No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities being offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and, except in limited circumstances, will not be offered or sold within the United States to or for the account or benefit of United States persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the issuer at 469 King Street West, 4th Floor, Toronto, Ontario, M5V 1K4 (telephone (416) 867-7555), and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Secretary of the issuer at the above mentioned address and telephone number and is also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue May 29, 2006

$75,026,000
8,155,000 Units

This short form prospectus qualifies for distribution 8,155,000 trust units (the "Units") of Newport Partners Income Fund (the "Fund") at a price of $9.20 per Unit. The offering price of the Units was determined by negotiation between the Fund and RBC Dominion Securities Inc., CIBC World Markets Inc., Sprott Securities Inc., BMO Nesbitt Burns Inc., HSBC Securities (Canada) Inc., Scotia Capital Inc., TD Securities Inc., Raymond James Ltd., Acumen Capital Finance Partners Limited and Blackmont Capital Inc. (collectively, the "Underwriters"). The net proceeds of the offering will be used to indirectly capitalize Newport Partners Holdings LP ("Holdings LP") which will use the proceeds to repay indebtedness incurred under its credit facility, to continue its investment program and for general corporate purposes. See "Use of Proceeds".

The Units of the Fund are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol NPF.UN. The closing price of the Units of the Fund on the TSX on May 16, 2006, the last trading day on the TSX before the announcement of this offering, was $9.50 per trust unit. The TSX has conditionally approved the listing of the Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before August 15, 2006.

Price: $9.20 per Unit

	Price to the Public	Underwriters' Fee	Net Proceeds to the Fund(1)
Per Unit	$9.20	$0.46	$8.74
Total	$75,026,000	$3,751,300	$71,274,700

(1) Before deducting expenses of the offering, estimated at $1,500,000, which, together with the Underwriters' fee, will be paid out of the proceeds of the offering.

Distributions are generally payable within 15 days following each month-end to holders of record on the last business day of the prior month. Purchasers of Units pursuant to this offering who continue to own such Units at the close of business on June 30, 2006 will be entitled to participate in the distribution for the month of June 2006, payable on or about July 15, 2006.

A return on an investment in the Units is not comparable to the return on an investment in a fixed-income security. The recovery of the initial investment in the Units by a unitholder is at risk, and the anticipated return on a unitholder's investment is based on certain performance assumptions. **Although the Fund intends to make distributions of its distributable cash to unitholders, these cash distributions are not guaranteed and may be reduced or suspended.** The ability of the Fund to make cash distributions and the actual amount distributed will depend on numerous factors disclosed in the Fund's continuous disclosure documents, including the financial and operating performance of its operating partnerships, its debt covenants and obligations, working capital requirements and future capital requirements. In addition, the market value of the Units may decline if the Fund is unable to meet its cash distribution targets in the future, and that decline may be significant. It is important for a person making an investment in Units to consider the particular risk factors that may affect the Fund, its affiliates and the industries in which the Fund's affiliates operate and that may, therefore, affect the stability of the cash distributions on the Units. See the risks described herein under the heading "Risk Factors" and in the Fund's annual information form that are incorporated by reference herein, which describe the Fund's assessment of those risk factors, as well as the potential consequences to a holder of Units if a risk should occur.

(continued on next page)

(continued from cover)

The after-tax return from an investment in Units to unitholders, subject to Canadian income tax, can be made up of both a return on and a return of capital. That composition may change over time, thus affecting a holder's after-tax return. Returns on capital are generally taxed as ordinary income or as dividends in the hands of the holder. Returns of capital are generally tax-deferred (and reduce a holder's cost base in the Units for tax purposes). See "Certain Canadian Federal Income Tax Considerations".

The Fund is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Fund qualifies as a mutual fund trust for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder (the "Regulations") and offers and sells its Units to the public. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Fund and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Underwriters by Davies Ward Phillips & Vineberg LLP. **Each of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. is, directly or indirectly, a subsidiary of a Canadian chartered bank which is a lender to an affiliate of the Fund (the "Borrower") and to which the Borrower is currently indebted. Accordingly, under applicable securities laws, the Fund may be considered a "connected issuer" of each of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. in connection with this offering.** For more information, see "Relationship between the Fund and Certain Underwriters".

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is intended that the closing of the offering will take place on June 6, 2006, or such other date as may be agreed upon by the Fund and the Underwriters, but not later than June 29, 2006.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents listed below and filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the annual information form of the Fund dated March 29, 2006 (the "AIF");

(b) the Management Information Circular of the Fund dated March 29, 2006 prepared in connection with the annual meeting of unitholders of the Fund held on May 10, 2006;

(c) the audited consolidated balance sheet of the Fund as at December 31, 2005 and the consolidated statements of earnings, retained earnings and cash flows for the period from August 8, 2005 (date of commencement of operations) to December 31, 2005 and the audited consolidated balance sheets of Newport Private Yield LP ("NPY LP") as at December 31, 2005 and 2004, and the consolidated statement of operations, changes in partners' equity and cash flows for the year ended December 31, 2005 and for the period from February 27, 2004 (date of inception) to December 31, 2004, together with the reports of the auditors thereon and accompanying management's discussion and analysis of financial condition and results of operations ("MD&A");

(d) the unaudited consolidated statement of income of the Fund for the three months ended March 31, 2006 and the unaudited consolidated balance sheet as at March 31, 2006 and the unaudited consolidated statements of operations of NPY LP for the three months ended March 31, 2006 and the unaudited consolidated balance sheet as at March 31, 2006 and accompanying management's discussion and analysis of financial condition and results of operations; and

(e) the business acquisition report of the Fund dated December 23, 2005 in respect of the acquisitions of On-Site LP, EZEE ATM LP, Gemma Communications LP, Sports and Entertainment Limited Partnership, Jutan Limited Partnership, NPC Integrity Energy Services LP, Newport Partners LP, Elliott Special Risks LP, Morrison Williams Investment Management LP, Brompton Funds LP and Capital C Communications LP, other than: (i) the unaudited consolidated statements of operations of the Fund for the period from August 8, 2005 to September 30, 2005 and the unaudited consolidated balance sheet as at September 30, 2005; (ii) the unaudited consolidated balance sheet of the Fund as at June 30, 2005; (iii) the unaudited consolidated statements of operations of NPY LP for the three months ended September 30, 2005 and 2004, the nine months ended September 30, 2005 and the period from February 27, 2004 (date of inception) to September 30, 2004 and the unaudited consolidated balance sheets of NPY LP as at September 30, 2005 and December 31, 2004; (iv) the unaudited consolidated statements of income of NPY LP for the three months ended June 30, 2005 and 2004, the six months ended June 30, 2005 and the period from February 27, 2004 (date of inception) to June 30, 2004 and the unaudited consolidated balance sheets of NPY LP as at June 30, 2005 and December 31, 2004; and (v) the pro forma consolidated financial statements of the Fund for the nine months ended September 30, 2005 and the year ended December 31, 2004, which are not incorporated by reference herein.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Fund at 469 King Street West, 4th Floor, Toronto, Ontario, M5V 1K4 (telephone (416) 867-7555). These documents are also available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com.

Any documents of the type required by National Instrument 44-101 to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports) subsequently filed by the Fund with such securities commissions or regulatory authorities after the date of this short form prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information

set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

Neither the Fund nor the Underwriters have provided, or otherwise authorized any other person to provide, investors with information other than as contained or incorporated by reference in this short form prospectus. If an investor is provided with different or inconsistent information, he or she should not rely on it.

References in this short form prospectus to "Newport" are to Newport Partners Income Fund and Newport Private Yield LP, collectively. Throughout this short form prospectus, the relationship between Newport and the Operating Partnerships (as defined herein) is described as an "operating partnership" or that the parties are "partners" or are "partnering". "Partnership", "partners" and "partnering" used in this context does not mean a legal partnership between the parties. Rather, these terms serve to encapsulate the principles around which Newport makes its decisions with respect to a particular Operating Partnership and the common values and approach taken by both Newport and the entrepreneurs that manage the Operating Partnership to manage and grow the business of the Operating Partnership.

FORWARD LOOKING STATEMENTS

This short form prospectus contains certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Newport and the Operating Partnerships. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management of Newport and the Operating Partnerships. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the future operating results and economic performance of Newport and the Operating Partnerships are forward-looking statements. A number of factors, including risks and uncertainties, could cause actual events or results to differ materially from the events and results discussed in the forward-looking statements. In evaluating these statements, investors should specifically consider various factors, including the risks set forth under "Risk Factors" herein and in the AIF, which may cause actual events or results to differ materially from any forward-looking statement. Although the forward-looking statements contained in the short form prospectus are based on what management of Newport and the Operating Partnerships consider to be reasonable assumptions based on information currently available to them, there can be no assurance that actual events or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this short form prospectus, and none of Newport, the trustees of the Fund or the Operating Partnerships assumes any obligation to update or revise them to reflect new events or circumstances.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and Davies Ward Phillips & Vineberg LLP, counsel to the Underwriters, provided the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act and the Regulations for trusts governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered education savings plan.

NON-GAAP MEASURES

The terms "EBITDA" and "distributable cash" (collectively the "Non-GAAP Measures") are financial measures used in this short form prospectus that are not standard measures under Canadian generally accepted accounting principles ("GAAP"). Newport's method of calculating Non-GAAP Measures may differ from the methods used by other issuers. Therefore, Newport's Non-GAAP Measures, as presented in this short form prospectus, may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with GAAP, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. Management believes that EBITDA is a useful supplemental measure of performance and is the primary basis on which management assesses financial performance and cash available for debt service, working capital, capital expenditures, income taxes and distributions.

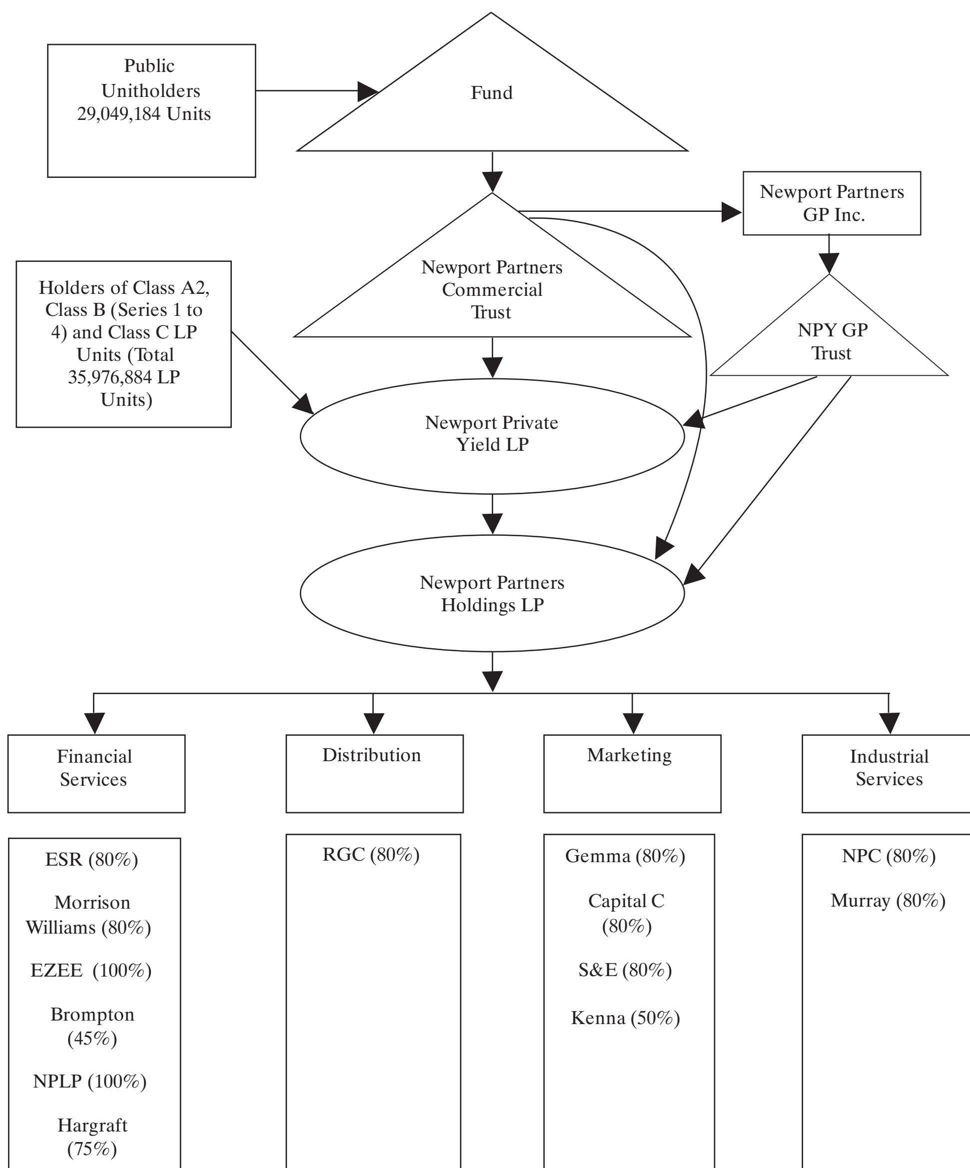
Distributable cash is not a standard measure under GAAP and is generally used by Canadian income funds as an indicator of financial performance. The method of calculating distributable cash may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to distributable cash as reported by such entities. Newport's method of calculating distributable cash is disclosed in the Summary Financial Table included in the MD&A. Management believes that distributable cash is a useful supplemental measure that provides investors with information on distributable cash.

Investors are cautioned that the Non-GAAP Measures are not alternatives to measures under GAAP and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the Units. These Non-GAAP Measures should only be used in conjunction with the financial statements included or incorporated by reference in this short form prospectus.

ORGANIZATION AND STRUCTURE OF NEWPORT PARTNERS INCOME FUND

The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust (the "Declaration of Trust") dated as of August 8, 2005. The Fund was created to acquire and indirectly hold an interest in NPY LP, a limited partnership established under the laws of the Province of Ontario. NPY LP was established to acquire, invest in, transfer, dispose of and otherwise deal with investments in debt and/or equity securities and/or assets of partnerships, corporations, trusts and other persons, including but not limited to private businesses, and to make such other investments as the sole trustee of the general partner of NPY LP, Newport Partners GP Inc., may determine. The Fund indirectly holds approximately 44% of NPY LP. The registered office of the Fund is located at 469 King Street West, 4th Floor, Toronto, Ontario, M5V 1K4.

The simplified structure of Newport is as follows:



The Fund holds all of the outstanding units (the "CT Units") and notes (the "CT Notes") of Newport Partners Commercial Trust (the "Commercial Trust") and indirectly holds all of the Class A1 limited partnership units of NPY LP (representing approximately 44% of the outstanding limited partnership units of NPY LP), all of the shares of Newport Partners GP Inc., which is the sole trustee of the general partner of NPY LP, and all of the Class B limited partnership units of Holdings LP. All of the Class A1 limited partnership units of

Holdings LP are held by NPY LP. NPY LP indirectly holds interests ranging from 45% to 100% in 13 operating partnerships (the "Operating Partnerships"). NPY LP has outstanding 29,049,184 Class A1 limited partnership units, all of which are owned indirectly by the Fund, and 29,646,394 Class A2 limited partnership units, 4,002,890 Class B limited partnership units and 2,327,600 Class C limited partnership units. Subject to certain limitations, the Class A2 limited partnership units, the Class B limited partnership units and the Class C limited partnership units are exchangeable, directly or indirectly, for Units on a one-for-one basis and such holders hold an equivalent number of Special Voting Units of the Fund, which are cancelled upon the exchange of such limited partnership units for Units. The special voting units were issued to provide voting rights to holders of Class A2 limited partnership units, Class B limited partnership units and Class C limited partnership units.

As at May 18, 2006, there were 29,049,184 Units of the Fund and 35,976,884 Special Voting Units of the Fund issued and outstanding.

DESCRIPTION OF BUSINESS

In December 2000, several of the principals of Newport established Newport Partners Inc. ("NPI") to provide personal and corporate wealth management services and advice to a client base focused on entrepreneurs. In late 2002, NPI concluded that the investment returns of NPI's clients could be enhanced by partnering with private companies and therefore decided to create Newport. As a result, NPI approached its personal and corporate clients, many of whom were entrepreneurs, to assess their interest in this partnering approach. As a result of this interest, NPY LP was formed on February 27, 2004 and the Fund completed an initial public offering on August 8, 2005.

Newport is an asset manager with a specific focus on making investments in private businesses led by successful entrepreneurs, a significant segment of the Canadian economy. Newport provides capital allocation and investment monitoring, while the entrepreneurs are responsible for day to day management of the underlying Operating Partnerships.

Newport has ownership interests in 13 Operating Partnerships that operate in four diverse business segments: financial services, distribution, marketing and industrial services. Newport forms these partnerships by investing in the entrepreneur's business with the entrepreneur typically retaining a significant equity interest.

Newport's Core Operating Philosophy

Newport's approach in structure and spirit is based on partnership. Newport refers to the businesses it invests in as "operating partnerships", and the managers of such businesses are referred to as "operating partners". Newport believes that its core operating philosophy differentiates Newport from other businesses as Newport's values attract like-minded entrepreneurs and their successful businesses, which is a significant competitive advantage for Newport and its investors.

