No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This 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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the ''U.S. Securities Act'') or any state securities laws and may not be offered or sold or otherwise disposed of, directly or indirectly, within the United States of America or its territories or possessions or to or for the account or benefit of any ''U.S. person'' as that term is defined in Regulation S under the U.S. Securities Act except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to an exemption therefrom. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered herein within the United States of America or its territories or possessions or to U.S. persons. See ''Plan of Distribution''.

PROSPECTUS

Initial Public Offering

June 17, 2005

COLABOR

COLABOR INCOME FUND

$55,000,000

5,500,000 Units

This prospectus qualifies the distribution (the ''Offering'') of 5,500,000 units (the ''Units'') of Colabor Income Fund (the ''Fund''). The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec. The Fund was created to indirectly acquire and hold a 50.6% (53.2% if the Over-Allotment Option (as defined herein) is exercised in full) interest in Colabor Limited Partnership (''Colabor LP''). Prior to closing of the Offering (the ''Closing''), Colabor LP will have acquired the food, food-related and non-food products distribution and marketing business (the ''Business'') of Colabor Inc. (the ''Vendor''). Following the Closing, the remaining 49.4% interest in Colabor LP (46.8% if the Over-Allotment Option is exercised in full) will be held by the Vendor in the form of exchangeable units of Colabor LP (the ''Exchangeable LP Units''). Subject to certain exceptions, the Exchangeable LP Units will be exchangeable for Units on a one-for-one basis upon the expiry of a ten-year period following Closing. See ''Funding, Acquisition and Related Transactions'', ''Retained Interest of the Vendor'', ''Principal Unitholders'' and ''Use of Proceeds''.

The Fund intends to make monthly distributions of its available cash to the maximum extent possible on or about the 15th day of each month. The first of such payments is expected to be made to holders of Units on or about August 15, 2005 in respect of the period from Closing to July 31, 2005. See ''Description of the Fund — Distributions''.

Price: $10.00 per Unit

	Price to the Public (1)	Underwriters' Fee	Net Proceeds to the Fund (2)
Per Unit	$10.00	$0.60	$9.40
Total Offering (3)(4)	$55,000,000	$3,300,000	$51,700,000

(1) The price of the Units has been determined by negotiation among the Fund, the Vendor and the Underwriters (as defined herein).

(2) Before deducting expenses of the Offering estimated at $1,800,000, to be paid by Colabor LP, save for the Underwriters' Fee which will be paid by the Fund out of the proceeds of the Offering.

(3) The Fund has granted the Underwriters an over-allotment option (the ''Over-Allotment Option''), exercisable within a period of 30 days from Closing, to purchase up to a maximum of 275,000 additional Units (representing 5% of the Units offered pursuant to this prospectus) on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the ''Price to the Public'', ''Underwriters' Fee'' and ''Net Proceeds to the Fund'' will be $57,750,000, $3,465,000 and $54,285,000, respectively. This prospectus qualifies the distribution of the Units issuable upon exercise of the Over-Allotment Option. See ''Plan of Distribution''.

(4) This prospectus also qualifies the distribution by the Fund of the exchange right granted to the Vendor in respect of its retained interest in the form of Exchangeable LP Units, the Units issuable upon exercise of such exchange right and the Special Voting Units (as defined herein). See ''Retained Interest of the Vendor'' and ''Description of the Fund — Units and Special Voting Units''.

(Continued on next page)

(From previous page)

The pricing of the Units has been determined, in part, based on the estimate of distributable cash for the twelve-month period ended March 25, 2005 as set out under ‘‘Summary of Distributable Cash’’. The 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 is at risk, and the anticipated return on the investment is based on many performance assumptions. Although the Fund intends to make monthly distributions of its available cash to holders of Units (‘‘Unitholders’’), these cash distributions may be reduced or suspended. The ability of the Fund to make cash distributions and the actual amount distributed will be entirely dependent on the operations and assets of Colabor LP and will be subject to various factors including Colabor LP’s financial performance, debt covenants and obligations, working capital requirements, future capital requirements and the deductibility for tax purposes of interest payments on certain debt. 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 material.

The after-tax return from an investment in the Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for tax purposes of distributions paid by the Fund, portions of which may be fully or partially taxable or may constitute non-taxable returns of capital, which are not included in a Unitholder’s income but which reduce the adjusted cost base of the Units to Unitholders. The composition for tax purposes of distributions may change over time, thus affecting the after-tax return to Unitholders. The estimated portion of distribution in 2005 that will be taxed as a return on capital is approximately 75% and the estimated portion that will be taxed as return of capital is approximately 25%. Returns on capital are generally taxed as ordinary income or as dividends in the hands of a Unitholder. Returns of capital are generally not taxable to a Unitholder, but reduce the adjusted cost base of Units for tax purposes. See ‘‘Certain Canadian Federal Income Tax Considerations’’.

An investment in the Units is subject to a number of risks that should be considered by an investor. It is important for investors to consider the particular risk factors that may affect the industry in which Colabor operates, and therefore the stability of the distributions that the investor receives. See, for example, ‘‘Dependence on Affiliated-Wholesalers’’, ‘‘Absence of Long-Term Agreements between Affiliated-Wholesalers and their Customers’’, ‘‘Competition’’, ‘‘Changes in Distribution and Retail Market’’ and ‘‘Reliance on Purchasing Alliances’’, under the section ‘‘Risk Factors’’. These sections also describe the Fund’s assessment of those risk factors, as well as the potential consequences to investors if a risk should occur.

There is currently no market through which the Units may be sold and purchasers may not be able to resell Units purchased under this prospectus. The Toronto Stock Exchange (the ‘‘TSX’’) has conditionally approved the listing of the Units under the symbol ‘‘CLB.UN’’. Listing of the Units is subject to the Fund fulfilling all of the listing requirements of the TSX on or before September 14, 2005. In connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. See ‘‘Plan of Distribution’’.

National Bank Financial Inc., Canaccord Capital Corporation, CIBC World Markets Inc., Desjardins Securities Inc. and Sprott Securities Inc. (collectively, the ‘‘Underwriters’’), as principals, conditionally offer the Units, subject to prior sale, if, as and when issued, sold and delivered by the Fund to, 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 Colabor LP and the Fund by McCarthy Tétrault LLP, on behalf of the Vendor by Bélanger Sauvé LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Book-entry only certificates representing the Units will be issued in registered form to The Canadian Depository for Securities Limited (‘‘CDS’’) or its nominee and will be deposited with CDS on the date of the Closing which is expected to occur on or about June 28, 2005, or such later date as the Fund and the Underwriters may agree, but in any event not later than July 28, 2005. A purchaser of Units will receive only a customer confirmation from a registered dealer which is a CDS participant and from or through which the Units are purchased.

National Bank Financial Inc. is a subsidiary of a Canadian chartered bank which is a lender to the Vendor under its Existing Operating Credit Facilities (as defined herein) which will be repaid at Closing with the New Operating Credit Facilities (as defined herein). In addition, a Canadian chartered bank affiliate of CIBC World Markets Inc. is expected to make the New Operating Credit Facilities available to Colabor LP. See ‘‘Debt Financing’’. Accordingly, the Fund may be considered to be a connected issuer of National Bank Financial Inc. and CIBC World Markets Inc. for the purposes of applicable securities legislation. See ‘‘Plan of Distribution’’.

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ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Fund, and of Fasken Martineau DuMoulin LLP, counsel to the Underwriters, provided that the Fund is a mutual fund trust under the *Income Tax Act* (Canada) and the regulations thereunder (the ''Tax Act'') on the date of this prospectus: (i) the Units, if issued on the date of this prospectus, will 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, each as defined in the Tax Act (collectively, the ''Deferred Income Plans'') on that date; and (ii) based, in part, on certificates of the Fund and Colabor LP as to certain factual matters, the Units, if issued on the date of this prospectus, would not on that date constitute ‘‘foreign property’’ for the purposes of the tax imposed under Part XI of the Tax Act on Deferred Income Plans (other than registered education savings plans), registered investments and other tax exempt entities, including most registered pension funds or plans. Registered education savings plans are not subject to the foreign property rules. The foregoing opinion assumes that, prior to the Closing, there will be no change in the applicable legislation currently in effect. See ‘‘Certain Canadian Federal Income Tax Considerations’’ and ‘‘Risk Factors’’.

Pursuant to the 2005 Federal Budget on February 23, 2005, the Minister of Finance announced that the foreign property rules will be repealed effective for months ending in 2005 and subsequent years. This proposal is reflected in Bill C-43 dated March 24, 2005, but there can be no assurance that such proposal will be enacted.

FORWARD LOOKING STATEMENTS

Certain statements in this prospectus may constitute ‘‘forward looking’’ statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund or Colabor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this prospectus, such statements use such words as ‘‘may’’, ‘‘will’’, ‘‘intend’’, ‘‘should’’, ‘‘expect’’, ‘‘believe’’, ‘‘plan’’, ‘‘estimate’’, ‘‘predict’’ or the negative of these terms or other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this prospectus. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including, but not limited to, the factors discussed under ‘‘Risk Factors’’. Although the forward looking statements contained in this prospectus are based upon what management believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the date of this prospectus, and the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

TRADEMARKS

Upon completion of the Offering and related transactions, all of the trademarks relating to the Business will be owned by Colabor LP. On Closing, each of the Fund, the Trust and the General Partner will enter into licence agreements with Colabor LP pursuant to which they will be granted a licence to use the trademark ‘‘Colabor’’. The Vendor and Groupe Informatique Colabor Inc. will also be granted a limited licence at Closing to use the name ‘‘Colabor’’ as part of their respective corporate names. See ‘‘Business of Colabor — Intellectual Property Rights’’.

MARKET AND INDUSTRY DATA

All information contained in this prospectus regarding the food industry and the food products distribution and marketing business (including the size, segmentation, trends and growth of the industry, and the relative positioning in the market of Colabor and its competitors) is based upon management’s knowledge of the industry and its estimates and assumptions relating to the industry based on that knowledge. Management’s knowledge of the industry has been developed through its experience and lengthy participation in the industry. Management believes that its knowledge of the industry is accurate and that its estimates and assumptions are reasonable. However, the information contained herein relating to the food industry and the food, food-related and non-food products distribution and marketing industry cannot always be independently verified.

The market and industry data contained in this prospectus relating to the food distribution industry generally is based on industry publications, market research, government sources and other publicly available information. While management believes this information to be reliable, such information has not been independently verified.

ABOUT THIS PROSPECTUS

References to ‘‘Colabor’’ in this prospectus refer to the Business operated by (i) Colabor Inc. prior to Closing, and (ii) Colabor LP after the Closing.

Unless otherwise indicated or the context otherwise requires, the disclosure contained in this prospectus assumes that (i) the transactions referenced under the heading ‘‘Funding, Acquisition and Related Transactions’’ have been completed, and (ii) the Over-Allotment Option is not exercised.

In this prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to ‘‘$’’ are to Canadian dollars.

Please refer to the ‘‘Glossary of Terms’’ at the end of this prospectus for a list of defined terms used herein.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain terms used in this prospectus summary are defined in the Glossary of Terms.

Colabor Income Fund

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec, created to indirectly acquire and hold all Ordinary LP Units of Colabor LP, representing a 50.6% (53.2% if the Over-Allotment Option is exercised in full) interest in Colabor LP. Prior to Closing, Colabor LP will acquire the food, food-related and non-food products distribution and marketing business of the Vendor. Following the Closing, the remaining 49.4% interest in Colabor LP (46.8% if the Over-Allotment Option is exercised in full) will be held by the Vendor in the form of Exchangeable LP Units. The Fund intends to make monthly distributions of its distributable cash. See ''Description of the Fund — Distributions''.

