevant CDS Participants, or (ii) in the case where the Notes are directly registered in the Investors' names and issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Investors; provided, however, that any required notice of an Extraordinary Event will also be published in the Toronto and national editions of a major daily English language Canadian newspaper with national circulation and in a daily French language newspaper of general circulation in Montreal.

All notices to BDC regarding the Notes will be valid and effective if such notices are mailed or otherwise delivered to Business Development Bank of Canada, 5 Place Ville Marie, Bureau 400, Montreal, Quebec H3B 5E7 – Attention: Vice-President and Treasurer.

### **Calculation Agent**

"Calculation Agent" means the calculation agent for the Notes appointed by BDC from time to time. The Calculation Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 5<sup>th</sup> Floor, Toronto, Ontario, M5J 2S8 – Attention: Equity Structured Products.

### **Paying and Transfer Agent**

"Paying and Transfer Agent" means the paying and transfer agent for the Notes appointed by BDC from time to time. The Paying and Transfer Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 4<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Debt Management Service.

## **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following summary describes the principal Canadian federal income tax considerations generally applicable to an Investor who purchases a Note at the time of its issuance and who, for the purposes of the Income Tax Act (Canada) (the "Act"), is a resident of Canada who deals at arm's length with BDC and holds a Note as capital property. This summary does not apply to an Investor that is a "financial institution" within the meaning of section 142.2 of the Act. This summary is based on the Act and the regulations made under the Act (the "Regulations") as in force on the date of this Information Statement, all specific proposals (the "Proposals") to amend the Act or Regulations publicly announced by the Minister of Finance prior to the date of this Information Statement and the current administrative practices and policies of the Canada Customs and Revenue Agency ("CCRA") as made publicly available by it. Except for the Proposals, this summary does not take into account or anticipate any changes to the law or the CCRA's administrative practices or policies whether by legislative, governmental or judicial action. Provincial, territorial and foreign income tax considerations are not addressed. This summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Investor. All Investors should consult their own tax advisors with respect to their tax positions. In particular, Investors should consult their tax advisors as to whether they will hold the Notes as capital property for purposes of the Act, and as to whether the Investor is eligible for and should file an election under subsection 39(4) of the Act to treat every "Canadian security" owned by the Investor, including the Notes, as capital property.

### **Variable Interest**

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act). Based in part on an understanding of the CCRA's administrative practice, there should be no deemed accrual of interest on the Notes under these provisions.

In the event that an Investor holds a Note until the Maturity Date, the full amount of the Variable Interest, if any, generally would be included in the Investor's income in the Investor's taxation year that includes the Maturity Date. Where payment of the Variable Interest takes place prior to the Maturity Date as a result of an Extraordinary Event, the full amount of such payment would be included in the Investor's income in the Investor's taxation year in which the Variable Interest is received or receivable.

### **Disposition of Notes**

On any disposition or deemed disposition of a Note by an Investor prior to the date on which the amount of Variable Interest becomes calculable, while the matter is not free from doubt, the Investor should realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Investor.

### **Eligibility for Investment by Registered Plans**

The Notes, if issued on the date hereof, would be qualified investments under the Act for trusts governed by

registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the Act), and the Notes would not constitute foreign property for the purposes of the Act.

## THE FUND

All information in this Information Statement relating to the Trimark Select Growth Fund, Series A, is derived from publicly available sources and is presented in this Information Statement in summary form. As such, none of BDC, the Calculation Agent or any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation of the NAV or the provision of any future information in respect of the Fund. The current simplified prospectus and certain other information in respect of the Fund may be obtained at [www.aimfunds.ca](http://www.aimfunds.ca). The following information is taken from that prospectus, as amended to the date of this Information Statement.

### ***Who manages the Fund?***

The Fund is managed by AIM Funds Management Inc. ("AIM"). AIM is one of Canada's largest mutual fund companies with over \$32 billion in assets under management as of September 30, 2002. A subsidiary of U.K.-based AMVESCAP PLC, one of the world's largest independent investment managers, AIM employs more than 900 people in its Calgary, Montreal, Toronto and Vancouver offices.

### ***What does the Fund invest in?***

**Investment objectives** – The Fund seeks to achieve strong capital growth with a high degree of reliability over the long term. The Fund invests primarily in equities of companies anywhere in the world.

The investment objectives of the Fund cannot be changed without the approval of a majority of the holders of the Units at a meeting called to consider the change. However, Investors in the Notes will not have any right to participate in such a meeting or otherwise have any rights in respect of the Units.

**Investment strategies** – To achieve these objectives, the portfolio management team of the Fund looks for companies:

- That show they can take advantage of technological advances to obtain a competitive advantage.
- That recognize and exploit opportunities for business expansion.
- Whose management has shown strong entrepreneurial skills.

Subject to AIM obtaining all necessary approvals for exchange-traded futures, the Fund may use derivatives, such as options, forwards and futures to hedge against potential loss. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies and to provide protection for the Fund's portfolio. If used for non-hedging purposes, options will represent no more than 10 per cent of the net assets of the Fund. Any use of derivatives will be consistent with the investment objectives of the Fund and will comply with Canadian securities regulations. The Fund will not use derivatives for speculation.