Partnership Principles

Newport partners with known and trusted entrepreneurs who share the same business values as Newport. Newport takes a "hands-off" approach to the day to day operations of the Operating Partnership and partners with entrepreneurs who wish to continue to operate their business for the long-term. Newport partners with entrepreneurs who own businesses that have a conservative capital structure without excessive leverage and who are willing to invest a core component of their own net worth in Newport, thereby aligning management's interests with those of all unitholders.

Partnership Investment Criteria

Newport seeks to partner with entrepreneurs who own businesses which meet its partnership investment criteria. When seeking new partners, Newport considers the following partnership investment criteria in respect of the entrepreneur's business:

- Leading or niche position;
- Long history of profitability;
- Investment available at prices which yield returns accretive to unitholders;
- Growth or consolidation opportunities;
- Preference for low maintenance capital expenditures; and
- Typically little or no term debt.

Partnership Investment Model

Newport typically invests for a majority interest in the Operating Partnerships and provides entrepreneurs with access to growth capital, strategic and financial advice. Newport is responsible for the allocation of capital, investment management and oversight. Other than in the case of Brompton Funds LP and Kenna Group LP, the entrepreneurs that Newport partners with retain significant equity in their businesses and generally receive cash and equity consideration in the Fund in exchange for Newport's interest in the Operating Partnership. They also maintain day to day operating control of their Operating Partnership. All strategic and capital decisions in respect of the Operating Partnerships require the joint approval of Newport and the entrepreneur (other than Brompton Funds LP and Kenna Group LP in respect of certain matters).

Growth Strategy

Newport has a three-pronged growth strategy:

- *New Partnerships* — Newport intends to form new partnerships both within and outside its current business segments that are consistent with and complement Newport's business strategy. Newport believes its record demonstrates to prospective entrepreneurial partners the benefits of the Newport business plan and the attractiveness of partnering with Newport.
- *Growth Through Acquisitions* — Most of the Newport Entrepreneurs have successfully completed and integrated acquisitions. Additionally, most of these entrepreneurs have identified companies within their respective industries that are acquisition candidates. It is the intention of Newport to support these entrepreneurs as they continue to pursue and make suitable acquisitions.
- *Organic Growth* — In most cases, the Operating Partnerships have been able to grow without significant maintenance capital expenditures or further investments. As a result of the experience and credentials of the Newport entrepreneurs and the strong history of organic growth of the Operating Partnerships, Newport believes that the Operating Partnerships will continue to grow organically.

The following is a description of the business of each Operating Partnership organized by business segment.

Financial Services

Elliott Special Risks LP ("ESR")

ESR is a specialty managing general agent ("MGA") and is one of Canada's leading independent underwriters of commercial liability insurance. ESR and its predecessor companies have been in business since 1966. MGAs represent a hybrid form of insurance broker because insurers permit MGAs to make underwriting decisions on such insurers' behalf and determine the risk of underwriting a particular policy. In essence, MGAs represent an extension of the insurer's underwriting function. Nevertheless, ESR does not assume any liability for claims, expenses or payments if an insured incurs a loss; that liability remains the responsibility of the insurer that underwrites the policy.

ESR primarily underwrites commercial liability insurance on behalf of insurers. ESR focuses on insurance coverage in the umbrella and excess liability area, which currently represents approximately 50% of ESR's revenues. ESR also underwrites "hard-to-place" general liability, environmental, errors and omissions, property and inland marine insurance. ESR believes it is the leading independent market participant in Canada for many of its product lines.

ESR operates as a registered insurance broker with its revenues primarily derived from commissions earned from placing clients' insurance coverage with insurance and reinsurance companies. In addition, ESR earns contingent profit commission revenues from insurers based on the actual claims or loss experience of insurance written with each insurer.

Insurers in Canada generally distribute their policies to individuals and corporations through independent insurance brokers and insurance agents. Some insurers also distribute specific policy types directly. While insurance agents represent or are employed by one insurer, independent insurance brokers represent a number of insurers and are able to offer their clients insurance policies from a variety of insurers. ESR produces and underwrites insurance business on behalf of insurers for distribution through approximately 2,200 independent insurance brokers and insurance agents across Canada.

Morrison Williams Investment Management LP ("Morrison Williams")

Morrison Williams is an institutional money manager with over $4.4 billion of funds under management. Founded in 1992, Morrison Williams invests primarily on behalf of pension funds and mutual funds. It also invests on behalf of institutional clients and a number of high net-worth individuals. Morrison Williams' investment philosophy has generated results for its clients that Morrison Williams believes have exceeded its clients' benchmarks over the short-, medium- and long-term.

Morrison Williams provides asset management services for clients on a segregated and pooled basis with mandates including fixed income, balanced, Canadian equities, and royalty and income trusts. It generally charges its clients a fee on total assets under management depending upon mandate size.

Morrison Williams takes a different approach to investing for each of its various asset classes. Its approach to investing in fixed income is to select securities which have a minimum amount of credit risk, with an emphasis on quality and liquidity. Based on Morrison Williams' views on interest rate movements, the duration of its investments is adjusted to take advantage of market trends. From time to time, Morrison Williams will add unique fixed income securities to its portfolios to add yield. Morrison Williams' equity investment strategy is to take a "top-down" approach that considers the impact of worldwide economic forces and events and that blends growth and value stocks. It is an approach based on an analysis of long-term trends, acting with discipline, selecting conservative stocks, diversification and risk control. For royalty and income trusts, Morrison Williams applies its disciplined process to selecting equities and then analyzes the fundamental and relative value of these trusts.

Morrison Williams' primary clients are pension funds and mutual funds. It also manages assets for institutional clients and a relatively small group of high net-worth individuals. Morrison Williams' largest client accounts for approximately 38% of assets under management and its eight largest clients make up approximately 65% of assets under management, as at December 31, 2005. Morrison Williams has enjoyed long-standing relationships with its eight largest clients.

EZEE ATM LP ("EZEE")

EZEE is a full-service provider of automated teller machines ("ATM") and a full range of ATM management services, from ATM deployment and maintenance to transaction processing, reporting and settlement. EZEE management believes it operates the second largest network of non-financial institution ATMs in Canada. Management believes that non-financial ATMs represent approximately 50% of the Canadian market for ATMs and that EZEE has approximately 10% of the non-financial ATM market. EZEE operates approximately 2,200 ATMs. EZEE has ATMs located in every province in Canada with approximately 40% of EZEE's ATMs located in Québec and approximately 20% located in Ontario. In October 2005, EZEE purchased 100% of the assets of Rapid Cash ATM Ltd., an Edmonton based operator of non-financial institution ATMs.

While not all independent ATM service providers offer full customer service, EZEE believes that it provides the industry's most complete customer service package. EZEE earns revenue from both transaction fees paid by users of its ATMs (which include interchange fees and surcharge revenues) and on the sale of ATMs to its customers. EZEE typically signs renewable five-year agreements with its customers for their ATM transaction processing and maintenance services.

To accommodate the needs and to service a broad range of customers, EZEE provides its services using one of three service models:

Merchant Load ATM — Merchant owns the ATM and loads the cash;

Placement ATM — EZEE owns the ATM and the merchant loads the cash; and

Vault-Cash ATM — EZEE owns the ATM and EZEE loads the cash.

EZEE contracts with retailers including convenience stores, restaurants, bars, supermarkets and gas stations to place ATMs on their premises. Locations in busy areas with potential for high turnover of end-users are targeted.

Newport Partners LP ("NPLP")

NPLP is an independent wealth management company providing investment counselling and sophisticated financial planning and management services and solutions to its personal and corporate clients, with a focus on understanding and serving the needs of entrepreneurs. Since its inception in 2000, NPLP has grown assets under management to approximately $1.3 billion. NPLP draws on the experience of the principals of Newport who together have over 350 years' experience in investment management, corporate finance and operations.

NPLP advises its personal clients on investments in a diverse range of public and private assets. The NPLP entrepreneurs determine the appropriate asset allocation for each of their clients and engage external investment managers specializing in all asset classes to invest on behalf of their clients. In addition, NPLP offers personal clients other services including estate planning, tax planning, philanthropy planning, risk management, cash management and retirement planning. NPLP offers its corporate clients a variety of services, including sourcing of capital, advising on mergers, acquisitions and divestitures and other corporate finance advisory services. In its wealth management business, NPLP charges its clients a fee based on assets under management. NPLP's corporate clients generally pay a transaction-based fee.

NPLP's client base is made up of approximately 400 individuals, families, and companies located throughout Canada. Approximately 50% of its individual clients are entrepreneurs. Its wealth management clients represent a diverse cross-section of Canadian investors. NPLP views its clients as partners, whose ideas, industry expertise and insights can greatly enrich NPLP's advice and decision-making. NPLP's corporate clients are both public and private companies of various sizes.

Brompton Funds LP ("Brompton")

Brompton is a leading Canadian manager of public and private investment funds and as at December 31, 2005 managed 12 public funds and one private investment fund (collectively, the "Brompton Funds") with total assets of $3.1 billion and net assets of $2.5 billion under management. Units of all public Brompton Funds trade on the TSX. To enhance distributions, the majority of the Brompton Funds use leverage which accounts for the difference between gross and net assets. Brompton commenced operations with its first fund in February 2002.

Brompton, through its subsidiaries, manages the Brompton Funds and generally receives a fee based on the net assets under management. Of the 12 public funds managed by Brompton, seven focus on investing in income trusts, three focus on investing in equity securities and two focus on investing in investment grade debt instruments. For six of the Brompton Funds, Brompton has engaged an external portfolio manager to manage the fund's investment portfolio. Two of the Brompton Funds' portfolios are managed by an affiliate of Manulife Financial Corporation, two of the Brompton Funds' portfolios are managed by Flaherty & Crumrine Incorporated of Pasadena, California and two funds are managed by Highstreet Asset Management Inc. For these six actively managed funds, Brompton provides all other fund management and administration services. The remaining six Brompton Funds have adopted a low cost passive investment strategy whereby five of them invest in a defined portfolio of publicly traded income trusts and one of them invests in a defined portfolio of equity securities on an equally weighted basis. Brompton periodically rebalances these funds in accordance with their investment strategies. Nine of the Brompton Funds have indefinite terms and three of the Brompton Funds have fixed terms ending in May of 2011, November of 2012 and March of 2015, respectively. Of the $2.5 billion in net assets under management as of December 31 2005, 82% had indefinite terms.

Hargraft Schofield Ltd. ("Hargraft")

Founded in 1874, Hargraft is a leading participant in the Canadian insurance industry and was one of the first brokerages established in Ontario. Hargraft manages close to $85 million of premium and customized insurance solutions for industry leaders in a number of sectors, including finance, construction, manufacturing, transportation, education, and hospitality. For more information, see "Recent Developments — Investment in Hargraft".

Distribution

Redmond Group of Companies LP ("RGC")

RGC (which changed its name from Jutan Limited Partnership on May 1, 2006) is a leading importer, marketer and distributor of electronic and appliance products to the retail industry in Canada. These products

are sold under nationally recognized brands which RGC owns (in the case of the Citizen brand for consumer electronics) or licenses (often on an exclusive basis) in the Canadian market. RGC has been in business for over 40 years. RGC acquired the business assets and related liabilities of AVS Technologies Inc. ("AVS") in April 2005. AVS has been in business for approximately 26 years. In September 2005, RGC acquired certain assets of Sonigem Products Inc. ("Sonigem"). On April 30, 2006, RGC invested $8.5 million for a 45% interest in Rlogistics LP ("Rlogistics"), a limited partnership that specializes in "reverse logistics" which is the repair, refurbishment and reselling of product returned by retailers. RGC will be outsourcing all of its reverse logistics volume through Rlogistics. This outsourcing will enhance RGC's operational efficiencies and maximize the value of product returns.

RGC focuses on moderately priced electronic products with broad consumer appeal and procures and distributes televisions as well as audio equipment, DVD players, home theatre systems, microwaves and other electronic products. Sonigem distributes these products as well as small home appliances. AVS distributes seven nationally recognized brands in over 28 product categories. The AVS product line consists of flash memory cards, MP3 players, telephones, 2-way radios, video/cassette tapes and compact discs.

RGC's customers include "big box" retailers, general merchandisers, national grocery chains and specialized electronic outlets. The top two customers of RGC represented approximately 42% of 2005 sales and the top three customers represented approximately 72% of accounts receivable. Management believes that RGC has strong relationships with its retail customers and works closely with these customers to service their requirements, maximize revenue and effectively manage inventory. The RGC business is seasonal, with approximately 45% to 50% of RGC's sales being made from September to December in each year.

Marketing

Gemma Communications LP ("Gemma")

Gemma is a Canadian outsourced contact centre operator. The primary business of Gemma is providing outbound telephone revenue-generating campaigns targeted at individuals who are customers of Gemma's clients. Gemma's clients are companies in the financial services and telecommunications industries. A growing component of Gemma's business is inbound contracts whereby Gemma's agents field incoming calls for service from the customers of Gemma's clients. Gemma has approximately 1,000 associates (also called agents) in offices in Toronto (800 agents) and Montreal (200 agents).

Outbound Revenue Generation — Approximately 90% of Gemma's business is revenue generation for its clients. Gemma operates revenue-generating customer campaigns primarily for 10 clients, all of which are in the financial services and telecommunications industries. Gemma enjoys a 100% repeat business rate with these clients and, in most cases, the level of business volume has grown year-over-year.

Inbound Customer Care — Management believes that companies are generally hesitant to outsource ongoing and regular customer contact to a third party, however, because of Gemma's reputation and the trust it has developed with its clients, its clients are now starting to request that Gemma handle this function on their behalf. Inbound customer care represents an attractive growth area for Gemma.

Gemma primarily serves 10 established customers, all of which provide it with regular repeat business. Gemma's largest customer represents approximately 30% of Gemma's revenue, with revenue from its nine other primary customers being relatively balanced. Gemma charges its clients an hourly rate for providing its services.

Capital C Communications LP ("Capital C")

Capital C is a fully-integrated marketing services agency that works with its clients to develop innovative marketing programs for its clients' products and services. Capital C's approach is embodied in its philosophy — BIG IDEAS THAT WORK™, which involves developing a single idea and concept with its clients and translating that message across all consumer touch points and outlets.

Capital C provides full in-house capabilities in the following primary service areas:

Big Ideas Group — Clients hire Capital C's Big Ideas Group to launch new products and services and to help develop strategies to revitalize brands and leverage sales channel opportunities. The process includes analyzing the particular product, service or brand, developing the applicable marketing strategy in "brainstorming" sessions with its clients, implementing that strategy and measuring its results.

Retail Marketing — This focused service area helps clients develop promotional marketing and channel strategies for point-of-sale.

New Media — New media services involve the creation of web-based, interactive and text messaging marketing strategies. Services under this area include online branding, online promotion, "webvertising" and program measurement.

Experience Marketing — This service area closely targets the clients' desired market and includes event marketing and sampling, which management believes are important elements of any consumer product marketing strategy.

Capital C's Big Idea Group charges a fee based on the value brought to its clients. For its other three primary service areas, Capital C charges it clients under one of three models: (i) an hourly rate; (ii) a guaranteed spend program whereby Capital C's clients have access to Capital C's staff at preferred rates up to the limit of the guaranteed spend; and (iii) a retainer model (usually one year in duration) whereby Capital C determines the needs of the client and provides it with a monthly price guarantee against a scope of work.

Capital C has approximately 20 clients who are primarily large multi-national companies. Capital C's largest customer accounted for approximately 25% of sales in 2005 and its top five customers accounted for approximately 70% of sales in 2005. Capital C has enjoyed at least a five-year business relationship with four of its top five customers.

Sports and Entertainment Limited Partnership ("S&E")

S&E is an alternative advertising company that provides a specialized service for clients seeking to enhance their advertising awareness in new areas beyond traditional media placement. S&E buys or develops certain non-traditional advertising properties and repackages them to create what management believes are unique offerings to sell to its clients.

S&E has expertise in packaging comprehensive marketing programs for its clients. Its experienced in-house team performs all design and production activities, event marketing and television production. S&E's three primary products in terms of revenue generation are:

Arena and Stadium Packages — S&E acquires various advertising rights from professional sports teams across Canada. These rights often include advertising rights for fixed billboards, electronic scoreboards, signs and video monitors in concourse and concession areas as well as hospitality suites. S&E purchases these rights from the teams, packages various rights together, and sells these packaged rights to its clients.

Mobile Media — Mobile media is the placement of billboard-sized outdoor advertisements on cube vans, trucks, transport trailers, buses, streetcars and trains.

Video Billboards — Indoor and outdoor video billboards can accommodate a still photo, an animated graphic or a full television spot.

S&E also offers its clients products such as interactive television promotions, closed circuit video advertising, closed captioning sponsorship, and informational and/or editorial television broadcast content that runs outside of traditional commercial breaks, known as "interstitials".

S&E provides advertising services for more than 15 clients. Its top four clients, three of whom have long-standing relationships of between 10 and 20 years with S&E, account for approximately 80% of its business. S&E employs a "cost plus" revenue model on the advertising products it sells to clients, and charges an hourly rate for design services.