Industry Overview

The food industry is currently the second largest retail sector of the Canadian economy in terms of sales, ranking immediately behind the automotive sector; and, food-related expenses represent the third most important expense item of Canadian households. The food industry is mature and stable and has experienced steady historical growth. In 2003, total sales for the industry grew to $104.3 billion from $87.9 billion in 1998, representing an average nominal annual growth rate of 3.7%.

Food is sold through two main channels: (i) the retail sector, comprised of a number of participants including supermarkets of various sizes, convenience stores and other types of non-traditional food retailers, such as mass merchandisers, warehouse clubs and drugstores and (ii) the foodservice sector, comprised of commercial customers, such as restaurants, hotels, caterers and cafeterias of commercial enterprises, and non-commercial customers, such as schools, hospitals and private care centers.

The retail sector, with sales representing approximately 65% of total food industry sales, is comprised of outlets that can be classified in three groupings: (i) outlets operated by integrated food retailers, (ii) affiliated independent outlets and (iii) unaffiliated independent outlets. In Canada, approximately 40% of food outlet sales are made by independent outlets compared to approximately 65% in the Province of Quebec.

The foodservice segment of the food industry in Canada represents approximately 35% of total food industry sales. Over the last 20 years, this segment has achieved significant growth as a result of changing demographics and customer needs.

Colabor operates in the wholesale food distribution business which involves the purchasing, warehousing, marketing and distribution of dry goods, frozen and refrigerated products, meat, poultry, produce and certain food-related and non-food products from manufacturers and other suppliers to a broad range of enterprises operating in the retail or foodservice segments of the food industry. The food distribution industry in Canada has experienced over the past years consolidation as wholesale distributors have joined buying groups or consolidated their operations in order to benefit from increased purchasing power as well as from technological advances in management information and distribution systems available to larger groups. Colabor has the size and the technological resources necessary to benefit from these industry trends and compete successfully. The ability and flexibility to provide the ideal combination of products and services required by each retailer and foodservice operator, at competitive prices, is key to maintaining and capturing future market share.

Business of Colabor

First organized in 1962 as a buying group, Colabor is a master distributor of food, food-related and non-food products which it purchases and supplies to wholesale distributors who redistribute the products to their customers operating in the retail or foodservice market segments. Today, Colabor is one of the leading master distributors catering to the needs of wholesale food distributors in Canada and the market leader in Quebec with total sales of $377.6 million for the twelve-month period ended March 25, 2005.

Colabor distributes approximately 35,000 products sourced from 550 suppliers and manufacturers to over 25,000 points of sale, serviced by 60 small to medium-size wholesale distributors operating in the Province of Quebec and in the Atlantic Provinces, of which 32 are currently shareholders of the Vendor (the ''Affiliated-Wholesalers'').

Colabor receives and distributes products to wholesale distributors either directly from its warehouse and distribution centre in Boucherville (the ''Distribution Centre'') or through direct shipment from manufacturers and suppliers to Affiliated-Wholesalers and Colabor's other customers. For the twelve-month period ended March 25, 2005, sales from the Distribution Centre represented $249.5 million while direct sales represented $128.1 million. In addition to brand name products, Colabor markets approximately 600 products under its recognized private labels which represent approximately 8.4% of Colabor's sales for the twelve-month period ended March 25, 2005. Colabor also owns commercial banners used by 270 small and medium-size convenience stores and grocery stores serviced by its Affiliated-Wholesalers.

Sales to Affiliated-Wholesalers represented approximately 90% of Colabor's sales for the twelve-month period ended March 25, 2005. Approximately 65% of the Affiliated-Wholesalers' sales are to foodservice operators while sales to retailers account for the remaining 35%. Of the 32 Affiliated-Wholesalers, 17, representing more than 68% of Colabor's total sales, have been with Colabor for more than 15 years. See ''Affiliated-Wholesalers'' for a summary of the agreements entered into between Colabor and its Affiliated-Wholesalers.

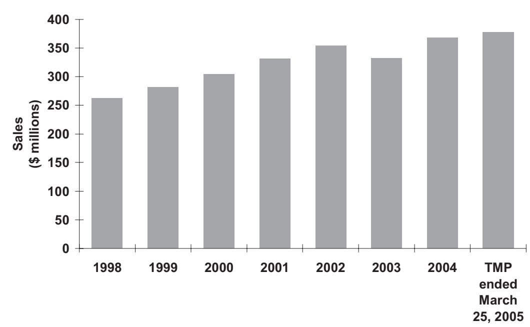
Colabor, by itself and through its affiliation with buying groups, uses its purchasing power to negotiate rebates with manufacturers and suppliers which account for a significant portion of its operating revenues. Through its competitive pricing, diverse product offering, efficient delivery system, personalized services and negotiated rebates, Colabor brings a meaningful contribution to the success of the Affiliated-Wholesalers and other wholesale distributors it serves in their respective markets.

History of Stable Revenue and Earnings Growth

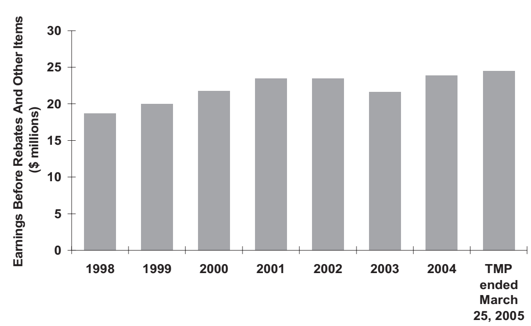
Colabor has increased its sales by expanding its product offering and adjusting to market needs and evolving customer preferences. By further expanding its product offering, directly or through acquisitions, by recruiting additional wholesale distributors and by continuing to enhance its margin on product sales, management believes that Colabor will continue to increase its sales and grow its cash flow.

For the twelve-month period ended March 25, 2005, Colabor's sales grew to $377.6 million from $263 million in fiscal 1998. During the same period, Earnings Before Rebates and Other Items rose 31.0% to $24.5 million from $18.7 million in 1998.

SALES



EARNINGS BEFORE REBATES AND OTHER ITEMS (1)



Note:

(1) Earnings Before Rebates and Other Items is a measure derived directly from the historical financial statements of the Vendor and, in management's view, is the appropriate basis on which to compare Colabor's results going forward. See ''Selected Consolidated Financial Information''. Earnings Before Rebates and Other Items is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, Earnings Before Rebates and Other Items may not be comparable to similar measures presented by other issuers.

Competitive Strengths

Management believes that Colabor, as one of the leading master distributors catering to the needs of wholesale food distributors in Canada and the market leader in Quebec, has competitive advantages that will enable it to continue to increase its sales and cash flow and to expand to new markets. These strengths include:

Entrepreneurial Affiliated-Wholesaler Network

Colabor's Affiliated-Wholesalers network combines the entrepreneurial drive of independent wholesale distributors with the advantages of benefiting from Colabor's purchasing power, tailored product offering, quality of services and modern warehouse and order management systems. Affiliated-Wholesalers sell food, food-related and non-food products to end-users in over 25,000 points of sale such as convenience stores, small and medium-size grocery stores, cafeterias of various institutions, restaurants and hotels, and have developed stable and long-standing relationships with many of their customers. Affiliated-Wholesalers, with their knowledge of the respective markets in which they operate and their immediate presence in such local markets, have been able to differentiate themselves from their competitors by providing personalized services to their customers, including flexible delivery schedules and product offerings tailored to the needs of end-users. The Affiliated-Wholesalers reach retailers and foodservice operators through a network comprised of 48 warehouses and distribution centres, totalling approximately two million square feet of warehouse space. Therefore, Colabor's network, unlike most of its competitors, is equally well-adapted to the needs of urban, semi-urban and rural markets.

Loyalty of Affiliated-Wholesalers

17 Affiliated-Wholesalers, accounting for more than 68% of Colabor's sales for the twelve-month period ended March 25, 2005, have been with Colabor for more than 15 years. Furthermore, the overwhelming majority of Affiliated-Wholesalers support Colabor's business plan as demonstrated by the fact that 31 Affiliated-Wholesalers representing over 99% of Colabor's sales to Affiliated-Wholesalers have agreed to enter into long-term Affiliate Agreements. See ''Affiliated-Wholesalers''. In the past, as Colabor expanded its product offering, Affiliated-Wholesalers increased the proportion of their purchases fulfilled with Colabor and management believes they will continue to do so in the future. Management estimates that Affiliated-Wholesalers fulfill with Colabor the vast majority of their purchasing requirements for products distributed by Colabor. Management believes that Colabor's purchasing power, its tailored product offering and the quality of its services to Affiliated-Wholesalers will contribute to differentiate Colabor from its competitors, attract new wholesale distributors and maintain their loyalty in the future.

Efficient Warehouse and Order Management Systems

Colabor purchases large volumes of products through its suppliers, controls these products effectively through a superior warehouse management system and makes these products available to its Affiliated-Wholesalers and other wholesale distributors in the quantities required in an efficient and timely fashion. Colabor's modern Distribution Centre, warehouse and order management systems enable it to maintain operating costs that favourably compare to those of its competitors. Management believes that Colabor's inventory and delivery system is very efficient and provides Colabor with a significant competitive advantage. See ''Business of Colabor — Installations, Warehousing and Distribution'' and ''Information Technology''.

Diversified and Tailored Products and Services

Colabor offers its Affiliated-Wholesalers and other independent wholesale distributors approximately 35,000 food, food-related and non-food products. Colabor also markets private label products under the brands ''Multi-Choice'' for the retail sector and ''Menu'' and ''Mouska'' for the foodservice sector. These private label products help Affiliated-Wholesalers attract and retain customers by allowing them to carry well-recognized brands across numerous product lines, while providing consumers with an attractive alternative to national brands. Colabor also provides a broad range of support services to its Affiliated-Wholesalers, including centralized management of national accounts and promotional activities.

Furthermore, Colabor owns the commercial banners ''Point d'aide'', ''Visez Juste!'', ''Dépanneur Ultra'', ''Votre dépanneur Sermax'' and ''Marché Éclair'', which it licenses to approximately 270 independently-owned stores. This mutually-beneficial format allows small and medium-size convenience stores and grocery stores to take advantage of the benefits arising from competitive pricing, private label products, advertising and merchandising on a scale usually available only to large chains, as well as certain other retail support services provided by Colabor such as store installation, price cards, inventory control forms, catalogue of supplies, seasonal specials and promotional activities.

This broad spectrum of products and services provides Colabor with important tools to attract and retain independent wholesale distributors, helps wholesale distributors develop their clientele and strengthens the loyalty of the Affiliated-Wholesalers' customers.

Experienced Management Team

Colabor has a strong and experienced management team led by its President, Gilles C. Lachance. Members of this team have, on average, 20 years experience in the food, retail and other related industries. As evidenced by Colabor's financial performance, this team has demonstrated an ability to improve operating efficiencies and customer service, extend the product offering of Colabor and adapt to changing market conditions. Management has also implemented and successfully completed in 2002 a major project which consisted in the relocation of its Business to the Distribution Centre. Following Closing, the management team's interest will be aligned with those of the Unitholders through the ownership of Units of the Fund and the implementation of a long-term incentive plan that will reward management for growing the distributable cash per Unit.

Corporate Strategy

Colabor's corporate objective is to expand its position as the leading master distributor in the food distribution industry in Quebec and as one of the market leaders in Canada, servicing independent wholesale distributors as well as national and institutional accounts. In order to achieve this objective, Colabor will continue to grow its business through the following initiatives:

Develop New and Expand Existing Revenue Opportunities

Colabor will seek to continue to increase its existing revenue base by further becoming a one-stop shop for its Affiliated-Wholesalers and other independent wholesale distributors which, as a result, will increase the percentage of their purchasing requirements fulfilled by Colabor. This will be accomplished by adding national and institutional accounts to be serviced by its Affiliated-Wholesalers and by expanding its product offering to include such products as fruits and vegetables, fresh and packaged meat and packaging products.

