

Crocus Investment Fund

Notice of Proposed Interim Distribution to Class "A" and "I" Shareholders

On April 22, 2009, the Manitoba Court of Queen's Bench ("the Court") approved settlements of the Bellan Class Action. The settlements have now been completed. These settlements removed a major impediment to an interim distribution to shareholders of the Crocus Investment Fund ("Crocus" or "the Fund").

It is the intention of Deloitte & Touche Inc. ("Deloitte" or "the Receiver"), the Receiver and Manager of the Fund, to make application to the Court during September 2009 for authority to make an interim distribution to the Class A and Class I shareholders of Crocus. The method of distribution to the Class A shareholders and Class I shareholders proposed is on a rateable basis as follows:

$$\frac{\text{Total funds approved for interim distribution}}{\text{Total number of Class A and Class I shares}} \times \text{Number of shares held by a shareholder} = \text{Shareholder's portion of interim distribution}$$

This means that all shareholders (both Class A and Class I) will receive the same amount for each share held. Deloitte will also be requesting the Court to order that the number of shares of each shareholder be reduced proportionately to reflect the interim payment. The relative holdings of each shareholder in the remaining shares as amongst other shareholders will remain the same so that proportionate entitlements to future distributions will stay the same.

The above approach is a recommendation only. The Court will make the ultimate decision on the amount and methodology of any interim distributions.

If you are not in agreement with this method of distribution then you must advise Deloitte in writing outlining the reasons for your disagreement. The notice must be received by Deloitte on or before August 27, 2009. If the Receiver does not receive a written objection by August 27, 2009, it will assume that you are not opposed to the Receiver's recommended interim distribution.

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