Kenna Group LP ("Kenna")

Kenna is a leading provider of customer relationship management and marketing automation solutions. It assembles various elements to provide a turnkey outsourced sales and marketing function to its clients. Kenna provides its clients with data-driven solutions that optimize their investments in marketing, sales and service, and the business intelligence tools and analytics required to enhance overall business performance. Whereas marketing revenues are traditionally project-based, the Kenna model is unique in that it provides a recurring, scalable and stable revenue stream based on a software license. Kenna also generates consulting/project revenue during the research, planning and implementation phases of its client projects.

The services offered by Kenna include strategic consulting, marketing automation, business intelligence and analysis, performance management, database development and management, and marketing program implementation.

The primary goal of Kenna's product and service offering is to assist clients in managing customer information and leveraging that information to allow Kenna's clients to develop stronger relationships with their customers through consistent, targeted and tailored communications.

Kenna currently has ten clients that account for the majority of its revenue. These clients are primarily large multi-national companies. It had one customer that represented approximately 43% of revenue in 2005. This client has been with Kenna for more than five years and the relationship remains strong. The top ten customers represented approximately 87% of Kenna's revenues in 2005.

Industrial Services

NPC Integrity Energy Services LP ("NPC")

NPC is a fully integrated provider of midstream production services to clients operating in the energy industry in western Canada. NPC provides construction, maintenance and operation services primarily to clients in the oil and gas industry and also to clients in the pulp and paper and timber industries. A majority of NPC's revenues are from maintenance and operations of existing oil and gas facilities as opposed to construction. As a result, NPC is less dependent on the oil cycle.

NPC provides industrial maintenance and facility infrastructure services for the oil and gas industries, including the following:

Production and Maintenance — These services include providing complete plant and field support, quality control, field operations and safety management systems personnel. The maintenance services business segment also performs plant turnarounds whereby a facility is shut down for a period of time for service and repair. NPC is typically involved from the start of shutdown planning to the completion of the shutdown.

Facility Construction — NPC provides a full range of facility construction services, including estimating, scheduling, inspection, procurement, project management and construction execution. The facility construction segment of NPC's business typically leads to its maintenance services being retained after the completion of construction.

Pipeline Integrity — This business line includes the procurement of personnel, services, materials, planning, scheduling and executing of pipeline integrity and repair in Western Canada.

NPC's services include the procurement of personnel, materials and equipment required by NPC's clients to execute their day-to-day maintenance services, operational requirements and turnaround activities. In addition to maintenance and operations services, NPC undertakes all aspects of new project development including cost estimates, procurement, expediting, shop inspection, project and construction management, field inspection, commissioning and start-up.

NPC's client base includes some of the largest and most recognized names in the oil and gas industry. One of Canada's largest integrated oil companies represents approximately 20% of its revenues. Notwithstanding that NPC operates in a dynamic marketplace that is constantly changing because of mergers and acquisitions activity within the oil and gas industry, NPC has been successful in fostering long-standing relationships with its clients.

Murray Demolition LP ("Murray")

Murray is a leading Canadian demolition contractor. Founded in 2002, Murray provides demolition, abatement and remediation services in Canada with approximately 260 employees performing over 200 projects annually. For more information, see "Recent Developments — Investment in Murray".

RECENT DEVELOPMENTS

Investment in Murray

Overview

On March 16, 2006, Newport invested $30.5 million for an 80% interest in the business of Toronto-based Murray, a leading Canadian demolition contractor. The consideration paid by Newport for its 80% interest consisted of approximately $28.5 million in cash and 204,291 Class A2 limited partnership units of NPY LP. The remaining 20% interest is controlled by Murray's founder and president, Shawn Murray, who continues to manage the business. Murray performs over 200 projects annually with approximately 20% of its revenues derived from commercial demolition projects primarily in Southern Ontario and 80% of its revenues derived from large industrial projects across Canada. For its fiscal year ended August 31, 2005, Murray had $65 million of revenue. Based on the Fund's 80% interest, management expects that Murray will generate approximately $6.4 million of annual distributable cash.

Murray employs approximately 260 employees, certain of whom are represented by the Labourers International Union of North America. Management believes that Murray has a very good relationship with the union.

Products and Services

Murray provides its clients with a wide range of services, including demolition, abatement and remediation. Demolition services include the dismantling of complex industrial and commercial projects requiring significant planning and engineering. Abatement services include the removal of environmentally sensitive substances such as asbestos, mold, lead and PCBs. Remediation services include the removal of contaminated soils. Murray often combines these services into a single decommissioning project and acts as a single project manager which leads to better utilization of resources and better co-ordination resulting in lower costs for the client.

Customers

Murray serves many large commercial and industrial customers. Murray derives a significant portion of its business from repeat customers and its excellent track record and reputation.

Industry Trends

The industrial demolition business is relatively stable. In periods of economic growth, companies are dismantling facilities in order to make way for larger and/or more efficient facilities and processes. In economic downturns, facilities are decommissioned as manufacturing capacity is rationalized and companies focus on reducing costs. The industrial demolition business also benefits from the on-going "de-industrialization" trend within North America. The commercial demolition business is typically driven by real estate development and property values within key urban areas.

Competition

Direct competitors of Murray in the commercial segment include Priestly Demolition Inc., Lions Group Inc., Ontario Specialty Contracting Inc. and Teperman Demolition & Waste Inc. and in the industrial segment include Priestly Demolition Inc., Lions Group Inc., Ontario Specialty Contracting Inc. and Teperman Demolition & Waste Inc., as well as general contractors such as Aecon Group Inc. and Comstock Canada. On larger projects, general contractors will often outsource to a company such as Murray. There are many barriers to entry in competing for the larger industrial and commercial projects including size and financial stability, availability of performance bonding facilities, access to heavy and specialized equipment, project management and systems expertise, engineering and operating skill level and experience, and health and safety track record.

Growth Strategy

Murray is focussed on growing organically by expanding its market presence through significant repeat customers, developing new customer relationships in Ontario and strengthening its presence in Western Canada.

Competitive Strengths

Management believes that Murray is well positioned for success as a result of what management believes is its market share leadership in Canada, its excellent reputation in the Canadian marketplace and its strong relationships with clients and employees, its experienced management team, significant repeat business and its diversity of services offered and geographies and industries served. It is a relatively non-cyclical business and has opportunities for organic and acquisition driven growth in a fragmented market.

Investment in Hargraft

On April 28, 2006, Newport invested $16 million in cash for an 80% interest in the business of Hargraft, an insurance broker selling specialized liability products for commercial clients and high-net-worth individuals. The remaining 20% interest is controlled by Hargraft's senior executive team, Ian Eddy, Paul Smith and Ron Trecroce, who will continue to manage the business.

Immediately following closing, Hargraft acquired all of the shares of Hargraft Schofield Benefits Inc. ("Hargraft Benefits") for a combination of cash and units of Hargraft with a maximum value of $2,250,000, subject to reduction if certain financial performance thresholds are not achieved. The issue of units of Hargraft to the vendors of the shares of Hargraft Benefits diluted the Fund's interest in Hargraft to 75.34%. Once the financial performance of Hargraft Benefits has been determined in June 2007, the Fund will acquire the units of Hargraft issued to the vendors of the shares of Hargraft Benefits, increasing its interest in Hargraft back to 80%.

Founded in 1874, Hargraft is a leading participant in the Canadian insurance industry and was one of the first brokerages established in Ontario. Hargraft manages close to $85 million of premium and customized insurance solutions for industry leaders in a number of sectors, including finance, construction, manufacturing, transportation, education and hospitality. Hargraft sells insurance products to commercial clients and high net-worth individuals. Hargraft is a national broker with clients in all provinces of Canada and operates out of its head office in Toronto, Ontario. Hargraft employs 37 people.

Products and Services

Hargraft offers a variety of products and services for businesses and individuals. Some of the industries to which Hargraft supplies insurance products are manufacturing, construction, transportation, medical, education, finance and hospitality. The products supplied include errors and omissions, medical malpractice, environmental liability, fleet packages, surety products, and property insurance products. In addition to these insurance products, Hargraft offers medical benefits coverage and life products such as life insurance to assist companies in attracting and retaining their work forces.

Hargraft also supplies specialty insurance products for high net-worth individuals including business owners, executives and professional athletes. The products include life, health and income protection insurance, and property and personal liability insurance.

Hargraft is one of Canada's top 15 revenue producing brokers according to the Canadian Insurance Journal, and management believes it is one of the top two Canadian brokers in the transportation segment. In 2005, transportation customers represented 55% of the premiums written by Hargraft and 60% of its commissions. In 2005, Hargraft's business mix was 90% commercial insurance lines, 6% life insurance and benefits, and 4% personal insurance.

Customers

Hargraft sells its insurance and benefits products to businesses and individuals throughout Canada. Hargraft has approximately 1,500 customers. Its five largest customers accounted for 20% of revenue in 2005, and its largest customer accounted for 9% of revenue in 2005.

Industry Trends

Following the terrorist attacks of September 11, 2001, many insurers suffered substantial losses and their capital and surpluses declined as a result of those losses as well as from a reduction in the value of their investments which resulted in decreased underwriting capacity. In an effort to improve industry profitability, industry participants increased premiums and deductibles and exercised greater underwriting discipline. By late 2005, the overall insurance market returned to a more profitable state. The financial results of insurance

underwriters improved, resulting in increased capital and the ability to underwrite additional business. Hargraft management believes that this trend will continue and lead to more and better opportunities for well positioned insurance brokers and an environment of stable profit margins.

Competition

According to the Insurance Brokers Industry Association, the Canadian insurance industry has over 25,000 property and casualty insurance brokerages. Management believes that Hargraft has differentiated itself from its competition by focusing its sales efforts on certain market segments, such as transportation, and by developing strong relationships with key customers in a concentrated geographic area, Ontario.

Growth Strategy

New Insurance Products — Hargraft will consider new lines of insurance coverage that meet the needs of its existing customer base or that can expand its client base. Hargraft has selectively added new lines in the past that achieve this objective such as its benefits, life products and pension plans offering.

Benefits Product Line — Hargraft has recently entered the area of medical benefits coverage and life products such as life insurance, and believes that there is significant growth potential in this area. Management will continue to focus resources on growing this product line and making it an integral component of the Hargraft product mix.

Grow Sales Force — Hargraft will look to attract outstanding individuals who can enhance the value of its insurance sales force. Hargraft currently has a sales force of 10 people.

Competitive Strengths

Experienced Management and Sales Force — The Hargraft entrepreneurs have a combined 70 years of experience in the insurance industry. This experience and the relationships that these individuals have developed during their time in the industry provides Hargraft with a competitive advantage. In addition, Hargraft has an experienced and proven sales force who are key to the success of Hargraft.

Focused Strategy — Hargraft has developed a focused strategy around certain specialized insurance products and customers. This strategy has allowed Hargraft to build its reputation in these areas and develop strong relationships with insurers and customers.

Excellent Reputation — During its 132 year history, Hargraft has developed a reputation in the insurance brokerage industry for accountability, consistency, innovation and excellence.

Potential Investments

As part of its on-going growth strategy, Newport is constantly evaluating potential investments which individually or collectively could be material. As of the date hereof, Newport has not reached agreement on the price or terms of any potential material investments and cannot predict what impact, if any, current or future opportunities may have on the financial position and results of operations of Newport.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Fund as at December 31, 2005 and as at March 31, 2006, both before and after giving effect to this offering.

Designation	Authorized	Outstanding as at December 31, 2005 ($000s)	Outstanding as at March 31, 2006 ($000s)	Outstanding as at March 31, 2006 after giving effect to this offering ($000s)
Long Term Debt[1]	—	$2,035	$2,029	$2,029
Convertible Debentures	Unlimited	$84,339	$84,372	$84,372
Units	Unlimited	$238,740 (25,766,036 Units)	$261,950 (28,720,278 Units)	$336,225 (36,875,278 Units)
Special Voting Units	Unlimited	— (39,003,010 Special Voting Units)	— (36,153,161 Special Voting Units)	— (36,153,161 Special Voting Units)

Note:

(1) Includes $2,000 demand term loan maturing in September 2009.

PRICE RANGE AND TRADING VOLUME OF UNITS

The Units are listed and posted for trading on the TSX under the symbol "NPF.UN". The following table sets forth the reported high and low prices and trading volume for the Units on the TSX for the periods indicated.

	High	Low	Volume
2005			
August	$10.22	$ 9.76	4,041,846
September	$ 9.99	$ 8.50	1,728,810
October	$ 9.20	$ 7.85	1,505,160
November	$ 8.48	$ 7.40	1,777,051
December	$ 9.40	$ 8.26	1,137,006
2006			
January	$ 9.80	$ 9.30	1,181,661
February	$ 9.95	$ 9.40	1,580,098
March	$10.40	$ 9.80	1,546,092
April	$10.34	$10.00	2,864,549
May (to May 18)	$10.05	$ 9.18	2,129,559

DETAILS OF THE OFFERING AND DESCRIPTION OF UNITS

The offering consists of 8,155,000 Units at a price of $9.20 per Unit. The beneficial interests in the Fund are divided into interests of two classes, described and designated as "Units" and "Special Voting Units", respectively. An unlimited number of Units and Special Voting Units are issuable pursuant to the Declaration of Trust.

Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of the termination or winding-up of the Fund. The Units issued pursuant to this offering will not be subject to future calls or assessments, and will entitle the holder thereof to one vote for each whole Unit held at all meetings of unitholders.

The Special Voting Units are not entitled to any interest or share in the Fund, in any distribution from the Fund whether of net income, net realized capital gains or other amounts, or in the net assets of the Fund in the event of the termination or winding-up of the Fund. Special Voting Units may be issued in series and are only issued to the holders of Class A2 limited partnership units of NPY LP, Class B limited partnership units of NPY LP and Class C limited partnership units of NPY LP and, if the trustees so determine, other exchangeable securities, in each case, for the purpose of providing voting rights with respect to the Fund to the holders of such securities.

The Declaration of Trust, among other things, provides for the calling of meetings of unitholders, the conduct of the business thereof, notice provisions and the appointment and removal of the trustees of the Fund. A special resolution approved by not less than 66⅔% of the votes of unitholders represented at a meeting is required to, among other things, amend the Declaration of Trust or terminate the Fund.

Registration of interests in and transfers of the Units are made only through a book-based system administered by the Canadian Depository for Securities Limited.

The Fund qualifies as a mutual fund trust for the purposes of the Tax Act. In order to ensure that the Fund continues to qualify as a "mutual fund trust", the Declaration of Trust provides that the trustees of the Fund shall have the right to require unitholders to sell their Units, to require unitholders to provide evidence of their status as residents or non-residents of Canada, to suspend the voting rights and/or distribution rights attaching to Units held by unitholders who refuse to comply with a notice requiring them to sell Units and to sell, on behalf of such unitholders, their Units and to pay to them only the net proceeds of such sales.

The foregoing is a summary of certain provisions of the Declaration of Trust and is qualified in its entirety by reference to the full text of the Declaration of Trust which is filed on SEDAR and may be viewed at www.sedar.com.

DISTRIBUTION POLICY

The Fund's policy is to make monthly cash distributions of its distributable cash to unitholders of record on the last business day of each month and the distributions are paid within 15 days following each month end.

The amount of the Fund's distributable cash is equal to the interest and principal repayments on the CT Notes owned by the Fund and the distributions (if any) on or in respect of the CT Units owned by the Fund less: (i) administrative expenses and other obligations of the Fund; (ii) amounts that may be paid by the Fund in connection with any cash redemptions or repurchases of Units; (iii) satisfaction of its debt service obligations (principal and interest) on indebtedness, if any (including the outstanding convertible debentures of the Fund), and of its obligations pursuant to any agreements entered into in connection with the Fund's credit facility; and (iv) any amount that the trustees may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Fund, that have been or are reasonably expected to be incurred in the activities and operations of the Fund (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the available distributable cash of the Fund) and for reasonable reserves.

The Fund may make additional distributions in excess of the aforementioned monthly distributions during the year, as the Trustees may determine. The distribution declared in respect of the month ending December 31 in each year will include such amount in respect of the taxable income and net realized capital gains, if any, of the Fund for such year as is necessary to ensure that the Fund is not liable for taxes under Part I of the Tax Act in such year.

The following table sets forth the monthly distributions per Unit paid by the Fund since the initial public offering on August 8, 2005.

	Per Unit
2005	
August	$0.06082
September	$0.07708
October	$0.07917
November	$0.07917
December	$0.07917
2006	
January	$0.07917
February	$0.07917
March	$0.07917
April	$0.08333

Subordination

The Fund receives indirect cash distributions from NPY LP which, in turn, receives indirect cash distributions from the Operating Partnerships. Subordination of cash distributions within the structure of the Fund occurs at two levels, namely, the Operating Partnership level and the NPY LP level.