Recruit New Wholesale Distributors

Colabor continually seeks to recruit additional independent wholesale distributors as customers to increase its purchasing power, realize additional operating efficiencies and deliver products at attractive prices. The efforts of Colabor are targeted at the wholesale distributor level. Colabor's efforts in that regard will initially be targeted toward independent wholesale distributors located in Quebec, the Atlantic Provinces and Eastern Ontario. Management is of the opinion that Colabor's efficient warehouse management and order management systems, product offering, quality of services as well as its experience in dealing with suppliers and securing competitive volume rebates will allow it to increase its network and grow its business.

Further Develop Private Brands

Management believes that there is a growing consumer recognition of the benefits associated with private label products and that this will be an area of growth in the future. The ''Multi-Choice'', ''Menu'' and ''Mouska'' private label products are already recognized brands in Quebec. This brand recognition has led to increased demand for Colabor's products within its current network of Affiliated-Wholesalers. Although there are currently approximately 600 private label products marketed by Colabor, Colabor intends to introduce additional private label products as it expands its product offering.

Pursue Complementary Acquisitions

Colabor intends to pursue strategic acquisitions in order to expand its market share of the food distribution business and to achieve economies of scale and operational synergies. Management will assess acquisition opportunities and determine if they meet the acquisition guidelines of Colabor determined by the Trustees. Such acquisition objectives will be geared towards acquiring new product lines (such as fruits and vegetables, fresh and packaged meat and packaging products) either directly or through the acquisition of wholesale distributors, expanding operations to other regions in order to diversify Colabor's customer base, increasing Colabor's purchasing power in order to obtain better volume rebates and to consolidate Colabor's position. Finally, additional opportunities for Colabor lie within the acquisition of commercial banners used by retailers.

Further Enhance Profitability

Colabor will seek to increase profitability by continuing to enhance its margins on product sales and further develop its warehouse management system. Colabor strives to increase margins on product sales through various means, including using Colabor's buying power (directly or through purchasing alliances) to negotiate favourable volume rebates and placing significant emphasis on the sale of its private label products which generate higher margins and timing its purchases to take advantage of price increases (a practice known as ''forward buying''). Considering that efficient inventory management is critical to reduce inventory levels and working capital and to increase profitability, Colabor will also strive to be proactive in satisfying the needs of Affiliated-Wholesalers, wholesale distributors and other retailers and foodservice operators. In addition to selling products, Colabor will also help design an integrated supply chain that will reduce the cost of carrying inventory, allow for on-line replenishment, attain just-in-time delivery and assist the buying department of wholesale distributors and of their customers in determining the size and frequency of their purchases.

Selected Consolidated Financial Information

The following selected financial information of the Vendor is derived from the audited consolidated financial statements of the Vendor for the years ended December 31, 2004, December 31, 2003 and December 31, 2002, the unaudited consolidated financial statements of the Vendor for the periods ended March 25, 2005 and March 26, 2004 and the unaudited pro forma consolidated financial statements of the Fund for the twelve-month period ended March 25, 2005. Financial years of the Vendor are composed of thirteen periods of 28 days each; three quarterly periods of the Vendor are composed of three periods of 28 days each and the last quarterly period is composed of four periods of 28 days each. The information should be read in conjunction with the historical consolidated financial statements of the Vendor and the notes thereto, the ''Management's Discussion and Analysis of Financial Condition and Results of Operations'', and the unaudited pro forma consolidated financial statements of the Fund and the notes thereto, all included elsewhere in this prospectus.

	THE FUND	THE VENDOR					
	Pro Forma Twelve-month period ended March 25, 2005	Twelve-month period ended March 25, 2005	84-day period ended March 25, 2005	86-day period ended March 26, 2004	Years ended December 31 2004	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
			(in thousands of dollars)				
Consolidated Earnings:							
Sales	$377,578	$377,578	$74,601	$65,733	$368,710	$332,918	$354,238
Rebates (1)	11,151						
Net Sales	366,427	377,578	74,601	65,733	368,710	332,918	354,238
Cost of sales	369,851	369,851	72,971	64,252	361,132	326,310	347,632
Rebates from suppliers	27,532	27,532	4,687	4,174	27,019	24,446	25,908
Gross Profit	24,108	35,259	6,317	5,655	34,597	31,054	32,514
Selling, distribution and administrative expenses	11,085	11,085	2,574	2,609	11,120	10,168	9,165
Other revenue	358	358	103	221	476	669	105
Earnings Before Rebates and Other Items	13,381	24,532	3,846	3,267	23,953	21,555	23,454
Rebates to Affiliated-Wholesalers and other customers		22,533	4,138	3,725	22,120	19,145	20,371
Earnings (loss) Before Other Items	13,381	1,999	(292)	(458)	1,833	2,410	3,083
Net earnings (loss) (2)	5,965	1,612	(380)	(550)	1,442	283	585

	As at March 25, 2005	As at March 25, 2005	As at December 31, 2004	As at December 31, 2003
	(unaudited)	(unaudited)	(audited)	(audited)
		(in thousands of dollars)		
Balance Sheet Data:				
Working capital (3)	(2,713)	4,825	5,390	5,336
Total assets	103,350	55,936	50,893	51,887
Long-Term debt	1,800	1,800	2,025	2,925

(1) For the purposes of determining the Fund's pro forma sales for the twelve-month period ended March 25, 2005, the rebates payable to the Affiliated-Wholesalers, privileged members and other customers following the Closing in accordance with the agreements governing their respective relationship with Colabor and which are calculated based on their purchases have been applied against sales. Such rebates were previously reflected in the Vendor's financial statements under ''Rebates to Affiliated-Wholesalers and other customers''.

(2) Net earnings for the year ended December 31, 2004 include a gain on disposal of land and building held for resale of $1.7 million, before taxes, and net earnings for the year ended December 31, 2002 include moving expenses of $1.1 million, before taxes, incurred in connection with the moving of the operations to the Distribution Centre.

(3) Working capital means the total current assets less the total current liabilities.

Summary of Distributable Cash

The following summary has been prepared by management on the basis of the information contained in this prospectus, more recent financial information available to management and management's estimate of the amount of expenses and expenditures to be incurred by the Fund and Colabor. **This summary is not a forecast or a projection of future results. The actual results of operations of the Fund and Colabor for any period, whether before or after Closing, will likely vary from the amounts set forth in the following summary, and those variations may be material.**

Management believes that, upon completion of the Offering and the transactions described under the heading ''Funding, Acquisition and Related Transactions'', the Fund and Colabor LP will incur interest expense and general, administrative and other costs and taxes and may require capital expenditures that will differ from those contained in the historical consolidated financial statements or in the pro forma consolidated financial statements that are included elsewhere in this prospectus. Although management does not have firm commitments for all of these expenses or costs listed below and, accordingly, the complete financial effects of all of these expenses and costs are not objectively determinable, management believes that the following represents a reasonable estimate of what distributable cash would have been had the Fund been in existence for the twelve-month period ended March 25, 2005:

	Twelve-month period ended March 25, 2005
	(unaudited) (in thousands of dollars, except per Unit data)
Earnings Before Rebates and Other Items (1)(2)	$ 24,532
Management considers that, to determine the Fund's estimated distributable cash, the following items should be deducted:	
Rebates payable to Affiliated-Wholesalers and other customers (3)	(11,151)
Additional general and administrative expenses and other costs (4)	(775)
Financial expenses (5)	(962)
Maintenance capital expenditures (6)	(510)
Estimated distributable cash (''Estimated Distributable Cash'')	$ 11,134
Estimated Distributable Cash per Unit (7)	$ 1.025

(1) Earnings Before Rebates and Other Items is a measure derived directly from the historical financial statements of the Vendor and, in management's view, is the appropriate basis on which to compare Colabor's results going forward. See ''Selected Consolidated Financial Information''. Earnings Before Rebates and Other Items is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, Earnings Before Rebates and Other Items may not be comparable to similar measures presented by other issuers.

(2) Earnings before rebates, gain on disposal of land and building held for resale, financial expenses, amortization of property, plant and equipment, and income taxes for the twelve-month period ended March 25, 2005 have been determined by adding such amount for the 84-day period ended March 25, 2005 and the year ended December 31, 2004, and subtracting such amount for the 86-day period ended March 26, 2004.

(3) Following the Closing, rebates to Affiliated-Wholesalers, privileged members and other customers will be payable in accordance with the agreements governing their respective relationship with Colabor. Such rebates were previously reflected in the Vendor's financial statements under ''Rebates to Affiliated-Wholesalers and other customers''.

(4) Management estimates that, subsequent to the Offering, the Fund will incur additional general, administrative and other costs on a continuing basis, including relating to requirements for on-going financial disclosure, investor relations, trustee fees, trustee, director and officer insurance and other related expenses.

(5) Represents estimated interest expense based on borrowings of, on average, $17.5 million (including $7.8 million related to the acquisition of the Business Assets) under the New Credit Facilities at an average assumed interest rate of 5.5%. See ''Debt Financing''.

(6) See ''Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures''.

(7) Assumes the conversion of all Exchangeable LP Units into Units on a one-for-one basis.

The Fund views estimated cash available for distribution as an operating performance measure, as it is a measure generally used by Canadian income funds as an indicator of financial performance. As the Fund will distribute substantially all of its cash on an on-going basis (after providing for certain amounts described above), the Fund believes that Earnings Before Rebates and Other Items is a measure from which to make adjustments to determine its distributable cash.

Distributable cash is a non-GAAP measure and the method of calculating the Fund's distributable cash may differ from similar computations, as reported by other issuers and, accordingly, may not be comparable to other distributable cash as reported by other issuers.