In anticipation of or in response to adverse market conditions, for cash management purposes or for defensive purposes, the Fund may temporarily hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the Fund may not achieve its fundamental investment objectives.

In the management of its portfolio, the Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements. These transactions will only be made with parties that are considered to be creditworthy and where the transactions should earn the Fund additional returns.

### ***Top 10 holdings***

The following investments represent the 10 largest holdings of the Fund as at **[August 30]**, 2002.

Investment	Per cent of assets	Country	Category
1. The Progressive Corp.	4.78%	U.S.	Financials
2. Harrah's Entertainment Inc.	4.41%	U.S.	Consumer discretionary

3. Becton Dickinson & Co.	3.77%	U.S.	Health care
4. Moody's Corp.	3.66%	U.S.	Financials
5. Berkshire Hathaway Inc., Class A	3.42%	U.S.	Financials
6. Sigma-Aldrich Corp.	3.39%	U.S.	Materials
7. American Express Co.	3.26%	U.S.	Financials
8. Canon Inc.	3.22%	Japan	Information Technology
9. Merck & Co., Inc.	3.16%	U.S.	Health Care
10. Knight-Ridder, Inc.	3.14%	U.S.	Consumer discretionary
Aggregate % of Top Ten Holdings = 36.21%			

## INDEX OF DEFINED TERMS

<b>A</b>		Maturity Date	2
Act	11	<b>N</b>	
Actual Distribution Return	3	NAV	4
Adjustment Event	9	Net Distribution Return	4
AIM	12	Nominee	9
<b>B</b>		Note	2
BDC	2	Notional Portfolio	4
Book-Entry System	9	Number of Initial Notional Units	4
Business Day	4	<b>P</b>	
<b>C</b>		Paying and Transfer Agent	11
Calculation Agent	11	Price Return	4
CCRA	11	Principal Amount	2
CDS	3	Proposals	11
CDS Participant	9	<b>R</b>	
<b>E</b>		Regulations	11
Ending Value	4	<b>S</b>	
Expert Estimated NAV	8	Selling Agent	2
Extraordinary Event	8	Starting Value	4
Extraordinary Event Notification Date	8	<b>V</b>	
<b>F</b>		Valuation Date	7
Fund	2	Variable Interest	2
<b>G</b>		Variable Interest Early Payment Amount	8
Global Note	9	<b>Y</b>	
<b>I</b>		Year One Net Return	4
Interim Net Return	4	Year One Valuation Date	4
Interim Reference Amount	4	Year Six Valuation Date	5
Investor	2	Year Three Net Return	4
Issue Date	2	Year Three Valuation Date	4
<b>M</b>		Year Two Net Return	4
Market Disruption Event	8	Year Two Valuation Date	4



## RISK FACTORS TO CONSIDER

- ◇ ***Suitability of Note for Investment*** – A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of investment objectives and the information set out in this Information Statement. For instance, an investment in a Note is not suitable for a person looking for a guaranteed interest yield. BDC makes no recommendation as to the suitability of the Notes for investment.
- ◇ ***Interest May Not Be Payable*** – The amount of Variable Interest, if any, payable on the Notes is uncertain and is linked to the performance of the Trimark Select Growth Fund, Series A. As such, the Notes will NOT directly track the performance of the Fund, and Investors will not have any ownership interest or related rights in Units of the Fund. There is a possibility that no amount of Variable Interest will be payable, with the result that an Investor may only receive the Principal Amount of \$1,000 per Note at maturity. **Unless the Interim Adjusted Return in respect of the Fund for the first three years is positive, the Investor will NOT benefit from any increase in the Fund over the last three years of the term of the Notes and no Variable Interest will be payable.** See “VARIABLE INTEREST CALCULATION” above.
- ◇ ***Secondary Market*** – The Principal Amount and Variable Interest, if any, per Note are only payable at maturity (subject, in the case of Variable Interest, to the occurrence of an Extraordinary Event). The Investor cannot elect to receive Variable Interest prior to the Maturity Date. There is no assurance that a secondary market through which the Notes may be sold will develop or, if such market develops, whether such market will be liquid. Any secondary trading price will be dependent on many factors and their relationship. In particular, Investors should realize that the trading price, especially during the first few years of the term, (i) will have a low sensitivity to the rises and falls in the Fund (i.e., the trading price of a Note will increase and decrease at a lesser rate compared to the respective percentage increases and decreases of the Fund) and (ii) may be substantially affected by changes in the level of interest rates independent of performance of the Fund. The Notes will not be listed on any exchange. See “DESCRIPTION OF THE NOTES – *Secondary Trading of Note*” above.
- ◇ ***Market Disruption Event / Extraordinary Event*** – If a Market Disruption Event occurs on a day on which the NAV of the Fund is to be determined for calculating Variable Interest, the determination of that NAV will be postponed to a later date. Fluctuations in the NAV may occur in the interim. The occurrence of an Extraordinary Event may accelerate the payment of Variable Interest, if any, in which case the amount of Variable Interest will be determined in an alternate manner by the Calculation Agent. However, in no event will the Principal Amount of a Note be paid prior to the Maturity Date. See “DESCRIPTION OF THE NOTES – *Special Circumstances*” above.