Subordination of Distributions at the Operating Partnership Level

Pursuant to the applicable limited partnership agreements for each of ESR, RGC, Gemma, Capital C, S&E, NPC, Kenna and Murray, distributions to the entrepreneurs are subordinated to distributions to Holdings LP until the earlier of: (i) the end of the quarter in which August 8, 2007 (September 30, 2007 in the case of RGC, September 30, 2009 in the case of Kenna and March 16, 2008 in the case of Murray) occurs, and (ii) the end of the quarter in respect of which aggregate cumulative distributions to Holdings LP exceeds 24 times the monthly priority allocation allotted to Holdings LP, as adjusted for future acquisitions and changes in capital structure (the "Operating Level Subordination End Date"). Before any amount is paid to the relevant entrepreneurs, Holdings LP receives a priority allocation per month which represents Holdings LP's portion of the Operating Partnership's targeted cash available for distribution (generally 80%). Before any further amount

is paid to Holdings LP, the relevant entrepreneurs receive an allocation per month which represents the applicable Operating Partnership's targeted cash available for distribution (generally 20%). Any remaining cash available for distribution is paid proportionately to Holdings LP and the applicable entrepreneurs in accordance with their unit holdings in the Operating Partnership. In addition, if, in any month prior to the Operating Level Subordination End Date, Holdings LP receives less than the specified priority allocation to which it is entitled, distributions of cash available for distribution from the Operating Partnership to the applicable entrepreneurs will be suspended until any deficiency is paid to Holdings LP. The subordination provisions will cease to be effective on the Operating Level Subordination End Date.

Pursuant to the limited partnership agreement pertaining to Morrison Williams, income is not allocated, and cash available for distribution is not distributed to Holdings LP and the entrepreneurs in accordance with their pro rata holdings of units in Morrison Williams. Instead, the allocation of income and the distribution of cash is based on a calculation of the gross revenues of Morrison Williams less commission payable to third parties on account of gross revenues ("Net Revenues") and the expenses of Morrison Williams (other than the commissions deducted from gross revenues for the purposes of determining gross revenues) ("Operating Expenses"). Before any amount is paid to the Morrison Williams entrepreneurs, Holdings LP receives an amount equal to 72.5% of Net Revenues for the applicable month to a maximum of $7,003,500 per annum. Before any further amount is paid to Holdings LP, the Morrison Williams entrepreneurs receive the balance of the cash available for distribution, if any, to a maximum of that amount equal to $9,660,000 less Operating Expenses for the fiscal year less the aggregate amount paid to Holdings LP during the fiscal year pursuant to the previous sentence. 67.5% of any additional Net Revenues in excess of $9,660,000 is paid to Holdings LP and 32.5% is paid to the Morrison Williams entrepreneurs. These distribution provisions will remain in effect until NPY LP and the Morrison Williams entrepreneurs otherwise agree. Distributions to the Morrison Williams entrepreneurs will also be subject to potential subordination at the NPY LP level as described below.

In the case of Brompton, distributions of cash available for distribution to the Brompton entrepreneurs are not subordinated to distributions of cash available for distribution to Holdings LP at the Operating Partnership level. All cash available for distribution is paid proportionately to Holdings LP and the Brompton entrepreneurs in accordance with their unit holdings in Brompton.

There is no subordination of distributions of cash available for distribution to Holdings LP in respect of EZEE or Hargraft. There is no subordination of distributions of cash available for distribution to NPY LP by Holdings LP.

Subordination of Distributions at the NPY LP Level

In the case of NPY LP, each series of Class B limited partnership units generally ranks equally with the Class A1 limited partnership units of NPY LP and the Class A2 limited partnership units of NPY LP in respect of monthly cash distributions made by NPY LP. However, if cash distributions to NPY LP from any Operating Partnership associated with any series of Class B limited partnership units fall below agreed cumulative distributable cash targets, then cash distributions on that series of Class B limited partnership units will be suspended until any deficiency is paid to NPY LP. Class C limited partnership units will generally be subordinated to the Class A1 limited partnership units, Class A2 limited partnership units and Class B limited partnership units in respect of monthly cash distributions.

These arrangements will continue until the Class B subordination end date and the Class C subordination end date, as applicable. The Class B subordination end date for each series of Class B LP Units will be the earlier of: (i) the end of the quarter that includes the second anniversary of August 8, 2005 (or the 30th month after August 8, 2005 in the case of the Class B3 limited partnership units); and (ii) the end of the quarter in respect of which the aggregate cumulative distributions by the relevant Operating Partnership exceed 24 times (or in the case of S&E, 30 times) the monthly priority allocation allotted to such Operating Partnership, as adjusted for future acquisitions and changes in capital structure. The Class C subordination end date will be the earlier of: (i) the end of the quarter that includes August 8, 2007; and (ii) the end of the quarter in respect of which since August 8, 2005 aggregate cumulative cash distributions on the trust units of the Fund, the Class A2 limited partnership units and the Class B limited partnership units exceed $1.85 per trust unit, as adjusted for future acquisitions and changes in capital structure.

USE OF PROCEEDS

The estimated net proceeds to the Fund from the sale of the Units will be approximately $71,274,700 (determined after deducting the Underwriters' fee and before the estimated expenses of this offering, estimated at $1,500,000). The Fund intends to use the net proceeds to indirectly capitalize Holdings LP which will use the proceeds to repay indebtedness incurred under the Holdings LP Credit Facility (as defined below), to continue its investment program and for general corporate purposes.

RISK FACTORS

An investment in the Units is subject to certain risks. Investors should carefully consider the risks set forth below and those described under the heading "Risk Factors" in the AIF.

Risks Related to Murray

Large Project Risk

A substantial portion of Murray's revenues are derived from large projects. Opportunities to compete for such large projects do not occur regularly and Murray's ability to successfully compete for such large opportunities and the length of time required to execute such projects is not predictable. As a result, Murray may experience fluctuations in financial results and cash flows.

Access to Bonding

Most of Murray's contracts require sufficient bonding. Although Murray believes that it will be able to secure and maintain surety capacity adequate to satisfy its current requirements, if such requirements become materially greater than anticipated or should sufficient surety capacity not be available, this could have a material adverse effect on Murray's business, financial condition, future prospects and results of operations.

Contractual Risks

A substantial portion of Murray's revenue is derived from fixed-price contracts pursuant to which a commitment is provided to the owner of the project to complete the project for a guaranteed amount. Any errors in estimating the cost or time to complete such projects may be absorbed by Murray which may have a material adverse effect on Murray's business, financial condition and results of operations.

Economic Risks

Murray's revenues and profitability are tied to the general state of the economy in those geographic regions in which it operates. A fluctuation in the general state of the economy in those geographic regions in which Murray operates could have a material adverse effect on Murray's business, financial condition, future prospects and results of operations.

Environmental and Safety Risks

Murray handles hazardous substances such as asbestos, mold, lead and PCBs as part of its business. While Murray has not had any incidents, emissions or spills, there can be no guarantee that there will not be any incidents, emissions or spills in the future and that such incidents will be of a non-material nature.

Murray is subject to and complies with environmental and health and safety legislation in the jurisdictions in which it operates. Management is not aware of any pending environmental or health and safety legislation that would be likely to have a material impact on any of its operations, capital expenditure requirements or competitive position. Nevertheless, there can be no guarantee with respect to the impact of future legislation or incidents which could have a material adverse effect on Murray's operations, capital expenditure requirements or competitive position.

Labour Factors

A significant portion of Murray's labour force is unionized and accordingly, Murray is subject to the detrimental effects of a strike or other labour action, in addition to competitive cost factors.

Scrap Metal

Murray frequently obtains the rights to the scrap metal that can be salvaged as part of a given project pursuant to the terms of the contract and in turn sells the scrap metal to various end markets. As a result, Murray's revenues and profitability are exposed to fluctuations in the market prices for such metals and any decrease in the market price of such metals could have a material adverse effect on Murray's business, financial condition and results of operations.

Risks Related to Hargraft

Changes in the Business, Economic and Political Environment

Hargraft's business and results of operations can be affected significantly by changes in the business and economic environment, including, changes in the level of demand for insurance, price competition and variation in other terms and conditions of trade, increases in the supply of insurance as a result of new capital provided by recent or future market entrants or by existing insurers, volatile and unpredictable developments (including catastrophes), changes in loss of reserves resulting from changing legal environments as different types of claims arise and judicial interpretations relating to the scope of insurers' liability develop, fluctuations in interest rates, price competition and other changes in the investment environment which affect returns on invested assets and inflationary pressures that affect the size of losses. As a result of fluctuations in pricing, Hargraft may be unable to obtain business that meets its underwriting standards and pricing expectations which could have a material adverse effect on Hargraft's business, financial condition and results of operations.

Competitive Market Environment

The insurance brokerage industry is highly competitive. Hargraft competes, and will continue to compete, with both large and small companies in the market, some of which may have greater financial, marketing, distributions and management resources than Hargraft. In addition, Hargraft may not be aware of other companies that may be planning to enter the insurance market. Any new, proposed or potential legislative or industry developments could further increase competition in Hargraft's markets. There can be no assurance that Hargraft will be able to achieve or maintain any particular level of commissions in this competitive environment.

Regulatory Risks

Hargraft's business is subject to various regulatory requirements imposed by legislation and regulation in Canada applicable to insurance companies. Material changes in the regulatory framework or the failure to comply with regulatory requirements could have an adverse effect on Hargraft. Additionally, significant tort law reform could impact the cost of litigation surrounding insurance claims. These reforms would result in insurance premiums being lowered with a corresponding reduction in commission revenue levels. To date, no meaningful efforts have been made to persuade regulators to implement tort reform except in the area of auto insurance.

Income Tax-Related Risks

There can be no assurance that Canadian federal income tax laws, or the judicial interpretation thereof, or the administrative practices of the Canada Revenue Agency ("CRA") respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects unitholders. If the Fund ceases to qualify as a "mutual fund trust", as defined in the Tax Act, the Canadian federal income tax considerations described herein under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects and the Units would cease to be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

The Department of Finance has indicated that it will continue to evaluate the development of the income trust market as part of its ongoing monitoring and assessment of Canadian financial markets and the Canadian tax system and changes in this area are possible. Such changes could result in the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" being materially different in certain respects.

Although the Fund, the Commercial Trust, NPY LP, Holdings LP, the Operating Partnerships and their affiliates are of the view that all expenses to be claimed by them in the determination of their respective incomes under the Tax Act will be deductible in accordance with the applicable provisions of the Tax Act, and that the allocation of partnership income for purposes of the Tax Act among the relevant partners is reasonable, there can be no assurance that the provisions of the Tax Act, or the interpretation thereof, will not change, or that CRA will agree with the expenses claimed or the allocations of partnership income made. If CRA successfully challenges the deductibility of such expenses or the allocation of partnership income, the tax liability of the Commercial Trust or the Fund and the cash available for distribution by the Fund could be materially adversely affected.

Acquisitions of certain property by the Operating Partnerships have been effected on a tax-deferred basis with the result that the Operating Partnership's adjusted cost base of such property was less than its fair market value at the time it was acquired. Accordingly, the Operating Partnership may realize a gain on the future disposition of such property that is larger than the gain that would have been realized had the property not been acquired on a tax deferred basis. It is possible future acquisitions of property by the Operating Partnerships may also be effected on a tax-deferred basis.

The Declaration of Trust provides that an amount equal to the Fund's income (including its net realized capital gains) will be distributed to unitholders each taxation year in order to reduce the Fund's taxable income to zero. Where such income exceeds the cash available for distribution in the year, the excess will be distributed to unitholders in the form of additional Units and unitholders will generally be required to include in computing their taxable income an amount equal to the fair market value of the additional Units so distributed. Thus, unitholders may have a liability for tax in circumstances where they do not receive a cash distribution. If the Fund does not distribute to unitholders all or substantially all of its income and net realized capital gains in a taxation year, it may be liable for a material amount of tax under Part I of the Tax Act.

Risks Related to Investments

Newport and a number of its Operating Partnerships intend to partner with additional entrepreneurs in the future. However, the ability of Newport and the Operating Partnerships to identify and consummate new partnership opportunities is not guaranteed. In addition, while Newport intends to adhere to its core operating philosophy and to the partnership principles, investment criteria and investment model contemplated thereby, Newport retains the discretion to select and structure investments in a manner that it sees fit, and the manner in which an investment is structured might involve certain risks.

Achieving the benefits of future investments will depend in part on successfully consolidating functions and integrating operations, procedures and personnel of all of the partnerships in a timely and efficient manner. The integration of these future investments will require the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of on-going business and customer and employee relationships that may adversely affect Newport's or an Operating Partnership's ability to achieve the anticipated benefits of future investments.

Newport conducts business, legal and financial due diligence investigations on all its investments and the purchase and sale agreements pursuant to which Newport indirectly makes its initial investment in an Operating Partnership generally contain customary representations and warranties (in certain cases to the knowledge of the vendors) with respect to the applicable business and related indemnities from the vendors regarding corporate matters, taxes, litigation, operations, employee matters and financial statements, among other things. Generally, the survival period for the representations and warranties and related indemnities is two years from the applicable closing date and in some cases, the maximum liability of the vendors under the indemnities is subject to limits and is subject to deductibles. However, there can be no assurance that Newport will uncover all risks

associated with the investment in its due diligence investigations, that the representations and warranties given by such vendors will adequately protect against such risks, or of recovery by Newport in the event of a breach of a representation and warranty. Furthermore, the purchase and sale agreements pursuant to which Newport indirectly makes follow up investments in an Operating Partnership do not contain any representations and warranties or related indemnities from the vendors with respect to the business and operation of the applicable Operating Partnership but do contain representations and warranties from the vendors with respect to the ownership of the limited partnership units being sold to Newport. The failure of Newport to uncover risks associated with an investment or to recover in the event of a breach of a representation or warranty may have a material adverse impact on the operations and financial results of Newport.

Certain of the limited partnership agreements of the Operating Partnerships contain shot-gun buy-sell provisions. The purpose of the shot-gun buy-sell provisions is to provide the parties with a recognized mechanism for solving any fundamental disputes which may develop. If one of the limited partners of the applicable Operating Partnership, other than Holdings LP, initiates a shot-gun buy-sell, the general partner of Holdings LP will have to decide whether to buy at the offered price, in which case monies may have to be raised, either by drawing on the Credit Facility in the short term or issuing more units, or to sell at the offered price, in which case Holdings LP will receive the proceeds of sale, and will apply the proceeds in such manner as the general partner of Holdings LP determines at the time, subject to any required approvals from lenders or others. There is no assurance that Holdings LP will decide to buy at the offered price or that Holdings LP will have sufficient funds to buy at the offered price. Any decision of Holdings LP not to buy at the offered price or its inability to buy at the offered price may have a negative impact on Newport. Any sale by Holdings LP pursuant to such shot-gun buy-sell provisions will require consent of the lenders under the Credit Facility. No assurance can be given that such consent will be obtained on acceptable terms or at all should Holdings LP decide that it wishes to sell under such shot-gun buy-sell provisions.

Prior to the Fund's initial public offering, NPY LP financed its investments through a series of private placements of limited partnership units of NPY LP raising an aggregate of over $100 million. Offering memoranda prepared by Newport in connection with these private placements contained statutory rights of rescission and rights of damages for misrepresentations in such offering memoranda.

PLAN OF DISTRIBUTION

Under an agreement dated May 18, 2006 (the "Underwriting Agreement") among the Fund, Holdings LP and the Underwriters, the Fund has agreed to sell and the Underwriters have agreed to purchase, as principals, on June 6, 2006, or on such other date (on or before June 29, 2006) as may be agreed upon, subject to the terms and conditions contained therein, 8,155,000 Units at a price of $9.20 per Unit payable in cash to the Fund against delivery of the Units. The Underwriting Agreement provides that, in connection with this offering, the Fund has agreed to pay the Underwriters a fee of $0.46 per Unit issued by the Fund. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. Except in certain limited circumstances, if an Underwriter fails to purchase the Units which it has agreed to purchase, the other Underwriters may, but are not obliged to, purchase such Units. The Underwriters are, however, obligated to take up and pay for all the Units if any are purchased under the Underwriting Agreement. The Fund has agreed to indemnify the Underwriters in certain circumstances. The offering price for the Units was determined by negotiation between the Fund and the Underwriters.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX (now contained in the Universal Market Integrity Rules) relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, the Underwriters may, in connection with the offering, over-allot or effect transactions which stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States.

The Fund has been advised by the Underwriters that, in connection with the offering, the Underwriters may, subject to applicable laws, effect transactions which stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Fund has agreed in the Underwriting Agreement that it will not, without the prior written consent of the Underwriters, create, issue or sell any equity securities or any securities exchangeable or convertible into equity securities or announce the intention to do any of the foregoing at any time prior to 90 days after the closing of the offering (other than in connection with any investments by the Fund or an affiliate of the Fund or in connection with the conversion or exchange of any securities of the Fund or an affiliate of the Fund outstanding as at the date hereof that are convertible or exchangeable for Units of the Fund).

The TSX has conditionally approved the listing of the Units. Listing is subject to the Fund fulfilling all of the requirements of the TSX on or before August 15, 2006.