The Offering

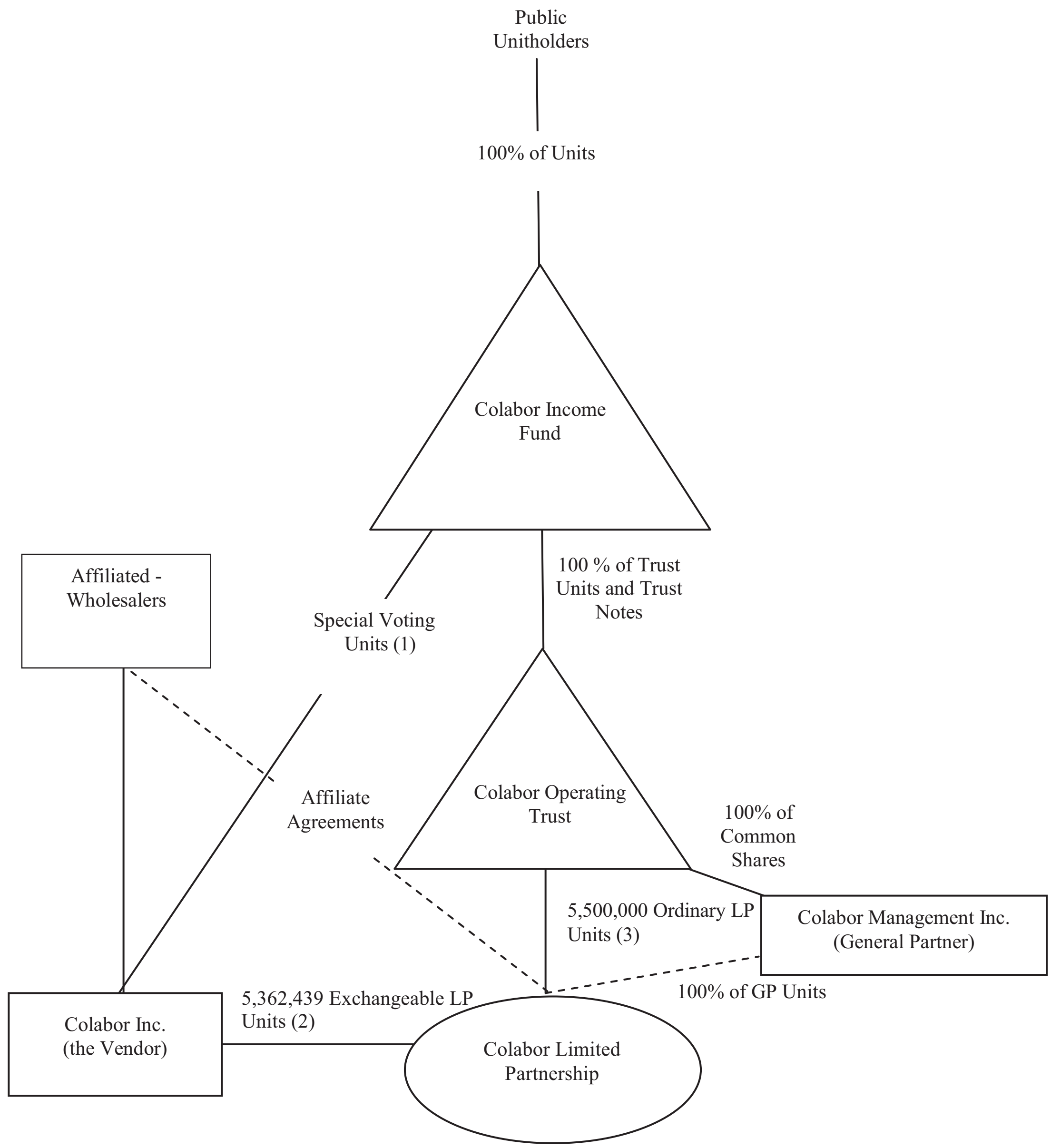
Offering:	5,500,000 Units of the Fund.
Amount:	$55,000,000.
Price:	$10 per Unit.
Units:	Each Unit represents an equal, undivided beneficial interest in the Fund and any distributions from the Fund. Each Unit is transferable, entitles the holder thereof to participate equally in distributions of the Fund, is not subject to future calls or assessments and entitles the holder to rights of redemption and to one vote at all meetings of Voting Unitholders. See ''Description of the Fund — Units and Special Voting Units''.
Use of Proceeds:	The net proceeds from the issuance of the Units are estimated to be approximately $49,900,000 ($52,485,000 if the Over-Allotment Option is exercised in full) (after deducting fees payable to the Underwriters and the expenses of the Offering which together are estimated at $5,100,000, to be paid by Colabor LP save for the fees payable to the Underwriters which will be paid by the Fund). The gross proceeds (after deducting fees payable to the Underwriters) will be used by the Fund to indirectly acquire a 50.6% (53.2% if the Over-Allotment Option is exercised in full) interest in Colabor LP. See ''Funding, Acquisition and Related Transactions'' and ''Use of Proceeds''.
Over-Allotment Option:	The Fund has granted the Underwriters the Over-Allotment Option, exercisable within a period of 30 days from Closing, to purchase up to a maximum of 275,000 additional Units (representing 5% of the number of Units offered pursuant to this prospectus) at the price of $10 per Unit payable in cash against delivery of such additional Units solely to cover over-allotments, if any, and for market stabilisation purposes. If the Over-Allotment Option is exercised, the Underwriters will receive a fee of $0.60 per additional Unit purchased pursuant to such option. If the Over-Allotment Option is exercised, the additional proceeds received will be used by the Fund to indirectly acquire a 2.6% additional interest in Colabor LP. Colabor LP will use the proceeds from the Over-Allotment Option to acquire Exchangeable LP Units held by the Vendor. If the Over-Allotment Option is exercised in full, the Fund will hold an indirect interest of 53.2% in Colabor LP. See ''Plan of Distribution''.
Retained Interest of the Vendor:	The Vendor will hold Exchangeable LP Units representing a 49.4% indirect ownership interest in the Fund (46.8% if the Over-Allotment Option is exercised in full). In connection with its Exchangeable LP Units, the Vendor will also hold Special Voting Units of the Fund (''Special Voting Units'') which will entitle the Vendor to vote at all meetings of Voting Unitholders. Pursuant to the terms of the Exchange Agreement and subject to the ''lock-up'' provisions described below and the terms of the Colabor LP Partnership Agreement, the Vendor will be entitled to (i) exchange all, or a portion, of its Exchangeable LP Units for Units and (ii) transfer any of its Exchangeable LP Units together with its related Special Voting Units. Subject to certain exceptions, the Vendor has agreed not to

	exchange or transfer its Exchangeable LP Units for a period of ten years following Closing. In addition, in the event of withdrawal or departure of an Affiliated-Wholesaler from Colabor LP during the ten years following Closing, a number of Exchangeable LP Units based on the portion of participating shares held by such Affiliated-Wholesaler in the capital stock of the Vendor on the Closing Date will be automatically cancelled. See ''Retained Interest of the Vendor'', ''Funding, Acquisition and Related Transactions — Acquisition Agreement'' and ''Description of Colabor LP — Transfer of LP Units''.
Distribution Policy of the Fund:	The Fund intends to make monthly distributions of its available cash to Unitholders to the maximum extent possible. The Fund intends to make monthly cash distributions to Unitholders of record on the last Business day of each month, of its net monthly cash receipts, less estimated amounts required for the payment of debt service obligations and other expense obligations, taxes and cash redemptions of Units, if any. Distributions are expected to be made on or about the 15th day of each month. The initial cash distribution for the period from the Closing to July 31, 2005 is expected to be paid on or before August 15, 2005 and is estimated to be $0.09368 per Unit (assuming that the Closing occurs on June 28, 2005).
Distribution Policy of the Trust:	The Fund will directly own all of the Trust Units and Trust Notes of the Trust. The Trust intends to make monthly cash distributions on the Trust Units to the Fund of its net monthly cash receipts, after satisfaction of its interest obligations under the Trust Notes and other indebtedness, if any, and less any estimated cash amounts required for expenses and other obligations of the Trust, any cash redemptions or repurchases of Trust Units or Trust Notes, any tax liabilities and reserves for any principal repayments in respect of the Trust Notes. See ''Description of the Trust — Distributions''.
Distribution Policy of Colabor LP:	Colabor LP intends to make monthly cash distributions of its available cash, subject to applicable law, by way of monthly distributions on its securities, less any estimated cash amounts required for debt service obligations, other expense obligations, capital expenditures, taxes, reserves (including amounts on account of capital expenditures), and such other amounts as may be considered appropriate by the General Partner; the share of distributions made to holders of Exchangeable LP Units will be an amount equal to distributions such holders would receive if their Exchangeable LP Units had been exchanged for Units of the Fund pursuant to the terms of the Exchange Agreement prior to the applicable record date. Capital and other expenditures (including amounts to enable Colabor LP to pay equal monthly distributions based on expected annual cash distributions) may also be financed with drawings under the New Operating Credit Facilities, other borrowings or additional issuances of securities. See ''Description of Colabor LP — Distributions'' and ''Debt Financing — New Credit Facilities — New Operating Credit Facilities''.
Tax Considerations:	Each holder of Units will be required to include in computing income for Canadian federal income tax purposes for a particular taxation year such holder's pro rata share of the Fund's income that was paid or payable in that year by the Fund to the holder of Units and that was deducted by the Fund in computing its income, whether received in cash, additional Units or otherwise. Generally, all other amounts received by holders of Units will not be included in the holders' income, but will reduce the adjusted cost base of the holders' Units, for Canadian federal income tax purposes. **Prospective purchasers should consult their tax advisors regarding the tax implications of an investment in Units.** See ''Certain Canadian Federal Income Tax Considerations''.

Risk Factors:	An investment in the Units is subject to a number of risks that should be considered by an investor. Cash distributions by the Fund are not guaranteed and will be based indirectly upon the business of Colabor LP, which is susceptible to a number of risks. The risks associated with the operations of Colabor LP include: Dependence on Affiliated-Wholesalers, Absence of Long-Term Agreements between Affiliated-Wholesalers and their Customers, Competition, Changes in Distribution and Retail Market, Reliance on Purchasing Alliances, Management Information Systems, Ability to Sustain and Manage Growth, Potential Undisclosed Liabilities Associated with the Acquisitions, Employees, Reliance on Key Personnel, Low Margin Business, Consumer Preference, Adverse Publicity and Product Liability, Health and Safety Matters, Insufficiency or Unavailability of Insurance Coverage, Availability of Future Financing, Geographic Concentration and Dependence on Economic Conditions and Absence of Operating History as a Public Corporation. In addition, there are risks associated with the structure of the Fund, including: Dependence on Colabor LP, Cash Distributions are not Guaranteed and will Fluctuate with Business Performance, Nature of Units, Income Tax Matters, No Prior Public Market for the Units, Unpredictability and Volatility of Unit Price, Distribution of Securities on Redemption or Termination of the Fund, Liability of Unitholders, Dilution of Existing Unitholders, Financial Leverage and Restrictive Covenants, Ownership Interest of the Vendor, Liability of the Promoter, Restrictions on Growth of Colabor, Restrictions on the Ownership of Units and Statutory Remedies.

Structure Following Closing

The following chart illustrates the structure of the Fund following completion of this Offering and the indirect acquisition of Colabor by the Fund and related transactions:



(1) Representing 49.4% of the Voting Units of Colabor Income Fund assuming the Over-Allotment Option is not exercised.

(2) Representing a 49.4% equity interest in Colabor Limited Partnership assuming the Over-Allotment Option is not exercised.

(3) Representing a 50.6% equity interest in Colabor Limited Partnership assuming the Over-Allotment Option is not exercised.

THE FUND, THE TRUST AND COLABOR LP

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec by a declaration of trust dated May 19, 2005 (the ‘‘Fund Declaration of Trust’’). See ‘‘Description of the Fund’’. The Fund has been established to acquire and hold the Trust Units and the Trust Notes.

The Trust is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec by a declaration of trust dated June 17, 2005 (the ‘‘Trust Declaration of Trust’’). See ‘‘Description of the Trust’’. The Trust has been created to acquire and hold all of the outstanding Ordinary LP Units and all of the outstanding shares of the General Partner (as defined below).

Colabor LP is a limited partnership existing under the laws of the Province of Quebec pursuant to a limited partnership agreement dated May 19, 2005 (the ‘‘Colabor LP Partnership Agreement’’). The general partner of Colabor LP is Colabor Management Inc. (the ‘‘General Partner’’), a corporation established under the laws of Canada. See ‘‘Description of Colabor LP’’ and ‘‘Description of the General Partner’’.

The principal and head office of the Fund, the Trust and Colabor LP is located at 1620, de Montarville Boulevard, Boucherville, Quebec, J4B 8P4.

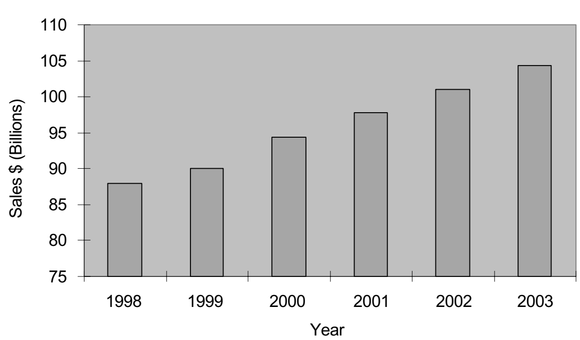
For a description of the structure of the Fund before and after completion of the Offering and related transactions, see ‘‘Funding, Acquisition and Related Transactions’’.