RELATIONSHIP BETWEEN THE FUND AND CERTAIN UNDERWRITERS

Each of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. is, directly or indirectly, a subsidiary of a Canadian chartered bank which is a lender to an affiliate of the Fund (the "Borrower") and to which the Borrower is currently indebted under an amended and restated credit agreement (the "Credit Agreement") dated August 31, 2005, as further amended. The obligations of the Borrower under the Credit Agreement are guaranteed by certain direct and indirect subsidiaries of the Fund (the "Guarantors") and are secured by a first priority security interest in the present and after acquired property of the Borrower and the Guarantors. Pursuant to the Credit Agreement, the lenders have provided the Borrower with a revolving operating credit facility (the "Operating Facility") for working capital requirements and other general corporate purposes of up to an aggregate amount of $40 million, and a revolving acquisition credit facility (the "Acquisition Facility") for completing and/or providing bridge financings in connection with acquisitions permitted by the Credit Agreement up to an aggregate amount of $60 million. The Operating Facility matures on August 8, 2008 (the "Operating Facility Maturity Date") and the Acquisition Facility matures on August 30, 2006, subject to extensions of periods of 364 days with the consent of the lenders and provided the final maturity date of the Acquisition Facility shall not extend beyond the Operating Facility Maturity Date. Each credit facility is repayable at any time without any prepayment penalties. Letters of credit are also available under the credit facility to a maximum amount of $10 million. Interest under the credit facility is based on the type of borrowing, plus an applicable margin which margin varies depending on the ratio of debt to EBITDA of the Borrower, determined on a consolidated basis. As of May 18, 2006, the Borrower was indebted to the lenders for a drawn aggregate principal amount of $54 million under the Credit Agreement.

HSBC Securities (Canada) Inc. is also, directly or indirectly, a subsidiary of a Canadian chartered bank which is a lender to RGC and AVS and to which RGC and AVS are currently indebted under credit agreements providing credit facilities in the aggregate amounts of $42.3 million and $20 million, respectively. As at May 18, 2006, RGC and AVS were indebted to the lender for a drawn aggregate principal amount of $15.6 million and $Nil, respectively. In addition RGC and AVS have letters of credit outstanding of $15.4 million and $7.5 million, respectively.

In connection with the Offering, the Fund may be considered to be a connected issuer of each of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. under applicable securities laws. The Fund is currently in compliance with and there has been no waiver of any breach of the terms of the Credit Agreement. RGC received a waiver for a breach of the tangible net worth covenant in its credit agreement in respect of RGC's first quarter. The breach has since been rectified and RGC is in full compliance with all credit covenants. There has been no other waiver of any breach of the terms of the credit agreement. AVS is currently in compliance with and there has been no waiver of any breach of the terms of the credit agreement. Other than as disclosed in the financial statements incorporated by reference herein, there has been no material change in the financial position of the Fund nor in the value of the security granted since the indebtedness under the Credit Facility was incurred.

The decision of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. to act as Underwriters was made independently of their respective parent banks, and such banks have had no influence on the Fund's decision to distribute the Units or as to the determination of the terms of the distribution of the Units. None of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. will receive any benefit in connection with the offering of the Units contemplated by this short form prospectus, other than a portion of the Underwriters' fee payable by the Fund.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and Davies Ward Phillips & Vineberg LLP, counsel to the Underwriters, (together, "Counsel"), the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a purchaser of Units pursuant to this short form prospectus who, for the purposes of the Tax Act, is resident in Canada, holds the Units as capital property and deals at arm's length with, and is not affiliated with, the Fund. Generally, Units will be considered to be capital property to a unitholder provided the unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Units and all other Canadian securities (as defined in the Tax Act) owned by the unitholder in the taxation year in which the election is made or any subsequent taxation year treated as capital property.

This summary is not applicable to a unitholder that is a "financial institution" for purposes of the mark-to-market rules, to a unitholder an interest in which is a "tax shelter investment", or to a unitholder that is a "specified financial institution", all within the meaning of the Tax Act. This summary is based upon the facts set out in the short form prospectus, the current provisions of the Tax Act and Regulations, Counsel's understanding of the current published administrative practices of the CRA and the specific proposals to amend the Tax Act and the Regulations announced by the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments"). This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or in the administrative practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. No assurance can be given that the Proposed Amendments will be enacted as currently proposed or at all.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Consequently, prospective purchasers of Units should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units based on their particular circumstances.

Qualification as a Mutual Fund Trust

This summary assumes that the Fund will qualify at all times as a "mutual fund trust" as defined in the Tax Act. If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the Fund

In general, the Fund is treated as an individual for tax purposes and is taxable on its income determined under the Tax Act in each taxation year (which will be the calendar year) from sources inside and outside Canada. Such income will include the taxable portion of the Fund's net realized capital gains, such portion of the income of Commercial Trust as was paid or became payable (whether in cash or additional CT Units) to the Fund in such taxation year as a beneficiary of the Commercial Trust, and all interest (including interest on the CT Notes) that accrues to the Fund to the end of such taxation year, or becomes receivable or is received by the Fund before the end of such taxation year, except to the extent that such interest was included in computing

the Fund's income for a preceding taxation year. The Fund will not be required to include in income for a taxation year any amount distributed to it as a return of capital on the CT Units to the extent that such amount does not exceed the Fund's adjusted cost base of the CT Units immediately prior to such distribution.

In computing its income, the Fund will generally be entitled to deduct reasonable expenses incurred for the purpose of earning such income. The Fund will also be entitled to deduct costs incurred by it in connection with the issuance of Units on a five-year, straight-line basis, subject to proration for short taxation years.

Under the Declaration of Trust, an amount equal to all of the income of the Fund for each taxation year, together with the non-taxable portion of any net capital gains realized by the Fund in such taxation year (but excluding any income or capital gains realized by the Fund in connection with a distribution in specie of its assets on a redemption of Units which income or capital gains are designated to the redeeming unitholder, and excluding capital gains in respect of which the Fund is entitled to a Capital Gains Refund (as defined below)), will be payable to unitholders in such taxation year by way of cash distributions, subject to the exceptions described below. To the extent cash used to fund redemptions of Units in a taxation year exceeds the income treated as being paid in such taxation year to redeeming unitholders, and to the extent the Commercial Trust pays income to the Fund in the taxation year in the form of additional CT Units, the Fund may be required to distribute all or a portion of its income for such taxation year to unitholders in the form of additional Units.

The Fund may deduct in computing its income for a taxation year such amount of the Fund's income as became paid or payable (whether in cash or additional Units) to the unitholders in such taxation year. An amount will be considered to be payable to a unitholder in a taxation year if it is paid to the unitholder in the taxation year by the Fund or if the unitholder is entitled in that taxation year to enforce payment of the amount. Losses incurred by the Fund can not be allocated to unitholders, but may be carried forward for deduction by the Fund in future taxation years in accordance with the Tax Act.

An in specie distribution by the Fund of assets to a unitholder upon a redemption of Units will be treated as a disposition of such assets by the Fund for proceeds equal to their fair market value. The Fund will realize a capital gain (or capital loss) to the extent that such proceeds exceed (or are less than) the aggregate of the Fund's adjusted cost base of such assets and any reasonable costs of disposition.

The Fund will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "Capital Gains Refund"). In certain circumstances, the Capital Gains Refund, in a particular taxation year, may not completely offset the Fund's tax liability for such taxation year arising as a result of the distribution of assets of the Fund on the redemption of Units. The Declaration of Trust provides that any capital gain or income of the Fund attributable to an in specie distribution of assets of the Fund on a redemption of Units may be treated as being paid to redeeming unitholders and the taxable portion of such capital gain designated as a taxable capital gain of the redeeming unitholder with the result that the taxable portion of such gain and such income generally should be taxable to the redeeming unitholder and deductible by the Fund in computing its income for the taxation year.

Counsel has been advised that the Fund intends to make sufficient distributions in each taxation year of its net income for tax purposes and net realized capital gains so that the Fund will generally not be liable in such taxation year for any material amount of tax under Part I of the Tax Act.

Taxation of the Commercial Trust

In general, like the Fund, the Commercial Trust is treated as an individual for tax purposes and is taxable on its income determined under the Tax Act from sources inside and outside Canada in each taxation year (which will be the calendar year) on its taxable income for the year, including the taxable portion of its net realized capital gains and its allocated share of the NPY LP's income.

Pursuant to the Commercial Trust's declaration of trust (the "CT Declaration of Trust"), an amount equal to all of the income of the Commercial Trust for each taxation year, together with the non-taxable portion of any net capital gains realized by the Commercial Trust in such taxation year, will be payable in the year to holders of CT Units. The Commercial Trust may deduct in computing its income for a taxation year such amount of the Commercial Trust's income as became paid or payable (whether in cash or additional CT Units) to the holders

of CT Units in such taxation year. Losses incurred by the Commercial Trust can not be allocated to holders of CT Units, but may be carried forward for deduction by the Commercial Trust in future years in accordance with the Tax Act.

Counsel has been advised that the Commercial Trust intends to make sufficient distributions in each taxation year of its net income for tax purposes and net realized capital gains so that the Commercial Trust will generally not be liable in such taxation year for any material amount of tax under Part I of the Tax Act.

Taxation of NPY LP

A partnership is not subject to tax under the Tax Act. However, each partnership computes its income or loss for its fiscal year as if it were a separate person resident in Canada and each partner is then required to include, in computing its income under the Tax Act, its allocated share of the income or loss of the partnership for each fiscal year of the partnership ending in, or at the end of, the partner's taxation year. Any income so allocated must be included in computing the partner's income for purposes of the Tax Act, regardless of whether the partner has received any cash distributions from the partnership.

For this purpose, the income or loss of NPY LP will generally be the income or loss allocated to it by Holdings LP, less any amounts deductible by NPY LP in computing income including interest on borrowed funds used for the purpose of earning income, administrative and other expenses. The income or loss of the Holdings LP will generally be the income or loss allocated to it by the Operating Partnerships, less any amounts deductible by Holdings LP in computing income.

Where the aggregate of all amounts distributed to the Commercial Trust during a fiscal year of NPY LP exceeds the Commercial Trust's adjusted cost base of its limited partnership units at the end of such fiscal year, the Commercial Trust will be deemed to have realized a capital gain equal to such excess amount, and the adjusted cost base of its limited partnership units will be increased by the amount of such deemed capital gain, notwithstanding that the aggregate amount distributed during such fiscal year may not exceed the Commercial Trust's allocated share of NPY LP's income for such fiscal year.

If NPY LP incurs losses for tax purposes, the ability of the Commercial Trust to deduct such losses will be subject to the "at-risk" rules in the Tax Act. To the extent that the loss allocated by NPY LP to the Commercial Trust for a fiscal period exceeds the Commercial Trust's "at-risk amount" in respect of NPY LP at the end of such fiscal period, the loss is considered to be a "limited partnership loss" and, except as described below, cannot be deducted by the Commercial Trust in computing its income for Canadian tax purposes. A limited partnership loss may be carried forward indefinitely for deduction by the Commercial Trust in computing its income for a taxation year to the extent that, at the end of NPY LP's last fiscal period ending in such taxation year, the Commercial Trust has an "at-risk amount" in respect of NPY LP.

The Commercial Trust's at-risk amount in respect of NPY LP is calculated in accordance with the detailed rules contained in the Tax Act. In very general terms, the Commercial Trust's at-risk amount in respect of NPY LP at the end of a particular fiscal period of NPY LP will be its aggregate adjusted cost base of its limited partnership units at the end of such fiscal period (excluding any unpaid purchase price payable for the limited partnership units), plus any undistributed income allocated by NPY LP to the Commercial Trust for the year, less all amounts owing by the Commercial Trust (or a person or partnership with whom Commercial Trust does not deal at arm's length) to NPY LP (or to a person or partnership with whom NPY LP does not deal at arm's length) and less any amount or benefit (with certain specified exceptions) that the Commercial Trust (or a person with whom the Commercial Trust does not deal at arm's length) is entitled to receive or obtain where the amount or benefit is intended to protect the Commercial Trust from any loss that may be sustained by virtue of being a partner of NPY LP or holding or disposing of any interest in NPY LP.

Taxation of Unitholders

Income From Units

A unitholder is generally required to include in computing income for a taxation year such portion of the income of the Fund, including any net realized taxable capital gains, determined for purposes of the Tax Act, that is paid or payable to the unitholder in such taxation year, whether such amount is paid in cash or additional

Units. Provided that the Fund and the Commercial Trust make the appropriate designations, such portion of the Fund's net realized taxable capital gains and taxable dividends, if any, received or deemed received by the Fund on shares of taxable Canadian corporations in a taxation year of the Fund, as is paid or payable to a unitholder in such taxation year will effectively retain their character and be treated as such in the hands of the unitholder for the purposes of the Tax Act. Accordingly, amounts designated as taxable dividends from taxable Canadian corporations will generally be subject to the gross-up and dividend tax credit rules in respect of unitholders who are individuals, the refundable tax under Part IV of the Tax Act in respect of unitholders that are "private corporations" or "subject corporations" (as defined in the Tax Act), and the deduction in computing taxable income for dividends paid on shares of taxable Canadian corporations in respect of unitholders that are taxable Canadian corporations. In certain circumstances, an additional refundable 6⅔% tax may be payable by a unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) in respect of income payable to it by the Fund.

The non-taxable portion of net realized capital gains that are paid or payable to a unitholder in a taxation year will not be included in computing the unitholder's income for such year. Any other amount in excess of a unitholder's share of the Fund's net income for a taxation year that is paid or becomes payable to the unitholder in such year (other than as proceeds of disposition of Units or any part thereof) will not generally be included in computing the unitholder's income for the year but will reduce the adjusted cost base of Units to the unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of the Unit and the unitholder's adjusted cost base will be increased by the amount of such deemed capital gain. The taxation of capital gains is described below under "Taxation of Capital Gains and Capital Losses".

Disposition of Units

Upon the disposition or deemed disposition by a unitholder of a Unit, whether on redemption or otherwise, the unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Fund which represents an amount that must otherwise be included in the unitholder's income or that is the non-taxable portion of net realized capital gains of the Fund paid or payable to the unitholder) exceed (or are less than) the aggregate of the unitholder's adjusted cost base of the Unit and any reasonable costs of disposition.

The adjusted cost base of a Unit to a unitholder will include all amounts paid or payable by the unitholder for the Unit, subject to certain adjustments. Units issued to a unitholder in lieu of a cash distribution will have a cost equal to their fair market value at the time they are issued. For the purpose of determining the adjusted cost base to a unitholder of each Unit, the cost of newly acquired Units will be averaged with the adjusted cost base of all other Units owned by the unitholder as capital property immediately before such acquisition.

Where Units are redeemed and any assets of the Fund are distributed in specie to the redeeming unitholder, the proceeds of disposition to such unitholder of the Units will be equal to the fair market value of the assets so distributed (less the amount of any capital gain or income realized by the Fund as a result of the redemption of those Units which has been designated and made payable by the Fund to the unitholder).

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a "taxable capital gain") realized by a unitholder on the disposition of a Unit or designated by the Fund in respect of the unitholder in a taxation year must be included in computing the income of the unitholder for the taxation year in which the disposition occurs or in respect of which the designation is made, as the case may be. One-half of any capital loss (an "allowable capital loss") realized by a unitholder on a disposition of a Unit in a taxation year may be deducted from taxable capital gains realized by the unitholder or designated by the Fund in respect of the unitholder in that taxation year. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, against taxable capital gains realized in such taxation year, to the extent and under the circumstances prescribed for in the Tax Act.

Where a unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the unitholder's capital loss from the disposition will generally be reduced by the amount of dividends previously designated to the unitholder except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

The taxable capital gains of a unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) will be subject to an additional refundable 6⅔% tax.

Alternative Minimum Tax

Amounts distributed to unitholders that are designated as taxable dividends from taxable Canadian corporations or as net taxable capital gains, and taxable capital gains realized on a disposition of Units, may increase an individual unitholder's liability for alternative minimum tax.

Unitholders are advised to consult their own tax advisors prior to exercising their redemption rights in respect of Units.

LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon on behalf of the Fund by Stikeman Elliott LLP, and on behalf of the Underwriters by Davies Ward Phillips & Vineberg LLP. At the date hereof, partners and associates of each of Stikeman Elliott LLP and Davies Ward Phillips & Vineberg LLP own beneficially, directly or indirectly, less than one per cent of any securities of the Fund.

AUDITORS, TRANSFER AGENT AND REGISTRAR

KPMG LLP, Toronto, Ontario, are the auditors of the Fund. The transfer agent and registrar for the Units is CIBC Mellon Trust Company in Toronto.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, applicable securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

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AUDITORS' CONSENTS

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to incorporation by reference in the above-mentioned short form prospectus of the following auditors' reports:

Entity	Financial Statements	Auditors' Report	
		Addressed To	**Date**
Newport Private Yield LP	Consolidated balance sheets as at December 31, 2005 and 2004. Consolidated statements of operations, changes in partners' equity and changes in financial position for the year ended December 31, 2005 and for the period from February 27, 2004 (date of formation) to December 31, 2004.	Directors of NPY GP Trust	March 24, 2006
EZEE ATM LP	Consolidated balance sheet as at December 31, 2004. Consolidated statements of operations, partners' equity and cash flows for the period from February 26, 2004 (date of formation) to December 31, 2004	Directors of EZEE ATM LP	March 28, 2005
EZEE ATM Inc. and 2012559 Ontario Inc.	Combined balance sheet as at February 29, 2004. Combined statements of operations, retained earnings and cash flows for the period from July 1, 2003 to February 29, 2004.	Directors of EZEE ATM Inc.	May 3, 2005
NPC Integrity Energy Services Limited Partnership	Consolidated balance sheet as at December 31, 2004. Consolidated statements of operations, partners' equity and cash flows for the period from December 1, 2004 (commencement of operations) to December 31, 2004.	Directors of NPC Integrity Energy Services Limited Partnership	June 17, 2005
Cobra Group of Companies and Petrocare Group of Companies	Combined balance sheet of the Cobra Group of Companies and Petrocare Group of Companies as at November 30, 2004. Combined statements of operations and retained earnings and cash flows for the period from January 1, 2004 to November 30, 2004.	Directors of Cobra Group of Companies and Petrocare Group of Companies	June 17, 2005

Entity	Financial Statements	Auditors' Report Addressed To	Auditors' Report Date
Jutan International Limited	Consolidated balance sheets as at September 30, 2004 and December 31, 2003. Consolidated statements of earnings, retained earnings and cash flows for each of the years ended in the two year period ended December 31, 2003 and for the nine months ended September 30, 2004.	Directors of Jutan International Limited	October 22, 2004
Morrison Williams Investment Management Ltd.	Balance sheets as at December 31, 2004 and 2003. Statements of earnings and retained earnings and cash flows for each of the years in the three-year period ended December 31, 2004.	Directors of Morrison Williams Investment Management Ltd.	May 4, 2005
Newport Partners Income Fund	Consolidated balance sheet as at December 31, 2005. Consolidated statements of operations, retained earnings, changes in financial position from August 8, 2005 (date of commencement of operations) to December 31, 2005.	Trustees of Newport Partners Income Fund	March 24, 2006
	Consolidated balance sheet as at May 13, 2005.		May 13, 2005 (Except as to Note 4 which is as of July 28, 2005)

Toronto, Canada
May 29, 2006

(Signed) KPMG LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Elliott Special Risks Ltd. on the consolidated balance sheets of Elliott Special Risks Ltd. as at December 31, 2004 and 2003 and the consolidated statements of earnings, retained earnings and cash flows for each of the years in the three-year period ended December 31, 2004. Our report is dated March 11, 2005, except as to note 15, which is as of July 28, 2005.

Montreal, Canada
May 29, 2006

(Signed) RAYMOND CHABOT GRANT THORNTON LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund ("Newport") dated May 29, 2006 relating to the sale and issue of units of Newport. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of EZEE ATM Inc. and 2012559 Ontario Inc. on the combined balance sheet of EZEE ATM Inc. and 2012559 Ontario Inc. as at June 30, 2003 and the combined statements of earnings, retained earnings and cash flows for the year ended June 30, 2003. Our report is dated July 23, 2003.

Toronto, Canada
May 29, 2006

(Signed) CHAPLIN & CO.
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund ("Newport") dated May 29, 2006 relating to the sale and issue of units of Newport. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of On-Site Cash Inc. on the balance sheet of On-Site Cash Inc. as at May 31, 2003 and the statements of loss, deficit and cash flows for the period from the date of incorporation September 4, 2002 to May 31, 2003. Our report is dated June 6, 2005.

Toronto, Canada
May 29, 2006

(Signed) KOSTER, SPINKS & KOSTER LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund (the "offering"). We have complied with Canadian generally accepted standards for an auditor's involvement with the offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our reports to the Board of Directors of Newport Partners Inc. (the "Company") on the consolidated balance sheet of the Company as at December 31, 2004 and 2003 and the statements of income and retained earnings and cash flows for each of the years in the three-year period ended December 31, 2004. Our report is dated March 9, 2005 (except as to note 14 which is as of July 28, 2005).

Toronto, Ontario
May 29, 2006

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Brompton Management Limited (the "Company") on the consolidated balance sheet of the Company as at September 30, 2004, and the consolidated statements of earnings and retained earnings and cash flows for the year ended September 30, 2004. Our report is dated May 3, 2005 (except for note 10, which is as of July 28, 2005).

Toronto, Ontario
May 29, 2006

(Signed) RSM RICHTER LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of FOS Inc. on the consolidated balance sheet of FOS Inc. as at December 31, 2004 and the consolidated statements of loss, deficit and cash flows for the ninety-four day period from the date of incorporation on September 28, 2004 to December 31, 2004. Our report is dated May 13, 2005.

Thornhill, Canada
May 29, 2006

(Signed) ERNST & YOUNG LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of AVS Technologies Inc. (the "Company") on the balance sheets of the Company as at December 31, 2004 and 2003, and the statements of earnings, retained earnings and cash flows for the years ended December 31, 2004, 2003 and 2002. Our report is dated February 25, 2005 (except for note 19, which is as of April 28, 2005).

Montreal, Quebec
May 29, 2006

(Signed) RSM RICHTER LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of the Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Gemma Communications Corporation on the balance sheet of Gemma Communications Corporation as at December 31, 2004 and the statements of operations and retained earnings and cash flows for the year ended December 31, 2004. Our report is dated April 8, 2005 (except as to note 13 which is as of July 28, 2005).

Toronto, Ontario
May 29, 2006

(Signed) BDO DUNWOODY LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issuance of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with the prospectus.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the Shareholders of Gemma Communications Corporation (the "company") on the balance sheets of the company as at December 31, 2003 and 2002 and the statements of operations, changes in stockholders' equity and cash flows for the years ended December 31, 2003 and 2002. Our report is dated March 1, 2004 (except as to notes 9 and 10 which are as of June 2, 2005).

Philadelphia, Pennsylvania
May 29, 2006

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund (the "offering"). We have complied with Canadian generally accepted standards for an auditor's involvement with the offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the Board of Directors of Capital C Communications Inc. (the "company") on the consolidated balance sheet of the company as at July 31, 2004 and the statements of income and retained earnings and cash flows for the year ended July 31, 2004. Our report is dated May 25, 2005 (except as to note 13 which is as of July 28, 2005).

Toronto, Ontario
May 29, 2006

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund ("Newport") dated May 29, 2006 relating to the sale and issue of units of Newport. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of Sports and Entertainment Inc. on the balance sheets of Sports and Entertainment Inc. as at September 30, 2004 and 2003 and the statements of earnings, retained earnings and cash flows for each of the years ended September 30, 2004. Our report is dated November 15, 2004.

Toronto, Ontario
May 29, 2006

(Signed) NADLER AND COMPANY
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of Newport Partners Income Fund (the "Fund") dated May 29, 2006 relating to the sale and issue of units of the Fund. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned short form prospectus of our report to the directors of Murray Demolition Inc. on the divisional balance sheets of Murray Demolition (a division of Murray Demolition Corp.) as at August 31, 2005 and 2004 and the statements of divisional income, divisional equity and divisional cash flows for each of the years in the two year period ended August 31, 2005. Our report is dated November 9, 2005, except as to notes 1, 10 and 11 which are at April 16, 2006.

Toronto, Ontario
May 29, 2006

(Signed) KOSTER, SPINKS & KOSTER LLP
Chartered Accountants

COMPILATION REPORT

To the Trustees of
NEWPORT PARTNERS INCOME FUND

We have read the accompanying unaudited pro forma consolidated statements of income of Newport Partners Income Fund for the three months ended March 31, 2006 and for the year ended December 31, 2005, and have performed the following procedures:

1. Compared the figures in the columns captioned "Newport Partners Income Fund" to the unaudited consolidated financial statements of Newport Partners Income Fund for the three months ended March 31, 2006, and the audited consolidated statement of income for the period from August 8, 2005 (date of commencement of operations) to December 31, 2005 and found them to be in agreement.
2. Compared the figures in the columns captioned "Newport Private Yield LP" to the audited consolidated statement of operations for the year ended December 31, 2005, and found them to be in agreement.
3. Compared the figures in the columns captioned "Elliott Special Risks Ltd." to the unaudited statement of income for the year ended December 31, 2005 of Elliott Special Risks LP and Elliott Special Risks Ltd., constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
4. Compared the figures in the columns captioned "Morrison Williams Investment Management Ltd." to the unaudited statement of income for the year ended December 31, 2005 of Morrison Williams Investment Management LP and Morrison Williams Investment Management Ltd., constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
5. Compared the figures in the columns captioned "EZEE ATM LP" to the unaudited statement of income of EZEE ATM LP for the year ended December 31, 2005, constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income and found them to be in agreement.
6. Compared the figures in the columns captioned "Newport Partners Inc." to the unaudited statement of income for the year ended December 31, 2005 of Newport Partners LP and Newport Partners Inc., constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
7. Compared the figures in the columns captioned "Jutan International Limited" to the unaudited statement of income for the year ended December 31, 2005 of Jutan International Limited and Jutan Limited Partnership, constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
8. Compared the figures in note 2(iv) related to AVS Technologies Limited Partnership to the unaudited statement of income for the year ended December 31, 2005 of AVS Technologies Limited Partnership and AVS Technologies Inc., constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statement of income, and found them to be in agreement.
9. Compared the figures in the columns captioned "Gemma Communications Corporation" to the unaudited statement of income for the year ended December 31, 2005 of Gemma Communications LP and Gemma Communications Corporation, constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
10. Compared the figures in the columns captioned "Capital C Communications Inc." to the unaudited statement of income for the year ended December 31, 2005 of Capital C Communications LP and Capital C Communications Inc., constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, as appropriate, and found them to be in agreement.
11. Compared the figures in the columns captioned "Sports and Entertainment Limited Partnership" to the unaudited statement of operations of Sports and Entertainment Limited Partnership for the year ended

December 31, 2005, constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income, and found them to be in agreement.

12. Compared the figures in the columns captioned "NPC Integrity Energy Services Limited Partnership" to the audited consolidated financial statements of NPC Integrity Energy Services Limited Partnership for the year ended December 31, 2005 and found them to be in agreement.

13. Compared the figures in the columns captioned "Murray Demolition" (a division of Murray Demolition Corp.) to the unaudited statement of operations of Murray Demolition for the three months ended February 28, 2006 and the year ended February 28, 2006, constructed for the purposes of preparing the accompanying unaudited pro forma consolidated statements of income as appropriate, and found them to be in agreement.

14. Made enquiries of certain officials of the Fund who have responsibility for financial and accounting matters about:

    (a) the basis for determination of the pro forma adjustments; and

    (b) whether the unaudited pro forma consolidated financial statements comply as to form in all material respects with the published requirements of the securities acts of each of the provinces and territories in Canada and the related regulations.

    The officials:

    (a) described to us the basis for determination of the pro forma adjustments; and

    (b) stated that the unaudited pro forma consolidated financial statements comply as to form in all material respects with the published requirements of the securities acts of each of the provinces and territories in Canada and the related regulations.

15. Read the notes to the unaudited pro forma consolidated financial statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.

16. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the columns captioned "Newport Partners Income Fund", "Newport Private Yield LP", "Elliott Special Risks Ltd.", "Morrison Williams Investment Management Ltd.", "EZEE ATM LP", "Newport Partners Inc.", "Jutan International Limited", "Gemma Communications Corporation", "Capital C Communications Inc.", "Sports and Entertainment Limited Partnership", "NPC Integrity Energy Services Limited Partnership" and "Murray Demolition" for the year ended December 31, 2005 and the three months ended March 31, 2006 as appropriate, and found the amounts in the column captioned "Pro forma consolidated" to be arithmetically correct.

A pro forma consolidated financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma consolidated financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

Toronto, Canada
May 29, 2006

(Signed) KPMG LLP
Chartered Accountants

NEWPORT PARTNERS INCOME FUND

PRO FORMA CONSOLIDATED STATEMENTS OF INCOME

(In thousands of dollars, except per unit amounts)
Three months ended March 31, 2006
(Unaudited)

	Newport Partners Income Fund	Murray Demolition	Pro forma Adjustments (note 3)		Pro forma Consolidated
Revenue:					
Operations	112,362	17,302	(3,489)	(iii)	122,715
			(3,460)	(iv)	
Other income	234	—	—		234
Income from equity investments	1,017	—	—		1,017
	113,613	17,302	(6,949)		123,966
Expenses:					
Cost of sales	85,169	15,190	(2,430)	(iii)	94,891
			(3,038)	(iv)	
Selling, general & administrative	14,363	3,185	(626)	(iii)	16,285
			(637)	(iv)	
	99,532	18,375	(6,731)		111,176
Income/(loss) before the undernoted	14,081	(1,073)	(218)		12,790
Interest	1,845	47	(2)	(iii)	1,881
			(9)	(iv)	
Depreciation	1,506	233	(96)	(iii)	1,596
			(47)	(iv)	
Amortization of intangible assets and other	6,799	—	(273)	(iii)	7,344
			818	(xi)	
Acquisition costs and other		400	(80)	(iv)	320
	10,150	680	311		11,141
Income/(loss) before income taxes	3,931	(1,753)	(529)		1,649
Income taxes/(recovery)					
Future	—	(4)	1	(iv)	(3)
	—	(4)	1		(3)
Income/(loss) before non-controlling interest	3,931	(1,749)	(530)		1,652
Non-controlling interest	(2,656)	—			(2,656)
Net income/(loss)	1,275	(1,749)	(530)		(1,004)
Pro forma income/(loss) per unit (note 4 (i)):					
Basic and diluted					$ (0.03)
Weighted average number of units outstanding					36,875,278

See accompanying notes to unaudited pro forma consolidated financial statements

NEWPORT PARTNERS INCOME FUND

PRO FORMA CONSOLIDATED STATEMENTS OF INCOME

(In thousands of dollars, except per unit amounts)

Year ended December 31, 2005
(Unaudited)

	Newport Partners Income Fund	Newport Private Yield LP	Elliott Special Risks Ltd.	Morrison Williams Investment Management Ltd.	EZEE ATM LP	Newport Partners Inc.	Jutan International Limited	Gemma Communications Corporation	Capital C Communications Inc.	Sports and Entertainment Limited Partnership	NPC Integrity Energy Services Limited Partnership	Murray Demolition	Pro forma Adjustments		Pro forma Consolidated
													(note 3)		
Revenue:															
Operations	205,240	257,554	24,623	11,086	16,489	12,378	238,809	33,778	22,381	4,488	117,472	60,931	(459,684) (102,714)	(iii) (iv)	442,831
Other income	146	146	—	—	—	—	—	—	—	—	—	—	(292)	(iii)	
Income from equity investments	1,844	410	—	—	—	—	—	—	—	—	—	—	(2,254) 113	(iii) (ix)	113
	207,230	258,110	24,623	11,086	16,489	12,378	238,809	33,778	22,381	4,488	117,472	60,931	(564,831)		442,944
Expenses:															
Cost of sales	157,560	198,446	2,905	321	11,467	6,677	208,877	21,388	10,011	2,595	98,327	42,026	(354,101) (77,290)	(iii) (iv)	329,209
Selling, general & administrative	26,258	31,570	11,527	2,713	3,636	2,847	24,080	6,124	8,222	1,012	8,414	11,828	(55,426) (14,784)	(iii) (iv)	68,021
Performance fee	—	44,760	—	—	—	—	—	—	—	—	—	—	(44,760)	(v)	—
	183,818	274,776	14,432	3,034	15,103	9,524	232,957	27,512	18,233	3,607	106,741	53,854	(546,361)		397,230
Income/(loss) before the undernoted	23,412	(16,666)	10,191	8,052	1,386	2,854	5,852	6,266	4,148	881	10,731	7,077	(18,470)		45,714
Interest	1,390	1,924	—	—	134	(21)	768	209	(24)	—	1,774	177	(2,877) (581) (363)	(iii) (iv) (vi)	2,510
Depreciation	1,585	2,704	270	17	57	75	426	1,009	185	24	2,500	878	(4,094) (1,062)	(iii) (iv)	4,574
Amortization of intangible assets and other	10,480	13,325	—	—	2,353	940	3,943	516	—	789	1,725	—	(17,386) (1,395) 10,899	(iii) (iv) (vii)	26,189
Owner earnings	—	—	—	3,795	—	504	—	1,569	2,173	—	—	4,958	(2,499)	(iv)	10,500
Acquisition costs and other	—	—	—	—	—	455	—	—	—	—	—	800	(160)	(iv)	1,095
	13,455	17,953	270	3,812	2,544	1,953	5,137	3,303	2,334	813	5,999	6,813	(19,518)		44,868
Income/(loss) before income taxes	9,957	(34,619)	9,921	4,240	(1,158)	901	715	2,963	1,814	68	4,732	264	1,048		846
Income taxes/(recovery)															
Current	—	—	1,955	—	12	(14)	167	(26)	100	—	—	45	(448) (1,658)	(iv) (viii)	133
Future	—	—	21	—	—	—	(77)	(30)	—	—	—	25	12 (13)	(iv) (viii)	(62)
	—	—	1,976	—	12	(14)	90	(56)	100	—	—	70	(2,107)		71
Income/(loss) before non-controlling interest	9,957	(34,619)	7,945	4,240	(1,170)	915	625	3,019	1,714	68	4,732	194	3,155		775
Non-controlling interest	(6,905)	—	—	—	—	—	—	—	—	—	—	—	(464) 6,905	(x) (iii)	(464)
Net income/(loss)	3,052	(34,619)	7,945	4,240	(1,170)	915	625	3,019	1,714	68	4,732	194	9,596		311
Pro forma Income per unit (note 4 (ii)):															
Basic and diluted															$ 0.01
Weighted average number of units outstanding															33,921,036

See accompanying notes to unaudited pro forma consolidated financial statements

1. THE FUND:

Newport Partners Income Fund (the "Fund") is an unincorporated open-ended trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated May 13, 2005. The Fund has been created to hold, through the Fund's investment in Newport Partners Commercial Trust ("NPCT"), interests in Newport Private Yield LP ("NPY LP"), a limited partnership established under the laws of Province of Ontario, together with its general partner, Newport Partners Trustees Inc. ("GP Trustee"). The Fund, pursuant to an Initial Public Offering on August 8, 2005 ("IPO"), indirectly acquired its limited partnership interest in NPY LP and holds a 44% interest in NPY LP as at March 31, 2006 (40% as at December 31, 2005) and 100% of the shares of Newport Partners GP Inc., which is the sole trustee of the General Partner. The investments of NPY LP held directly through Newport Partners Holdings LP as at March 31, 2006 and December 31, 2005 are set out in the table below:

Company	NPY LP ownership
Elliott Special Risks LP ("ESR")	80%
Morrison Williams Investment Management LP ("Morrison Williams")	80%
EZEE ATM LP ("EZEE")	100%
Newport Partners LP ("NP LP")	100%
Brompton Funds LP ("Brompton")	45%
Jutan Limited Partnership ("Jutan")	80%
Gemma Communications LP ("Gemma")	80%
Capital C Communications LP ("Capital C")	80%
Sports and Entertainment Limited Partnership ("S&E")	80%
NPC Integrity Energy Services Limited Partnership ("NPC")	80%
Murray Demolition ("Murray" acquired March 16, 2006)	80%

2. BASIS OF PRESENTATION:

The accompanying unaudited pro forma consolidated statements of income for the year ended December 31, 2005 and for the three months ended March 31, 2006 have been prepared by management of the Fund in accordance with Canadian generally accepted accounting principles, for inclusion in the short form prospectus offering.