INDUSTRY OVERVIEW

Overview

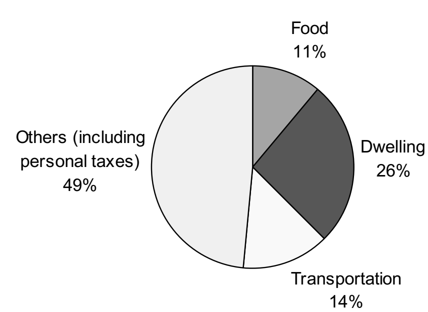
The food industry is currently the second largest retail sector of the Canadian economy in terms of sales, ranking immediately behind the automotive sector; and, food-related expenses represent the third most important expense item of Canadian households. The food industry is mature and stable and has experienced steady historical growth. The food industry is generally impervious to economic cycles since food and other grocery items are basic staple items that consumers require. However, during economic downturns, consumers tend to modify their spending habits in terms of products and eating occasions. In 2003, total sales for the industry stood at $104.3 billion up from $87.9 billion in 1998, representing an average nominal annual growth rate of 3.7%.

Total Food Sales in Canada
Average nominal annual growth rate of 3.7% since 1998



Source: Statistics Canada.

Household Expenditures in Canada in 2003



Source: Statistics Canada.

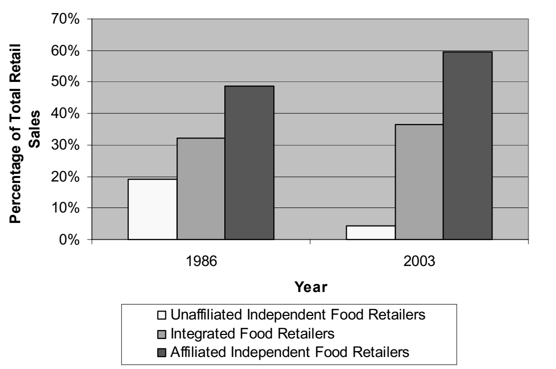
Food is sold through two main channels: the retail sector and the foodservice sector.

Retail

The retail food business is comprised of a number of participants including supermarkets of various sizes, convenience stores and other types of non-traditional food retailers, such as mass merchandisers, warehouse clubs and drugstores. In Canada, sales made through the retail food channel have grown at an average annual nominal growth rate of 3.6% per year between 1998 and 2003, reaching $69.3 billion. It is expected that the sales generated through this channel will continue to grow at approximately the same rate. In Quebec, food purchased through the retail channel in 2003 amounted to $15.6 billion.

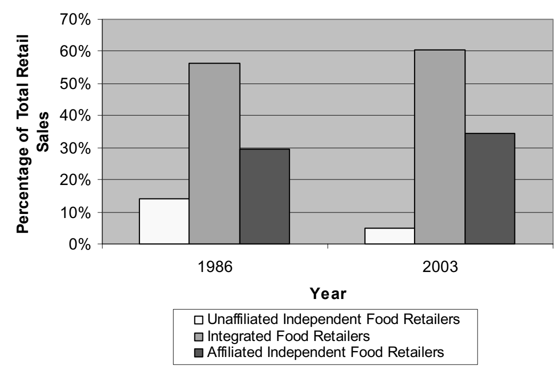
Retail outlets can be classified in three groupings: (i) members of groups integrating wholesale distribution and retail functions, (ii) independent outlets affiliated with a buying group or a master distributor, and (iii) unaffiliated independent outlets. The relative importance of independent outlets varies geographically, reflecting the historical evolution of the food retail industry and the regional differences in customer preferences. For instance, while unaffiliated and affiliated independent outlets represented approximately 40% of food outlets sales in Canada in 2003, they represented close to 65% of such sales in the Province of Quebec for the same year. While the proportion of sales generated by unaffiliated independent outlets has declined over the last 20 years, the portion of sales generated by affiliated independent outlets in the Province of Quebec has increased from 48.8% in 1986 to 59.4% in 2003. This increase came as independent retailers responded to the entry in the Quebec market of national integrated retailers, mass merchandisers and warehouse clubs by joining buying groups to obtain better pricing and other services usually available to outlets affiliated to large chains.

Total Retail Sales per Type of Outlet in Quebec



Source: Minister of Agriculture, Fisheries and Food of Quebec, Bottin Statistique de l'alimentation, édition 2004.

Total Retail Sales per Type of Outlet in Canada



Source: Minister of Agriculture, Fisheries and Food of Quebec, Bottin Statistique de l'alimentation, édition 2004.

Foodservice

The foodservice segment of the food industry in Canada represented total sales of $35 billion in 2003 from $29.2 billion in 1998 representing an average annual nominal growth rate of 4%. Over the last 20 years, the foodservice segment of the food industry in Canada has achieved significant growth, with total foodservice sales having increased from approximately 25% of all food sales in 1982 to 33.6% in 2003. Management expects the foodservice sector to continue growing at a higher rate than the retail sector as a result of changing demographics and customer needs. In Quebec, sales associated with the foodservice segment of the food industry have grown at an average annual growth rate of 5% per year between 1998 and 2003, reaching total sales of $7.3 billion in 2003. The Food Expenditure Survey of Statistics Canada indicated that Canadian households spent almost the same percentage of their disposable income on food in 2001 as in 1996. However, a growing preference for eating out has changed how food dollars are spent. Over the last 15 years, expenses for food away from home have been in constant progression in North America. In Canada, the amount spent on food away from home has increased from 25 cents on every dollar spent on food purchases in 1982 to 33 cents in 2003.

The foodservice segment of the food industry is comprised of commercial customers, such as restaurants, hotels, caterers and cafeterias of commercial enterprises, and non-commercial customers, such as schools, hospitals and private care centers. In Canada, sales made through restaurants accounted for 85.5% of all sales associated with the foodservice segment of the food industry in 2003. Restaurants operate either independently or are owned by or affiliated to a regional or national chains. With independent restaurants representing over 70% of all restaurants, Quebec is the province with the highest proportion of independent restaurants.

Food Distribution Industry and Market Participants

The wholesale food distribution business involves the purchasing, warehousing, marketing and distribution of dry goods, frozen and refrigerated products, meat, poultry, produce and certain food-related and non-food products from manufacturers and other suppliers to a broad range of enterprises operating in the retail or foodservice segment of the food industry. Usually, products are ordered in wholesale quantities by a distributor and received in distribution centres designed for efficient storage at various temperatures depending on the nature of the products. Products are stored at the facilities until delivered to customers, according to their requirements.

Most products distributed by wholesale distributors are branded products. However, many wholesale distributors distribute private label items manufactured or supplied by third parties and marketed under a wholesaler's private brand. Offering private label items allows distributors to meet customer demand for quality products at lower prices. Wholesale food distributors also assist manufacturers by gathering market data allowing them to monitor market trends and customer needs and preferences in order to enhance their respective product offering.

The participants in the food distribution industry include large, vertically-integrated, national and regional food distributors which operate their own retail chains such as Metro Inc., Loblaws Companies Limited and Sobeys Inc., as well as independent international, national, regional and local wholesale distributors such as Sysco Corporation, Gordon Food Service (operating under the name ''Distal Inc.'' in the Province of Quebec), Colabor, Alimplus Inc., Acdal Inc. members, Conan Foods Inc. and Maison de distribution Colac Inc. Integrated chains and Colabor service both the retail and foodservice channels while Sysco Corporation and Gordon Food Service service exclusively the foodservice channel.

Evolving Trends

Over the last few years, there have been considerable changes in the food retailing and distribution industry. The aging of the population, the increased life expectancy as well as the modification in the composition of the workforce, as the number of dual income households has increased, have resulted in an increase in the popularity and demand for ready-to-eat and ready-to-serve food products and frozen food products. These trends will continue to play an important role in the growth of the foodservice sector. Customer demand for prepared meals also constitutes a growth opportunity for the retail channel of the food industry as participants increase their offering of ready-to-eat products in reaction to the growing popularity of delivery and take-out restaurants. In addition, higher individual income and increased level of ethnicity in food habits have also driven the demand for a greater diversity and choice to satisfy eating occasions.

Technological advances in information technology constitutes another trend which has had, in recent years, a significant impact on the supply chain of the food distribution industry. The integration of the supply chain has been improved as a result of technological advances such as, among others, bar code inventory replenishment, computerized ordering services and product tracking solutions. The proper management of the computerized ordering and inventory replenishment services is important to most distributors, retailers and foodservice operators as they must balance the need for immediate access to inventory with the cost of carrying the inventory. To meet the growing demand for such services, most wholesale distributors, retailers and foodservice operators must successfully train personnel and design and implement procurement solutions.

The growing concerns over food safety also has an impact on the industry. In order to continue to operate their business, participants in the food distribution industry are required to implement measures to ensure the safety of their processes and the traceability of products they manufacture or distribute.

In light of the foregoing, key success factors for retailers and foodservice operators alike are cost control, product offering and quality of service offered to customers. In order to enable them to attain these success factors, distributors must in turn offer a large selection of products at competitive prices and offer quality services including timely and flexible delivery and marketing support for retailers. Retailers and foodservice operators also benefit from a distributor's efficient distribution network since it allows them to reduce their inventory levels (and thereby their working capital requirements) as the frequency and flexibility of deliveries increase. As a result, the food distribution industry experiences consolidation as wholesale distributors have joined buying groups or consolidated their operations in order to benefit from increased purchasing power as well as from inventory management systems and information technology infrastructures.

The necessity to purchase a high volume of products in order to obtain competitive pricing coupled with the infrastructure required to address just-in-time delivery requirements and food safety issues constitute, in the opinion of management, significant barriers to entry for potential new entrants in the food distribution business. Management believes that Colabor has the size and the technological resources necessary to benefit from these industry trends and compete successfully. The ability and flexibility to provide the ideal combination of products and services required by each retailer and foodservice operator, at competitive prices, is key to maintaining and capturing future market share.

BUSINESS OF COLABOR

Overview

First organized in 1962 as a buying group, Colabor is a master distributor of food, food-related and non-food products which it purchases and supplies to wholesale distributors who redistribute the products to their customers operating in the retail or foodservice market segments. Today, Colabor is one of the leading master distributors catering to the needs of wholesale food distributors in Canada and the market leader in Quebec with total sales of $377.6 million for the twelve-month period ended March 25, 2005.

Colabor distributes approximately 35,000 products sourced from 550 suppliers and manufacturers to over 25,000 points of sale, serviced by 60 small to medium-size wholesale distributors operating in the Province of Quebec and in the Atlantic Provinces, of which 32 are currently shareholders of the Vendor (the ''Affiliated-Wholesalers''). Colabor receives and distributes products to wholesale distributors either directly from its warehouse and distribution centre in Boucherville (the ''Distribution Centre'') or through direct shipment from manufacturers and suppliers to Affiliated-Wholesalers and Colabor's other customers. For the twelve-month period ended March 25, 2005, sales from the Distribution Centre represented $249.5 million while direct sales represented $128.1 million. In addition to brand name products, Colabor markets approximately 600 products under its recognized private labels which represent approximately 8.4% of Colabor's sales for the twelve-month period ended March 25, 2005. Colabor also owns commercial banners used by 270 small and medium-size convenience stores and grocery stores serviced by its Affiliated-Wholesalers.

Sales to Affiliated-Wholesalers represented approximately 90% of Colabor's sales for the twelve-month period ended March 25, 2005. Approximately 65% of the Affiliated-Wholesalers' sales are to foodservice operators while sales to retailers account for the remaining 35%. Of the 32 Affiliated-Wholesalers, 17, representing more than 68% of Colabor's total sales have been with Colabor for more than 15 years. See ''Affiliated-Wholesalers'' for a summary of the agreements entered into between Colabor and its Affiliated-Wholesalers.

Colabor, by itself and through its affiliation with buying groups, uses its purchasing power to negotiate rebates with manufacturers and suppliers which account for a significant portion of its operating revenues. Through its competitive pricing, diverse product offering, efficient delivery system, personalized services and negotiated rebates, Colabor brings a meaningful contribution to the success of the Affiliated-Wholesalers and other wholesale distributors it serves in their respective markets.

History of Colabor

In 1962, 37 distributors formed a buying group to acquire confectionery products in larger quantities and, consequently, to benefit from rebates based on volume of purchases in order to be more competitive. This buying group was a cooperative named '' Syndicat coopératif Colabar'', created under the *Cooperative Syndicates Act* (Quebec). It was continued as a corporation under the *Canada Corporations Act* under the name of Colabor Canada (1973) Ltd. and later became Colabor Inc. in 2000 following a corporate reorganization.

As a cooperative, all of the benefits generated by the rebates from manufacturers and other suppliers were distributed to the members every year. Colabor continued to operate in a similar fashion even after it became a corporation. However, in 2000, Colabor completed a corporate reorganization following which it retained a portion of its earnings in order to finance its growth.

Colabor's business evolved over the years from the distribution of confectionery products to also include the distribution of other products such as dry goods, beauty and care products, refrigerated products, frozen foods and other food, food-related and non-food products. By 2000, Colabor was an integrated marketing and distribution network for the retail and foodservice markets. This evolution positioned Colabor as an attractive alternative in Eastern Canada for independent wholesale distributors servicing retailers, restaurants and other foodservice operators wishing to remain independent while taking advantage of the benefits of purchasing power, private label products and a procurement system usually available only to integrated chains.

Throughout its history, Colabor has continuously expanded its clientele and the range of products it offers. In 2002, in order to expand its product offering and support its growth, Colabor moved into its current installations in Boucherville benefiting from over 371,000 square feet of warehouse space and an additional 280,000 square feet available for future expansion. The Distribution Centre is leased under a long-term lease with Colax Limited Partnership (''Colax''). See ''Business of Colabor — Installations, Warehousing and Distribution''.

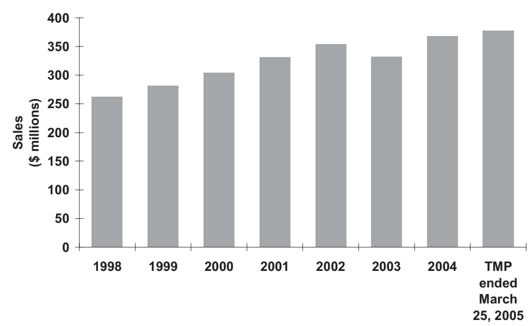
In its new Distribution Centre, Colabor implemented a modern warehouse management system to simplify and accelerate the processing of products from their arrival to Colabor's installations to their storage in Colabor's warehouse and, ultimately, to their retrieval and shipment to wholesale distributors and other customers. Colabor also implemented an order management system which includes computerized ordering services enabling its Affiliated-Wholesalers to place and confirm orders 24 hours a day, seven days a week and to obtain accurate information on pricing, product availability and order status. See ''Business of Colabor — Information Technology''. As a result of its modern installations and information technology systems, Colabor is able to offer to its wholesale distributors a broad array of products in an efficient and timely fashion, which allows its wholesale distributors to compete more effectively.

History of Stable Revenue and Earnings Growth

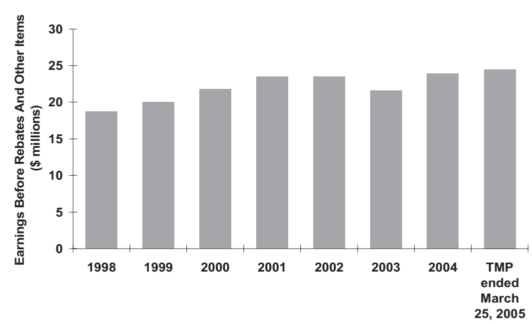
Colabor has increased its sales by expanding its product offering and adjusting to market needs and evolving customer preferences. By further expanding its product offering, directly or through acquisitions, by recruiting additional wholesale distributors and by continuing to enhance its margin on product sales, management believes that Colabor will continue to increase its sales and grow its cash flow.

For the twelve-month period ended March 25, 2005, Colabor's sales grew to $377.6 million from $263 million in fiscal 1998. During the same period, Earnings Before Rebates and Other Items rose 31.0% to $24.5 million from $18.7 million in 1998.

SALES



EARNINGS BEFORE REBATES AND OTHER ITEMS (1)



Note:

(1) Earnings Before Rebates and Other Items is a measure derived directly from the historical financial statements of the Vendor and, in management's view, is the appropriate basis on which to compare Colabor's results going forward. See ''Selected Consolidated Financial Information''. Earnings Before Rebates and Other Items is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, Earnings Before Rebates and Other Items may not be comparable to similar measures presented by other issuers.

Competitive Strengths

Management believes that Colabor, as one of the leading master distributors catering to the needs of wholesale food distributors in Canada and the market leader in Quebec, has competitive advantages that will enable it to continue to increase its sales and cash flow and to expand to new markets. These strengths include:

Entrepreneurial Affiliated-Wholesaler Network

Colabor's Affiliated-Wholesalers network combines the entrepreneurial drive of independent wholesale distributors with the advantages of benefiting from Colabor's purchasing power, tailored product offering, quality of services and modern warehouse and order management systems. Affiliated-Wholesalers sell food, food-related and non-food products to end-users in over 25,000 points of sale such as convenience stores, small and medium size grocery stores, cafeterias of various institutions, restaurants and hotels, and have developed stable and long-standing relationships with many of their customers. Affiliated-Wholesalers, with their knowledge of the respective markets in which they operate and their immediate presence in such local markets, have been able to differentiate themselves from their competitors by providing personalized services to their customers, including flexible delivery schedules and product offerings tailored to the needs of end-users. The Affiliated-Wholesalers reach retailers and foodservice operators through a network comprised of 48 warehouses and distribution centres, totalling approximately two million square feet of warehouse space. Therefore, Colabor's network, unlike that of most of its competitors, is equally well-adapted to the needs of urban, semi-urban and rural markets.

Loyalty of Affiliated-Wholesalers

17 Affiliated-Wholesalers, accounting for more than 68% of Colabor's sales for the twelve-month period ended March 25, 2005, have been with Colabor for more than 15 years. Furthermore, the overwhelming majority of Affiliated-Wholesalers support Colabor's business plan as demonstrated by the fact that 31 Affiliated-Wholesalers representing over 99% of Colabor's sales to Affiliated-Wholesalers have agreed to enter into long-term Affiliate Agreements. See ''Affiliated-Wholesalers''. In the past, as Colabor expanded its product offering, Affiliated-Wholesalers increased the proportion of their purchases fulfilled with Colabor and management believes they will continue to do so in the future. Management estimates that Affiliated-Wholesalers fulfill with Colabor the vast majority of their purchasing requirements for products distributed by Colabor. Management believes that Colabor's purchasing power, its tailored product offering and the quality of its services to Affiliated-Wholesalers will contribute to differentiate Colabor from its competitors, attract new wholesale distributors and maintain their loyalty in the future.

Efficient Warehouse and Order Management Systems

Colabor purchases large volumes of products through its suppliers, controls these products effectively through a superior warehouse management system and makes these products available to its Affiliated-Wholesalers and other wholesale distributors in the quantities required in an efficient and timely fashion. Colabor's modern Distribution Centre, warehouse and order management systems enable it to maintain operating costs that favourably compare to those of its competitors. Management believes that Colabor's inventory and delivery system is very efficient and provides Colabor with a significant competitive advantage. See ''Business of Colabor — Installations, Warehousing and Distribution'' and ''Information Technology''.

Diversified and Tailored Products and Services

Colabor offers its Affiliated-Wholesalers and other independent wholesale distributors approximately 35,000 food, food-related and non-food products. Colabor also markets private label products under the brands ''Multi-Choice'' for the retail sector and ''Menu'' and ''Mouska'' for the foodservice sector. These private label products help Affiliated-Wholesalers attract and retain customers by allowing them to carry well-recognized brands across numerous product lines, while providing consumers with an attractive alternative to national brands. Colabor also provides a broad range of support services to its Affiliated-Wholesalers, including centralized management of national accounts and promotional activities.

Furthermore, Colabor owns the commercial banners ''Point d'aide'', ''Visez Juste!'', ''Dépanneur Ultra'', ''Votre dépanneur Sermax'' and ''Marché Éclair'', which it licenses to approximately 270 independently-owned stores. This mutually-beneficial format allows small and medium-size convenience stores and grocery stores to take advantage of the benefits arising from competitive pricing, private label products, advertising and merchandising on a scale usually available only to large chains, as well as certain other retail support services provided by Colabor such as store installation, price cards, inventory control forms, catalogue of supplies, seasonal specials and promotional activities.

This broad spectrum of products and services provides Colabor with important tools to attract and retain independent wholesale distributors, helps wholesale distributors develop their clientele and strengthens the loyalty of the Affiliated-Wholesalers' customers.

Experienced Management Team

Colabor has a strong and experienced management team led by its President, Gilles C. Lachance. Members of this team have, on average, 20 years experience in the food, retail and other related industries. As evidenced by Colabor's financial performance, this team has demonstrated an ability to improve operating efficiencies and customer service, extend the product offering of Colabor and adapt to changing market conditions. Management has also implemented and successfully completed in 2002 a major project which consisted in the relocation of its business to the Distribution Centre. Following Closing, the management team's interest will be aligned with those of the Unitholders through the ownership of Units of the Fund and the implementation of a long-term incentive plan that will reward management for growing the distributable cash per Unit.

Corporate Strategy

Colabor's corporate objective is to expand its position as the leading master distributor in the food distribution industry in Quebec and as one of the market leaders in Canada, servicing independent wholesale distributors as well as national and institutional accounts. In order to achieve this objective, Colabor will continue to grow its business through the following initiatives:

Develop New and Expand Existing Revenue Opportunities

Colabor will seek to continue to increase its existing revenue base by further becoming a one-stop shop for its Affiliated-Wholesalers and other independent wholesale distributors which, as a result, will increase the percentage of their purchasing requirements fulfilled by Colabor. This will be accomplished by adding national and institutional accounts to be serviced by its Affiliated-Wholesalers and by expanding its product offering to include such products as fruits and vegetables, fresh and packaged meat and packaging products.

Recruit New Wholesale Distributors

Colabor continually seeks to recruit additional independent wholesale distributors as customers to increase its purchasing power, realize additional operating efficiencies and deliver products at attractive prices. The efforts of Colabor are targeted at the wholesale distributor level. Colabor's efforts in that regard will initially be targeted toward independent wholesale distributors located in Quebec, the Atlantic Provinces and Eastern Ontario. Management is of the opinion that Colabor's efficient warehouse management and order management systems, product offering, quality of services as well as its experience in dealing with suppliers and securing competitive volume rebates will allow it to increase its network and grow its business.

Further Develop Private Brands

Management believes that there is a growing consumer recognition of the benefits associated with private label products and that this will be an area of growth in the future. The ''Multi-Choice'', ''Menu'' and ''Mouska'' private label products are already recognized brands in Quebec. This brand recognition has led to increased demand for Colabor's products within its current network of Affiliated-Wholesalers. Although there are currently approximately 600 private label products marketed by Colabor, Colabor intends to introduce additional private label products as it expands its product offering.

Pursue Complementary Acquisitions

Colabor intends to pursue strategic acquisitions in order to expand its market share of the food distribution business and to achieve economies of scale and operational synergies. Management will assess acquisition opportunities and determine if they meet the acquisition guidelines of Colabor determined by the Trustees. Such acquisition objectives will be geared towards acquiring new product lines (such as fruits and vegetables, fresh and packaged meat and packaging products) either directly or through the acquisition of wholesale distributors, expanding operations to other regions in order to diversify Colabor's customer base, increasing Colabor's purchasing power in order to obtain better volume rebates and to consolidate Colabor's position. Finally, additional opportunities for Colabor lie within the acquisition of commercial banners used by retailers.