The unaudited pro forma consolidated statements of income of the Fund for the year ended December 31, 2005 and for the three months ended March 31, 2006 have been prepared with information derived from the following financial statements for the respective entities and their predecessor businesses if applicable, as well as additional information derived from the books and records of the respective entities:

2. BASIS OF PRESENTATION: (Continued)

Entity	Statement of Income	
	Three months ended March 31, 2006	**Year ended December 31, 2005**
Fund	Unaudited consolidated statement of income for the three months ended March 31, 2006	Audited consolidated statement of income for the year ended December 31, 2005
NPY LP	N/A	Audited consolidated statements of operations for the year ended December 31, 2005
ESR	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
Morrison Williams	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
EZEE	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
NP LP	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
Brompton	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
Jutan	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 which combines the constructed statement of income for the year ended December 31, 2005 for its wholly owned subsidiary AVS Technologies Limited Partnership (“AVS”) (i) (iv)
Gemma	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
Capital C	N/A	Unaudited constructed combined statement of income for the year ended December 31, 2005 (i)
S&E	N/A	Unaudited constructed statement of income for the year ended December 31, 2005 (i)
NPC	N/A	Audited statement of income for the year ended December 31, 2005 (i)
Murray	Unaudited statement of income for the three months ended February 28, 2006 (iii)	Unaudited statement of income for the year ended February 28, 2006 (ii), (iii)

N/A — as included in the Fund’s consolidated statement of income for the three months ended March 31, 2006

(i) Unaudited statements of income of ESR, Morrison Williams, EZEE, NP LP, Brompton, Jutan (including its wholly owned subsidiary AVS (note 2(iv))), Gemma, Capital C, S&E, and NPC, for the year ended December 31, 2005 were constructed for the purposes of preparing unaudited pro forma consolidated statements of income for the year ended December 31, 2005 and were derived from and do not conform to the financials statements of these entities incorporated by reference in the short form prospectus as well as from additional financial information from the entities. The statement of operations for the three months ended March 31, 2006 and the year ended December 31, 2005 of NPY LP and the statement of income for the three months ended March 31, 2006 and for the period from August 8, 2005 (date of commencement of operations) to December 31, 2005 of the Fund conform to their respective financial statements incorporated by reference in this offering.

(ii) Unaudited statements of income of Murray for the year ended February 28, 2006 were constructed for the purposes of preparing the unaudited pro forma consolidated statements of income for the year ended December 31, 2005 from the financial statements included in this offering.

2. BASIS OF PRESENTATION: (Continued)

(iii) Results of Murray Demolition for the three months ended February 28, 2006 are included in the unaudited pro forma consolidated statements of income for both the three months ended March 31, 2006 and the year ended December 31, 2005 (note 5).

(iv) On April 29, 2005, Jutan acquired the business assets and related liabilities of AVS. The pro forma adjustments assume that the Fund owned 80% of Jutan and Jutan owned 100% of AVS, as of January 1, 2005, which is the Fund's ownership percentage of Jutan after the Offering. The AVS statement of income is included in the Jutan Limited Partnership column as follows:

Revenue:	
Operations	$120,926
Expenses:	
Cost of sales	106,056
Selling, general & administrative	14,722
	120,778
Income before the undernoted	148
Interest	253
Depreciation	315
Amortization of intangible assets	2,441
	3,009
Net loss	$ (2,861)

In the opinion of management, these unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the acquisitions described above in accordance with Canadian generally accepted accounting principles. The unaudited pro forma consolidated statements of income do not include certain acquisitions as discussed in the paragraph below. The unaudited pro forma consolidated financial statements are not necessarily indicative of the results of operations that would have occurred if the events reflected therein had been in effect on the dates indicated or of the results that may be obtained in the future, particularly since certain acquisitions have not been included.

NPY LP, or its subsidiary partnerships, made certain acquisitions during the year ended December 31, 2005 and the three months ended March 31, 2006. The unaudited pro forma consolidated statements of income excludes the pre-acquisition results of the following entities for the following periods as they were determined to be not significant by management:

Kenna Group LP	January 1, 2005 to September 15, 2005
Sonigem Products Inc.	January 1, 2005 to September 30, 2005
Polar Facilities Ltd.	January 1, 2005 to December 15, 2005
Jenpai Oilfield Services Ltd.	January 1, 2005 to November 30, 2005
McConnell Welding and Construction LP	January 1, 2005 to November 15, 2005
Rapid Cash	January 1, 2005 to October 7, 2005
Waydex Services Inc.	January 1, 2006 to January 25, 2006

The unaudited pro forma consolidated financial statements do not reflect the effect of the following business acquisitions subsequent to March 31, 2006 as they were determined to be not significant by management:

(i) purchase of an 80% interest in Hargraft Schofield Ltd.

(ii) purchase of a 36% interest in Rlogistics LP

3. PRO FORMA ASSUMPTION AND ADJUSTMENTS:

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited and unaudited financial statements of the entities either presented or incorporated by reference in the short form prospectus.

These unaudited pro forma consolidated financial statements have been prepared based on the accounting policies followed by each entity. No attempt has been made to conform accounting policies of the various entities being consolidated. However, to the best of management's knowledge, there are no material differences in accounting policies that would require adjustment in these unaudited pro forma consolidated financial statements to make them not misleading.

The unaudited pro forma consolidated statements of income of the Fund for the three months ended March 31, 2006 and the year ended December 31, 2005 are based on the initial financial statements of the Fund and give effect to the following assumptions and adjustments as if they had occurred on January 1, 2005:

(i) IPO

- The Fund issued 22,650,000 Units for gross proceeds of $226,500 (inclusive of underwriters' over-allotment option)
- The Fund used the proceeds of the IPO, net of the underwriters' fees, to indirectly capitalize NPY LP. NPY LP used the net proceeds of the Offering to pay the expenses of the Offering and related acquisition costs of $10,112, to pay a portion of the performance fee due on closing of the IPO to Newport Investment Counsel Inc. ("NICI") to enable NICI to pay source deductions due on related employee bonuses of $20,202, to pay GST of $2,928 on the performance fee, and to redeem 12,731,454 A2 LP Units and 5,213,824 A3 LP Units for $127,315 and $52,138, respectively. It is assumed that the performance fee of $44,760, inclusive of $2,928 of GST was payable immediately prior to the transaction; as such, it has not been reflected in the pro forma consolidated statements of operations for the year end December 31, 2005.
- NPY LP used the proceeds from the Fund to acquire/increase its interests in:

Company	Basis of accounting	Ownership
ESR	Proportionate consolidation	80%
Morrison Williams	Proportionate consolidation	80%
EZEE	Consolidation	100%
NP LP	Consolidation	100%
Brompton	Equity	45%
Jutan (and its wholly owned subsidiary AVS)	Proportionate consolidation	80%
Gemma	Proportionate consolidation	80%
Capital C	Proportionate consolidation	80%
S&E	Proportionate consolidation	80%
NPC	Proportionate consolidation	80%

All significant intercompany transactions have been eliminated upon consolidation. The unaudited pro forma consolidated statement columns reflect 100% of all line items of the companies indicated.

(ii) At various dates throughout the year ended December 31, 2005, NPY LP made investments in EZEE, S&E, Jutan, NPC, Gemma, ESR, Morrison Williams, Capital C, and NP LP. On-Site was a wholly-owned subsidiary of NPY LP as at January 1, 2005. NPY LP's ownership in each of EZEE, S&E, Jutan and NPC was increased through step acquisitions to the level of ownership noted above, as at December 31, 2005. In March 2006, NPY LP made an investment in Murray Demolition.

(iii) Since the unaudited pro forma consolidated statements of income for the twelve months ended December 31, 2005 and three months ended March 31, 2006 includes the acquisitions as though they occurred on January 1, 2005, an adjustment to the historical results of the Fund and NPY LP must be made to decrease net income by $21,441 and $62 respectively to remove the income and expenses of the acquired businesses that had been recorded in the historical consolidated financial statements of the Fund and NPY LP.

(iv) The unaudited pro forma consolidated statements of income for the year ended December 31, 2005 and three months ended March 31, 2006 reflect a decrease (increase) in net income of $4,507 and ($350) respectively to record the effect on the income and expenses in the consolidated financial statements of NPY LP of the proportionate consolidation of the entities acquired as though all of the entities were acquired on January 1, 2005.

3. PRO FORMA ASSUMPTION AND ADJUSTMENTS: (Continued)

The unaudited pro forma consolidated statement of income for the year ended December 31, 2005 also reflects:

(v) An increase in net income of $44,760 to remove the performance fee which has been assumed to have been paid immediately prior to the assumed transaction date of January 1, 2005.

(vi) A decrease in interest expense of $363 as a result of the exclusion of certain long-term debt of the entities acquired as the debt was excluded from the liabilities assumed on acquisition.

(vii) An increase in amortization expense of $10,899 to give effect to the increase in intangibles as a result of the acquisition of the related companies.

(viii) A decrease in current tax expense of $1,658 and an increase in future tax recovery of $13.

(ix) The unaudited pro forma consolidated statements of income reflect the Fund's 45% equity investment in Brompton as though the investment was acquired on January 1, 2005.

(x) Non-controlling interest holders: The exchangeable units of NPY LP are the Class A2, Class A3 and Class B4 units which are classified as a non-controlling interest since, while they are exchangeable into units of the Fund, are subject to anti-dilution provisions and are entitled to vote at the Fund level, they are not the economic equivalent of units of the Fund because they are subordinated to the units of the Fund as to distributions.

The unaudited pro forma consolidated statement of income for the three months ended March 31, 2006 also reflects:

(xi) An increase in amortization expense of $818 to give effect to the increases in intangibles as a result of the acquisition of Murray Demolition.

4. INCOME (LOSS) PER UNIT:

(i) Income (loss) per unit has been calculated as though the units of the Fund had been issued on January 1, 2006.

(ii) Income (loss) per unit has been calculated as though the units of the Fund had been issued on January 1, 2005.

5. RESULTS OF OPERATIONS INCLUDED IN BOTH PRO FORMA STATEMENTS OF INCOME:

Murray Demolition

	Three months ended February 28, 2006
Revenue	$ 17,302
Expenses:	
Cost of sales	15,190
Selling, general and administrative	3,185
Interest	47
Depreciation	233
One time charges	400
Income taxes	(4)
	19,051
Net (loss) for the period	$ (1,749)

AUDITORS' REPORT

To the Shareholder of
Murray Demolition

We have audited the divisional balance sheets of Murray Demolition (a division of Murray Demolition Corp.) as at August 31, 2005 and 2004 and the statements of divisional earnings, divisional equity and divisional cash flows for each of the years ended August 31, 2005 and 2004. These divisional financial statements have been prepared in accordance with Canadian generally accepted accounting principles. These divisional financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these divisional financial statements based on our audit.

We conducted our audit 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 divisional financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these divisional financial statements, present fairly, in all material respects, the financial position of Murray Demolition as at August 31, 2005 and 2004 and the results of its operations and its cash flows for each of the years ended August 31, 2005 and 2004 in accordance with Canadian generally accepted accounting principles.

(Signed) KOSTER, SPINKS & KOSTER LLP
Chartered Accountants

Toronto, Ontario
November 9, 2005
(except as to notes 1, 10 and 11
which are as at April 16, 2006)

MURRAY DEMOLITION
(A Division of Murray Demolition Corp.)

DIVISIONAL BALANCE SHEET

As at February 28, 2006 (unaudited) and August 31, 2005 and August 31, 2004

	February 28, 2006	August 31, 2005	August 31, 2004
	(Unaudited)		
Assets			
Current			
Cash	$ 4,120,301	$ 2,575,626	$ 2,944,416
Accounts receivable	16,345,178	14,309,691	8,677,333
Holdbacks receivable	3,044,226	2,499,064	1,589,620
Work-in-progress (note 4)	—	—	3,849,000
Prepaid expenses	350,648	206,659	261,734
Income taxes recoverable	164,523	11,944	39,003
Future income tax asset	—	—	569,000
	24,024,876	19,602,984	17,930,106
Long-term			
Holdbacks receivable, net of current portion	106,750	168,824	822,102
Equipment, vehicles and leaseholds (note 3)	3,045,205	3,664,105	2,859,185
Goodwill	1	1	1
	3,151,956	3,832,930	3,681,288
	$27,176,832	$23,435,914	$21,611,394
Liabilities and Divisional Equity			
Current			
Accounts payable and accrued liabilities	$17,214,609	$17,447,668	$ 7,341,681
Deferred revenue	5,965,216	1,729,440	8,105,119
Project advance (note 4)	—	—	5,618,430
Long-term debt (note 5)	754,767	803,413	745,889
Future income taxes	293,000	297,000	—
	24,227,592	20,277,521	21,811,119
Long-term			
Long-term debt, net of current portion (note 5)	1,159,623	1,295,074	991,400
Future income taxes, net of current portion	129,000	129,000	93,000
	1,288,623	1,424,074	1,084,400
Contingent liability (note 10)			
Divisional equity (deficit)	1,660,617	1,734,319	(1,284,125)
	$27,176,832	$23,435,914	$21,611,394

Approved by the Board

(Signed) SHAWN MURRAY
Director

MURRAY DEMOLITION

(A Division of Murray Demolition Corp.)

STATEMENT OF DIVISIONAL EQUITY

For The Periods Ended February 28, 2006 (unaudited) and February 28, 2005 (unaudited) and August 31, 2005 and August 31, 2004

	Six months ended February 28		Years ended August 31	
	2006	2005	2005	2004
	(Unaudited)	(Unaudited)		
Divisional equity (deficit), beginning of period	$1,734,319	$(1,284,125)	$(1,284,125)	$ 2,166,675
Net divisional (loss) earnings for the period	(32,637)	3,630,042	3,856,509	(2,017,174)
Divisional distributions	(41,065)	(219,251)	(838,065)	(1,433,626)
Divisional equity (deficit), end of period	$1,660,617	$ 2,126,666	$ 1,734,319	$(1,284,125)

MURRAY DEMOLITION
(A Division of Murray Demolition Corp.)

STATEMENT OF DIVISIONAL EARNINGS
For The Periods Ended February 28, 2006 (unaudited) and February 28, 2005 (unaudited) and August 31, 2005 and August 31, 2004

	Six months ended February 28		Years ended August 31	
	2006	**2005**	**2005**	**2004**
	(Unaudited)	(Unaudited)		
Revenues				
Sales	$37,314,374	$41,915,019	$65,531,810	$25,771,448
Direct costs	25,644,671	24,570,478	40,951,582	17,260,777
Gross margin	11,669,703	17,344,541	24,580,228	8,510,671
Expenses				
Selling, general and administrative	8,890,341	10,403,316	14,452,193	7,380,261
Equipment and yard costs	1,147,688	935,587	2,159,827	1,183,641
Wages and benefits	656,219	645,086	1,384,061	1,265,083
Amortization	474,343	353,318	757,365	589,883
Vehicle costs	411,423	363,816	764,163	488,493
Interest on long-term debt	93,541	79,682	162,669	168,409
Travel costs	32,785	22,694	45,393	45,831
Loss (gain) on disposal of equipment and vehicles	—	—	13,048	(99,094)
	11,706,340	12,803,499	19,738,719	11,022,507
Divisional (loss) earnings before income taxes	(36,637)	4,541,042	4,841,509	(2,511,836)
Provision for (recovery of) income taxes				
Current	—	38,000	83,000	80,338
Future	(4,000)	873,000	902,000	(575,000)
	(4,000)	911,000	985,000	(494,662)
Net divisional (loss) earnings for the period	$ (32,637)	$ 3,630,042	$ 3,856,509	$ (2,017,174)

MURRAY DEMOLITION
(A Division of Murray Demolition Corp.)