Further Enhance Profitability

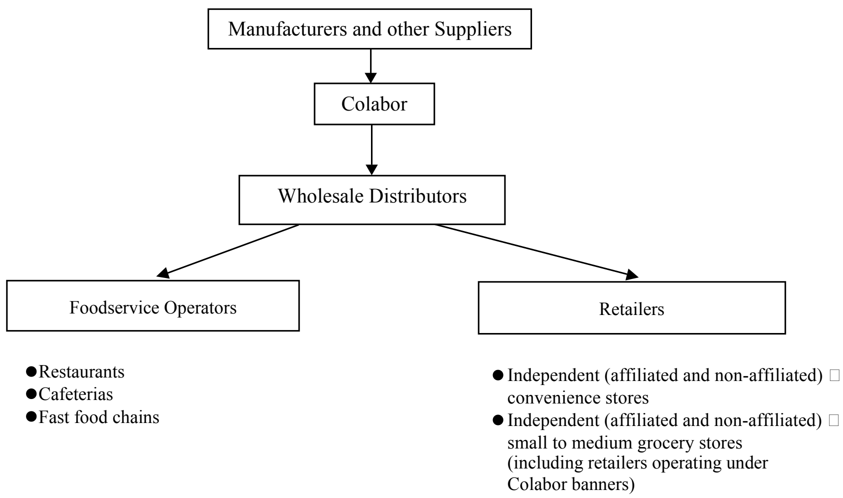
Colabor will seek to increase profitability by continuing to enhance its margins on product sales and further develop its warehouse management system. Colabor strives to increase margins on product sales through various means, including using Colabor's buying power (directly or through purchasing alliances) to negotiate favourable volume rebates and placing significant emphasis on the sale of its private label products which generate higher margins and timing its purchases to take advantage of price increases (a practice known as ''forward buying''). Considering that efficient inventory management is critical to reduce inventory levels and working capital and to increase profitability, Colabor will also strive to be proactive in satisfying the needs of Affiliated-Wholesalers, wholesale distributors and other retailers and foodservice operators. In addition to selling products, Colabor will also help design an integrated supply chain that will reduce the cost of carrying an inventory, allow for on-line replenishment, attain just-in-time delivery and assist the buying department of wholesale distributors and of their customers in determining the size and frequency of their purchases.

Business Activities

Colabor is a master distributor of food, food-related and non-food products which it purchases in large volume and re-sells in smaller quantities as required by its Affiliated-Wholesalers, independent wholesalers and other customers. A significant portion of Colabor's income is derived from rebates which Colabor secures from manufacturers and suppliers due to its purchasing power. Colabor receives and distributes products to wholesale distributors directly from its Distribution Centre or, alternatively, Colabor facilitates the direct shipment of products from manufacturers and suppliers to wholesale distributors. Whether the products are purchased from its facilities or are directly delivered from the manufacturers and other suppliers, Colabor establishes and negotiates pricing with its suppliers and maintains a central billing system. Since the vast majority of Affiliated-Wholesalers and Colabor's other customers maintain a transportation fleet to service their own customers, Colabor does not offer delivery services itself and, consequently, does not maintain its own fleet of trucks.

For the twelve-month period ended March 25, 2005, sales from Colabor's Distribution Centre amounted to $249.5 million, an increase of 14.0% from the twelve-month period ended March 26, 2004 while direct deliveries by manufacturers and suppliers to Affiliated-Wholesalers and Colabor's other customers amounted to $128.1 million, representing an increase of 13.8% from the previous year.

The following chart illustrates the relationship between manufacturers and other suppliers, Colabor, wholesale distributors, certain of whom are Affiliated-Wholesalers, and retail and foodservice customers:



Product Offering

Colabor currently purchases and distributes three primary product categories, namely, dry goods, refrigerated goods and frozen goods. Across these three product categories, Colabor supplies approximately 35,000 food, food-related and non-food products comprised primarily of brand name products, 11,000 of which are supplied directly from Colabor's Distribution Centre while an additional 24,000 are supplied through direct shipments from manufacturers and suppliers to Affiliated-Wholesalers and other wholesale distributors. In addition to its large breadth of brand name products, Colabor markets its private label products ''Multi-Choice'', for the retail sector, and ''Menu'' and ''Mouska'', for the foodservice sector.

Products under private labels are manufactured to Colabor's specifications, often by national brand manufacturers, and are subject to random testing to ensure quality. The private label products help Affiliated-Wholesalers attract and retain customers by allowing them to carry well-recognized brands across numerous product lines, while providing end-users with an attractive alternative to national brands. Furthermore, private label products typically generate higher margins for Colabor, its Affiliated-Wholesalers, retailers and foodservice operators than national brands. Private label products represented approximately 8.4% of Colabor's sales (or 12.6% of sales supplied directly from its Distribution Centre) for the twelve-month period ended March 25, 2005.

Customer Services

Colabor assists its Affiliated-Wholesalers and other wholesale distributors to promote their products and better meet the needs of their clients by providing promotional and advertising material (Colabor's circulars) addressed to the different market segments serviced by Colabor and its Affiliated-Wholesalers. In addition, Colabor offers to Affiliated-Wholesalers' customers that operate in the foodservice segment to become member of Colabor's ''VIP Loyalty Program''. Approximately 1,300 foodservice operators benefit from this program which entitles its members to additional rebates on a specified list of 500 popular products distributed by Colabor. Colabor also offers retail support services such as store installation, price cards, inventory control forms, catalogue of supplies and marketing services, advertising material and promotional assistance to the independently-owned stores which operate under the ''Point d'aide'', ''Visez Juste!'', ''Dépanneur Ultra'', ''Votre dépanneur Sermax'' and ''Marché Éclair'' trade names of Colabor. Furthermore, Colabor has been organizing, since 1988, an annual tradeshow for the food industry, named ''Colabor Show'', which, over a four-day period, provides suppliers, wholesale distributors, retailers and foodservice operators with the opportunity to meet and exchange with other industry participants, be exposed to new products and purchase products. Approximately 400 manufacturers present over 7,000 products during the show. The ''Colabor Show'' further increases the effectiveness of Colabor's marketing efforts with Affiliated-Wholesalers' customers and strengthens its relationship with its manufacturers and suppliers. During the 2003 and 2004 editions of ''Colabor Show'', $38.6 million and $42.7 million of sales were concluded through Colabor, respectively.

Colabor also offers a broad range of support services to its Affiliated-Wholesalers, including computerized ordering services and technology support. Most of the Affiliated-Wholesalers use Colabor's computerized order entry system, which allows them to place and confirm orders 24 hours a day, seven days a week. See ''Business of Colabor – Information Technology''.

Market and Customers

Affiliated-Wholesalers

Sales to Affiliated-Wholesalers represented approximately 90% of Colabor's sales for the twelve-month period ended March 25, 2005. The principal markets covered by Colabor's Affiliated-Wholesalers are the Province of Quebec and the Atlantic Provinces. For the twelve-month period ended March 25, 2005, sales in the Province of Quebec accounted for approximately 90% of Colabor's sales.

During the twelve-month period ended March 25, 2005, the five largest Affiliated-Wholesalers accounted for approximately 44% of Colabor's sales. Colabor's contribution to the success of its customers is evidenced by the fact that 17 Affiliated-Wholesalers, representing over 68% of Colabor's sales for the twelve-month period ended March 25, 2005, have been with Colabor for more than 15 years. Furthermore, as part of the transaction, Affiliated-Wholesalers representing over 99% of Colabor's sales to Affiliated-Wholesalers have agreed to renew their agreements with Colabor for a period of ten years and two additional renewal periods of five years each. See ''Affiliated-Wholesalers'' and ''Retained Interest of the Vendor''.

Affiliated-Wholesalers typically service clients in either the retail or foodservice segments, although some may cater to both clienteles. Approximately 65% of the sales of Colabor to Affiliated-Wholesalers are for end-users in the foodservice segment while sales to end-users in the retail segment account for the remaining 35%. The food distribution industry in the Province of Quebec, Colabor's principal market, is characterized by the presence of an important number of independent retailers and restaurants, each servicing the specific needs of their communities. For instance, while independent outlets represented approximately 40% of food outlets sales in Canada in 2003, they represented close to 65% of such sales in the Province of Quebec for the same year. While the market share held by national restaurant chains and integrated wholesale/retail combinations is significantly lower in Quebec, unaffiliated independent outlets find it increasingly difficult to compete with integrated national chains; thereby promoting the development of buying groups and master distributors such as Colabor.

Colabor Banners

''Point d'aide'', ''Visez Juste!'', ''Dépanneur Ultra'', ''Votre dépanneur Sermax'' and ''Marché Éclair'' trade names are owned by Colabor which licenses them to approximately 270 independently-owned stores. This mutually beneficial format allows convenience stores and small to medium size grocery stores to take advantage of the benefits arising from competitive pricing, private label products, advertising and merchandising on a scale usually available only to large chains, as well as certain other retail support services provided by Colabor such as store installation, price cards, inventory control forms, catalogue of supplies, seasonal specials and promotional activities. Those bannered stores fulfill the majority of their purchasing requirements for products distributed by Affiliated-Wholesalers with the Affiliated-Wholesalers.

Other Wholesale Distributors

In addition to Affiliated-Wholesalers, Colabor services other wholesale distributors, integrated retail chains and food exporters including privileged members which, in accordance with Colabor commercial policies, are treated like Affiliated-Wholesalers and benefit from the same rights. These customers benefit from volume rebates on their purchases from Colabor and accounted for approximately 10% of Colabor's sales for the twelve-month period ended March 25, 2005. In accordance with general industry practice, Colabor does not enter into long-term agreements with these customers.

Purchasing

Suppliers

Colabor purchases products for resale to its Affiliated-Wholesalers, independent wholesale distributors and other customers from approximately 550 manufacturers and suppliers mostly located in Canada. No single supplier accounts for more than 11% of Colabor's purchases. Brand name products are purchased directly from the manufacturer or supplier, through the manufacturer's or supplier's representatives or through food brokers. ''Multi-Choice'', ''Menu'' and ''Mouska'' label products are purchased from producers, manufacturers or packers who are licensed by Colabor. Colabor purchases products in large volume and resells them in the smaller quantities as required by its Affiliated-Wholesalers, independent wholesalers and other customers. Order size and frequency of purchases are determined by Colabor's buyers based upon historical sales experience and sales projections.

Management believes that Colabor has the purchasing power to secure competitive volume rebates and other favourable commercial terms from its suppliers. Colabor continuously maintains and develops relationships with its suppliers, some of which have been ongoing for more than forty years. Among other things, Colabor assists suppliers to meet the needs of end-users by providing them with statistics on market conditions.

Substantially all categories of products distributed by Colabor are available from a variety of manufacturers and suppliers and Colabor is not dependent on any single source of supply for any specific category. However, market conditions dictate that certain nationally prominent brands, available from single suppliers, be available for distribution.

Purchasing Alliances

To increase its purchasing power, Colabor is also a shareholder of a Canada-wide buying group called ITWAL Ltd. (''ITWAL''), formed in 1966 by independent wholesale distributors located in Ontario. Historically, ITWAL was mostly involved in the distribution of confectionery products. However, as new members have joined the group, it has expanded its product offering. In addition to Colabor, ITWAL includes some 65 wholesale distributors covering the Province of Ontario and the western part of Canada. Management believes that Colabor, as the sole master distributor member of ITWAL, enjoys a unique relationship with ITWAL. ITWAL is also a member of another buying group operating in the foodservice segment called National Brand Marketing Corporation.