STATEMENT OF DIVISIONAL CASH FLOWS
For The Periods Ended February 28, 2006 (unaudited) and February 28, 2005 (unaudited) and August 31, 2005 and August 31, 2004

	Six months ended February 28		Years ended August 31	
	2006	2005	2005	2004
	(Unaudited)	(Unaudited)		
Cash provided by (used for):				
Operating activities				
Net divisional (loss) earnings for the period	$ (32,637)	$ 3,630,042	$ 3,856,509	$(2,017,174)
Items not affecting cash:				
Amortization	474,343	353,318	757,365	589,883
Future income taxes	(4,000)	873,000	902,000	(575,000)
Loss (gain) on disposition of equipment and vehicles	—	—	13,048	(99,094)
Net change in non-cash working capital (note 6)	1,187,574	(1,585,787)	1,772,918	(322,580)
	1,625,280	3,270,573	7,301,840	(2,423,965)
Investing activities				
Acquisition of equipment, vehicles and leaseholds	(75,949)	(168,402)	(477,499)	(331,149)
Proceeds from sale of equipment and vehicles	—	—	13,300	241,609
Repayment of funds held in trust (note 3)	500,000	—	—	—
	424,051	(168,402)	(464,199)	(89,540)
Financing activities				
Divisional distributions	(41,065)	(219,251)	(838,065)	(1,433,626)
Repayment of long-term debt	(463,591)	(360,659)	(749,936)	(986,770)
Repayment of project advances	—	(2,500,000)	(5,618,430)	5,618,430
	(504,656)	(3,079,910)	(7,206,431)	3,198,034
Change in cash during the period	1,544,675	22,261	(368,790)	684,529
Cash, beginning of period	2,575,626	2,944,416	2,944,416	2,259,887
Cash, end of period	$4,120,301	$ 2,966,677	$ 2,575,626	$ 2,944,416
Supplementary cash flow information:				
Interest paid during the period	$ 125,539	$ 129,874	$ 162,669	$ 168,409
Income taxes paid during the period	$ 152,579	$ 47,290	$ 97,125	$ 115,411

MURRAY DEMOLITION

(A Division of Murray Demolition Corp.)
NOTES TO DIVISIONAL FINANCIAL STATEMENTS

February 28, 2006 (unaudited) and August 31, 2005 and August 31, 2004

1. OPERATIONS

Murray Demolition Corp. ("Company") was incorporated under the laws of Ontario on January 15, 2002 by filing articles of incorporation. On April 29, 2002, the Company purchased certain business assets of Philip Services Inc.'s demolition, abatement and remediation division and commenced active demolition operations. On March 16, 2006, the Company sold its demolition business (the "Division") to Murray Demolition LP (see subsequent event note 11).

These Divisional financial statements represent the assets, liabilities and operations of the demolition business sold (see subsequent event note 11) on March 16, 2006. The Divisional financial statements exclude the Company's investment in a related corporation carrying on active operations in the construction industry in Western Canada. In addition the divisional statements exclude certain loans with the shareholders and officers of the Company. As a result, the format of certain notes has been changed from the Company's financial statements that were originally reported on as of November 9, 2005 to conform with the new divisional presentation.

The activities of the Division require the Company to enter into certain banking and bonding facilities. The Company is operating under a banking agreement dated April 15, 2005 which provides for a line of credit to a maximum of $2,000,000 and a term loan as disclosed in note 5. The banking agreement contains certain financial ratio requirements. As of February 28, 2006, certain ratio tests were not met and the Company was in violation of the agreement. Similarly as at February 28, 2005, under the banking agreement dated February 26, 2004 which provided similar credit facilities, the Company did not meet certain ratio tests and was in violation of its banking agreement. As of August 31, 2005 and August 31, 2004, certain ratio tests were not met and the Company was in violation of the agreement. The bank was aware of the covenant violation and had waived its rights with respect to the covenant violation as at August 31, 2005 and 2004 (see subsequent event note 11).

Under the banking facility, the Company has issued an irrevocable letter of credit as a contractual requirement for a demolition project at February 28, 2006 totaling $1,500,000 (February 28, 2005 — two projects for $2,050,000; August 31, 2005 — $1,500,000 and August 31, 2004 — $1,500,000). This letter of credit has not been drawn upon. The Company holds an irrevocable letter of credit at February 28, 2006 for $1,500,000 (February 28, 2005 — $1,500,000; August 31, 2005 — $1,500,000 and August 31, 2004 — $1,500,000) with respect to the same project.

The Company is operating under a bonding facility agreement dated March 7, 2005 which provides bonding on certain demolition projects. The bonding agreement contains certain financial ratio requirements. As of February 28, 2006, these ratio tests were not met. Similarly, under the bonding facility agreement dated April 18, 2002, the Company did not meet the financial ratio requirements as of February 28, 2005 (see subsequent event note 11). As of August 31, 2005 and August 31, 2004, these ratio tests were not met. The bonding company was aware of the covenant violation and had waived its rights under its agreement with respect to the covenant violations as at August 31, 2005 and 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

These Divisional financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

a) Basis of accounting

These Divisional financial statements include only the assets, liabilities, revenues and expenses of the demolition business ("Murray Demolition" or "Division") of Murray Demolition Corp. They do not constitute or represent a legal entity. The net assets of the Division have been presented as Divisional Equity.

b) Revenue recognition

Revenue from fixed price contracts is recorded using the completed contract method, whereby, revenue and profit are recorded when the project is substantially complete. Deferred revenue represents billings to customers in excess of costs incurred to date. Losses, if any, on fixed price contracts are recognized during the period they are determined.

c) Equipment, vehicles and leaseholds

Equipment, vehicles and leaseholds are recorded at cost. Amortization is provided at the following rates:

Demolition equipment and accessories	Straight-line basis over 7 years
Trucks and vehicles	Straight-line basis over 4 years
Leasehold improvements	Straight-line basis over 5 years
Office furniture and equipment	Straight-line basis over 7 years
Computer equipment	Straight-line basis over 4 years

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Long-lived assets

Long-lived assets, including equipment, vehicles and leasehold improvements are amortized over their useful lives. The Division reviews long-lived assets for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of a group of assets is less than its carrying amount, it is considered to be impaired. An impairment loss is measured as the amount by which the carrying amount of the group of assets exceeds its fair value. At February 28, 2006, February 28, 2005, August 31, 2005 and August 31, 2004, no impairment in the carrying value of these assets existed.

e) Future income taxes

The asset and liability method of accounting is used for income taxes. Under the asset and liability method, future income tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in income tax expense when enacted or substantively enacted. Future income tax assets are evaluated and a valuation allowance, if required, is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for amortization, amounts recorded as accrued liabilities and the total estimated costs of the project under the completed contract method of revenue recognition.

3. EQUIPMENT, VEHICLES AND LEASEHOLDS

Equipment, vehicles and leaseholds consist of the following:

	February 28, 2006 (Unaudited)		
	Cost	**Accumulated Amortization**	**Net Book Value**
Demolition equipment and accessories	$3,447,240	$1,163,199	$2,284,041
Trucks and vehicles	1,175,092	697,998	477,094
Leasehold improvements	323,081	165,678	157,403
Office furniture and equipment	137,134	45,924	91,210
Computer equipment	95,649	60,192	35,457
	$5,178,196	$2,132,991	$3,045,205

3. EQUIPMENT, VEHICLES AND LEASEHOLDS (Continued)

	August 31, 2005		
	Cost	Accumulated Amortization	Net Book Value
Demolition equipment and accessories	$3,650,881	$ 894,822	$2,756,059
Trucks and vehicles	1,142,731	545,999	596,732
Leasehold improvements	323,081	133,369	189,712
Office furniture and equipment	113,822	39,633	74,189
Computer equipment	95,649	48,236	47,413
	$5,326,164	$1,662,059	$3,664,105

	August 31, 2004		
	Cost	Accumulated Amortization	Net Book Value
Demolition equipment and accessories	$2,384,806	$ 490,766	$1,894,040
Trucks and vehicles	912,179	341,223	570,956
Leasehold improvements	323,081	68,753	254,328
Office furniture and equipment	113,822	22,560	91,262
Computer equipment	74,257	25,658	48,599
	$3,808,145	$ 948,960	$2,859,185

Demolition equipment and accessories includes assets under capital leases in the amount of $3,266,363 (August 31, 2005 — $3,049,988 and August 31, 2004 — $2,022,709) and $1,875,779 (August 31, 2005 — $744,976 and August 31, 2004 — $449,303) of accumulated amortization.

During the period, a portion of the original payment in the amount of $500,000 for the assets originally acquired from Philip Services Inc. was repaid to the Company. This was the result of Philip Services Inc. not performing certain requirements under the agreement of purchase and sale.

4. PROJECT ADVANCE

The Company entered into an agreement with respect to a large decommissioning project. The agreement required the Company to make a payment of $3,849,000 with respect to the value of recoverable scrap metal resulting from the demolition of the plant. To finance this advance payment, the Company entered into a Loan and Services Agreement with a scrap metal contractor whereby the contractor advanced $5,618,430 as at August 31, 2005 towards the project and in return was appointed as the exclusive contractor to market the salvage metal for sale and a share of the proceeds so derived.

Part of the project advances to the Company in the amount of $1,372,810 was interest bearing at the TD Canada Trust's prime rate. The balance of the advance is non-interest bearing. The advance was repaid from proceeds from the sale of the recovered material from the demolition project.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	February 28, 2006	August 31, 2005	August 31, 2004
	(Unaudited)		
Various capital leases and equipment loans bearing interest at an average rate of 5.75% (August 31, 2005 — 5.77% and August 31, 2004 — 6.51%) per annum, with specific equipment provided as security	$1,914,390	$2,006,439	$1,317,176
Bank loan bearing interest at the bank's prime rate plus 1.75% per annum, payable monthly and repayable in equal monthly instalments of $27,339. The loan is secured by a general security agreement over the company's assets, assignment of fire insurance and life insurance on the president	—	92,048	420,113
	1,914,390	2,098,487	1,737,289
Less: current portion	754,767	803,413	745,889
	$1,159,623	$1,295,074	$ 991,400

Minimum principal repayments required over the subsequent five years are as follows:

	February 28, 2006	August 31, 2005	August 31, 2004
	(Unaudited)		
2005	$ —	$ —	$ 745,889
2006	—	803,413	477,620
2007	754,767	645,784	309,060
2008	609,290	439,894	204,720
2009	374,480	174,037	—
2010	154,388	35,359	—
2011	21,465	—	—
	$1,914,390	$2,098,487	$1,737,289

6. NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital is as follows:

	February 28, 2006	February 28, 2005	August 31, 2005	August 31, 2004
	(Unaudited)	(Unaudited)		
(Increase) decrease in:				
Accounts receivable	$(2,035,487)	$(2,229,550)	$(5,632,358)	$ (235,593)
Prepaid expenses	(143,989)	68,776	55,075	(85,630)
Holdbacks receivable	(483,088)	342,667	(256,166)	(952,767)
Work-in-progress	—	—	3,849,000	(3,849,000)
Income taxes recoverable	(152,579)	(9,290)	27,059	(31,934)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(233,059)	6,065,404	10,105,987	1,266,180
Deferred revenue	4,235,776	(5,823,794)	(6,375,679)	3,566,164
	$ 1,187,574	$(1,585,787)	$ 1,772,918	$ (322,580)

7. LEASE COMMITMENTS

The Company has entered into various operating leases for demolition equipment and vehicles required for the Divisional operations. Future minimum lease payments for demolition equipment and vehicles are as follows:

	February 28, 2006	August 31, 2005
	(Unaudited)	
2006	$ —	$2,154,744
2007	2,080,615	1,984,419
2008	1,968,406	1,732,235
2009	1,484,689	1,001,874
2010	448,060	35,359
2011	6,382	—
	$5,988,152	$6,908,631

The Company has a month to month operating lease for the premises used by the Division.

8. ACQUISITION OF EQUIPMENT, VEHICLES AND LEASEHOLDS

During the period, equipment, vehicles and leaseholds were acquired at an aggregate cost of $350,443 (February 28, 2005 — $168,402; August 31, 2005 — $1,588,633 and August 31, 2004 — $1,260,578), of which $274,494 (February 28, 2005 — $Nil; August 31, 2005 — $1,111,134 and August 31, 2004 — $929,429) was acquired by the assumption of various capital leases.

9. FINANCIAL INSTRUMENTS

a) Fair value

The Division's financial instruments include cash, accounts receivable, holdback receivables, accounts payable and accrued liabilities and long-term debt.

The fair value of cash, accounts receivables, holdback receivables and accounts payable and accrued liabilities approximate their carrying value due to their short term nature.

The carrying value of long-term debt approximates fair value as these instruments are subject to market interest rates.

b) Credit risk

The Division is subject to concentration of credit risk at February 26, 2006, August 31, 2005 and August 31, 2004. The Company's three largest customers amounted to approximately 38% of accounts receivable (August 31, 2005 — 35.7% and August 31, 2004 — 47.4%).

10. CONTINGENT LIABILITY

On July 25, 2002, the Company entered into a contract with Celanese Canada Inc. for the decommissioning of a portion of its facility in Edmonton, Alberta. Under the contract, the Company was entitled to salvage and sell certain equipment from the facility. The Company subsequently entered into an agreement with Canadian Bearings Ltd. ("CBL") for the sale of the equipment.

On June 10, 2003 Celanese Canada Inc. and Celanese Ltd. (collectively, "Celanese") commenced concurrent actions in the Ontario Superior Court of Justice and the Alberta court of Queen's Bench against the Company, CBL, and others alleging $100 million in damages for conspiracy and breach of confidentiality arising out of the sale of equipment to CBL.

On December 16, 2004, the Company served a Statement of Defence and claimed damages in the amount of $11,800,000 as against CBL, Farrokh Khalili, Abra Projects Ltd., Gerry Hamaliuk, Caltech Design Inc., Aphex Imaging Inc., Hossein Banijamili, Usher Canada Limited and Stantec Consulting Ltd. ("CBL Defendants") for unlawful interference with economic relations, conspiracy, misuse of confidential information, duty of good faith, and conversion of confidential information ("Company Claim").

10. CONTINGENT LIABILITY (Continued)

CBL has claimed damages for breach of contract in the amount of $1,000,000 against the Company, together with the return to CBL of all deposits paid to the Company (“CBL Claim”). Abra Projects Ltd. and Caltech Design Inc. made claims against the Company for contribution and indemnity with respect to the claims made against them by Celanese.

In March of 2006, the action was settled at no additional financial cost to the Company. Apart from the matters that are the subject of Court Orders, the terms of the settlement are confidential. As part of the settlement, Orders dismissing the relevant claims and counterclaims as between Celanese and the Company have been filed in both the Ontario and Alberta action. The crossclaims by the Company as against Aphex Imaging Inc., Caltech Design Inc., Usher Canada Limited and Stantec Consulting Ltd. remain outstanding although it is anticipated that the parties will shortly settle the respective crossclaims by having same dismissed on a without costs basis.

The Company Claim as amended together with the CBL Claim remain outstanding. The Company believes that the CBL Claim is without merit and is taking steps to defend this Claim and pursue its remedies under the Company claim vigorously. The company has not made any provision with respect to the CBL Claim.

11. SUBSEQUENT EVENT

On March 16, 2006, the Company sold the net assets of the Division to Murray Demolition LP for total consideration consisting of approximately $28,500,000 of cash, $2,000,000 of units in Newport Private Yield LP and a 20% interest in Murray Demolition LP. The remaining 80% interest in Murray Demolition LP is owned by Newport Partners Holdings LP. The purchase price is subject to a price adjustment clause (increase or decrease) if working capital is not $5,000,000.

Subsequent to the sale, the Division continued to operate as Murray Demolition LP. Murray Demolition LP negotiated new bonding and banking facilities. Under the new bonding facility, the Company has provided an on going unlimited guarantee. As at March 31, 2006, Murray Demolition LP is in compliance with its banking and bonding facilities.

CERTIFICATE OF NEWPORT PARTNERS INCOME FUND

Dated: May 29, 2006

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada. For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

NEWPORT PARTNERS INCOME FUND
by its attorney, Newport Partners GP Inc.

(Signed) PETER WALLACE
President and Chief Executive Officer

(Signed) KELLY BAIRD
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) DAVID A. WILLIAMS
Trustee

(Signed) GERRY SMITH
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: May 29, 2006

To the best of our knowledge, information and belief, this short form prospectus, together with documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada. For the purpose of the Province of Québec, to our knowledge, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

RBC DOMINION SECURITIES INC.

By: (Signed) STEWART BURTON

CIBC WORLD MARKETS INC.

By: (Signed) DONALD A. FOX

SPROTT SECURITIES INC.

By: (Signed) MICHAEL MCCLOSKEY

BMO NESBITT BURNS INC.

By: (Signed) A. THOMAS LITTLE

HSBC SECURITIES (CANADA) INC.

By: (Signed) JEFFREY B. ALLSOP

SCOTIA CAPITAL INC.

By: (Signed) BRETT UNDERSHUTE

TD SECURITIES INC.

By: (Signed) MICHAEL WOOLHOUSE

RAYMOND JAMES LTD.

By: (Signed) JOHN D. GRANT

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

By: (Signed) ALFRED SAILER

BLACKMONT CAPITAL INC.

By: (Signed) CHARLES PENNOCK

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