Installations, Warehousing and Distribution

Since 2002, Colabor occupies, under a long-term lease agreement, the Distribution Centre offering 371,120 sq. ft. of warehousing capacity (currently used at 70.0% of its capacity), of which approximately 45,000 sq. ft. are dedicated to frozen food products and approximately 20,000 sq. ft. to refrigerated products. The design of Colabor's facilities would allow for an increase of its warehousing capacity from its current capacity of 371,120 sq. ft. to 651,120 sq. ft., thereby facilitating future expansion plans.

In 2001, the Vendor acquired the land on which the Distribution Centre is located and, under an agreement of emphyteusis made as of March 2, 2002, assigned these lands to a single purpose related trust for a term of 30 years. This related trust then assigned, for a term of 20 years, its emphyteutic rights relating to the lands to Colax, an arm's length third party. Colax proceeded to the construction of the Distribution Centre which it then leased to the Vendor under the terms of a lease agreement expiring in August 2022. In addition to the payment of property taxes and other property related expenses, such lease provides for monthly net lease payments of approximately $169,000 until August 2014 and of approximately $184,000 thereafter. Concurrently with the acquisition of the Business, Colabor LP will enter into an agreement with the Vendor to sublet the building on the same terms and conditions. Upon the expiry of the emphyteusis in 2022, the Distribution Centre will revert to the Vendor.

The Distribution Centre is equipped with modern equipment for receiving, storing and shipping large quantities of merchandise. Colabor's Distribution Centre operations are fully integrated through Colabor's computer, accounting, and management information systems to promote operating efficiency and constant quality of customer service. A warehouse management system directs all aspects of the material handling process from receiving the products, storing the products through efficient and correct pallet loading at the warehouse for immediate retrieval and the delivery of the products to Affiliated-Wholesalers and other customers. The system generates detailed cost information from which warehouse personnel manages the workforce and flow of products, thus minimizing costs while maintaining the highest service level. Management believes that the efficiency of the Distribution Centre enables it to compete effectively.

Food Safety and Quality Control

Colabor, as part of its quality control program, recognizes that food safety, particularly in perishable products, is of the utmost importance. Colabor maintains strict policies in the way it sources, handles and stores food to ensure that food quality and safety are not compromised as well as to ensure the traceability of products delivered to its customers, allowing Colabor to assist manufacturers and suppliers in the event of a product recall.

Competition

Food distribution and marketing is highly competitive with participants of varying sizes. In the distribution to the retail market, Colabor and its Affiliated-Wholesalers face competition from local wholesale distributors such as Mayrand Inc., from national vertically-integrated distributors and from ‘‘cash and carry’’ outlets such as Costco or Presto. While the number of competitors and the degree of competition varies by product and region, many of the competitors of Colabor and its Affiliated-Wholesalers are present throughout the territory currently served by Colabor and include large, vertically-integrated retail/wholesale grocery combinations such as Metro Inc., Sobeys Inc. and Loblaws Companies Limited who operate under diverse banners and a range of store sizes and may also distribute food products to other independent retailers.

In the foodservice market, competition comes from large international corporations such as Sysco Corporation, Gordon Food Service (operating under the name ‘‘Distal Inc.’’ in the Province of Quebec) and Metro Inc. (through its Distagro division) and regional players such as Alimplus Inc., Acdal Inc. members, Conan Foods Inc. and Maison de distribution Colac Inc.

As Colabor expands into other geographic markets, it expects to face new competitors.

Management believes that the principal key success factors in the food distribution business include price, breadth of products and services offered, distribution service level, strength of store trade names, private label products offered and efficiency of inventory management system. Management believes that Colabor and its Affiliated-Wholesalers compete effectively on each of these fronts and are well positioned to continue growing their business.

Information Technology

Colabor has an order management system which allows Affiliated-Wholesalers to place and confirm orders 24 hours a day, seven days a week. The order management system provides information such as product availability and order status, monitors inventories and handles the distribution of food products to Affiliated-Wholesalers and wholesale distributors. Colabor’s order management system provides its buying department with extensive data to measure the movement and profitability of each inventory item, forecast seasonal trends, and recommend the terms of purchases, including the level of inventory to be purchased. The order management system also allows Colabor’s buying department to take advantage of price increases or situations when a manufacturer or supplier is selling an item at a discount pursuant to a special promotion, an industry practice known as ‘‘forward buying’’. This system, which operates in conjunction with the warehouse management system, features full electronic data interchange capabilities and accounting interfaces. Colabor is continually improving its information technology systems to better serve its needs and to ensure efficient cost management.

Concurrently with Closing, Colabor LP will enter into an outsourcing agreement with Groupe Informatique Colabor Inc. (‘‘GIC’’) pursuant to which GIC will provide information technology support to Colabor LP, provide services to Colabor LP for the development of software specific to the Business and grant a royalty-free license on tailored softwares developed by GIC for the Business. At Closing, GIC will be a wholly-owned subsidiary of the Vendor. Services will be provided at market rates for an initial term of ten years, renewable for 2 additional periods of five years. In addition, the source codes of all the softwares developed by GIC and used by Colabor LP will be escrowed for the benefit of Colabor LP to be available to Colabor LP in the event of the termination, for any reason, of the outsourcing agreement.

Intellectual Property Rights

Colabor is not dependent upon any single trademark or trade name, although some trademarks on private label products and store banner names are important to its Business. As a result, Colabor recognizes the importance of its corporate and brand trademarks and the need to protect and enhance their value. It is a practice of Colabor to register or otherwise protect its trademarks. Colabor has also developed non-public proprietary information regarding the Business and uses internal procedures and safeguards to protect the confidentiality of such information as well as the information provided by its Affiliated-Wholesalers, other wholesale distributors and suppliers. The Vendor and GIC will be granted at Closing a limited license to use the name ''Colabor'' in their respective corporate names.

Capital Expenditures

Colabor has made significant investments over the past three years to move to the Distribution Centre and to implement an efficient warehouse management system to optimize the service to its Affiliated-Wholesalers and other customers and minimize investments in inventory. Colabor has also made, through its subsidiary GIC, investments to develop an order management system designed to increase operating efficiency. Furthermore, management believes that Colabor has adequate capacity to continue to expand its product offering and to support its growth.

Colabor takes a disciplined approach to monitoring its investments whereby all material capital expenditures are subject to vigorous analysis to ensure a return on investment. The table under the heading ''Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures'' sets out the historical amounts and types of Colabor's capital expenditures for the past three years.

Management estimates that maintenance capital expenditures will be approximately $500,000 per year for the foreseeable future and will be funded from its operating cash flow.

Employees

As of April 30, 2005, Colabor had 140 full-time employees of which 87 are unionized (warehouse employees) and 53 are non-unionized (management and office staff). Colabor recently completed the negotiation of a new collective bargaining agreement to be in force until December 31, 2008 with its unionized employees and considers that the relationship with its employees is very good.

AFFILIATED-WHOLESALERS

Current Situation

Colabor distributes products sourced from suppliers and manufacturers to over 25,000 points of sale serviced by 60 small to medium-size wholesale distributors of which 32 are shareholders of the Vendor, the Affiliated Wholesalers. Upon joining Colabor, each Affiliated-Wholesaler is required to execute an affiliate agreement (the ''Affiliate Agreement'') pursuant to which it undertakes, among other things, to (i) fulfill with Colabor its requirements for products offered by Colabor, provided such products are available through Colabor at best available prices (taking into account any applicable rebate payable in respect of such purchase), (ii) purchase, for products also available through Colabor's private label products, at least a majority in units of private label products, and (iii) comply with Colabor's standards, including operating conditions under the Colabor banners, in order to benefit from payment terms, a supply network, a distribution network, collective banners and other services offered by Colabor. Affiliated-Wholesalers represented approximately 90% of Colabor's sales for the twelve-month period ended March 25, 2005.

The Affiliate Agreement provides for confidentiality, non-solicitation of employees and unfair trading practices covenants by each Affiliated-Wholesaler in favour of Colabor. Affiliated-Wholesalers are entitled to receive cash rebates calculated on their respective purchases of products and distributed to the Affiliated-Wholesalers in accordance with the Vendor's allocation rules. As continuing security for the performance of an Affiliated-Wholesaler's obligations with respect to purchases made from or through the Vendor, as well as the performance of any of its obligations under the Affiliate Agreement, each Affiliated-Wholesaler is required to pledge all the shares of the Vendor held by it and, if required by the Vendor based on its assessment of such Affiliated-Wholesaler's credit risk, provide the Vendor with one or all of the following securities: (i) a security deposit, (ii) a bond or a letter of credit issued in favour of the Vendor and (iii) any other security required by the Vendor. The Vendor may set-off any amount payable by the Vendor to an Affiliated-Wholesaler against any security granted by the Affiliated-Wholesaler to the Vendor or any other amount payable by the Affiliated-Wholesaler to the Vendor.

Following Closing of the Offering

As part of the Acquisition Agreement, the Affiliate Agreements and all related securities will be assigned to Colabor LP. As of the date hereof, Affiliate Agreements with 31 Affiliated-Wholesalers representing over 99% of Colabor's sales to Affiliated-Wholesalers for the twelve-month period ended March 25, 2005 were, subject to Closing, amended and renewed for a ten-year term with automatic renewals for two successive five-year periods, unless either party notifies the other party otherwise within specified delays. Pursuant to the agreements relative to the assignment of the Affiliate Agreements entered into prior to Closing with each Affiliated-Wholesaler, the rights and obligations of the Affiliated-Wholesalers will essentially be the same as those which were applicable prior to Closing, except that the cash rebates payable to the Affiliated-Wholesalers will, following Closing, be equal to 3% of all Affiliated-Wholesalers' purchases from Colabor LP. Such cash rebates will be remitted by Colabor LP to the Vendor for the benefit of its shareholders, the Affiliated-Wholesalers, in accordance with the Vendor's current allocation rules.

29 Affiliated-Wholesalers representing 96% of Colabor's sales to Affiliated-Wholesalers for the twelve-month period ended March 25, 2005 have granted to Colabor LP, pursuant to an amendment to the Affiliate Agreements, a right of first refusal should any one of them intend to sell, directly or indirectly, its distribution business.

A right of withdrawal from the Affiliate Agreement during the initial ten-year term will also be granted to each Affiliated-Wholesaler. This right of withdrawal will be subject to the payment to Colabor LP by the withdrawing Affiliated-Wholesaler of an indemnity based on the cash consideration received at Closing by the Vendor and on the value of the withdrawing Affiliated-Wholesaler's participation in the Vendor at Closing. This indemnity will be gradually reduced in equal annual amounts thereafter over the initial ten-year term of the Affiliate Agreement. During this ten-year period following the Closing Date and upon the exercise of this right of withdrawal from the Affiliate Agreement or its termination by Colabor LP for reasons attributable to the Affiliated-Wholesalers, a number of Exchangeable LP Units held by the Vendor will be automatically cancelled. See ''Retained Interest of the Vendor — Cancellation of Exchangeable LP Units upon Withdrawal of an Affiliated-Wholesaler''.

Upon completion of the Offering, the Affiliated-Wholesalers will indirectly own, in the aggregate, 49.4% of the equity interest in the Fund through their interest in the Vendor. The Exchangeable LP Units held by the Vendor will be subject to specific lock-up provisions, and such interest in the Fund will, subject to certain release conditions, continue for a period of at least ten years. See ''Retained Interest of the Vendor — Lock-Up''. In addition, the percentage of equity interest in the Vendor held by each Affiliated-Wholesaler will be readjusted at the end of each fiscal year to take into account, among others, each Affiliated-Wholesaler's respective proportion of the Affiliated-Wholesalers' purchases from Colabor LP as well as the proportion of rebates generated by such purchases. Furthermore, Affiliated-Wholesalers that remain shareholders of the Vendor will also benefit from the other assets of the Vendor.

Management of Colabor believes that, in addition to Colabor's purchasing power, tailored product offering, quality of services and modern warehouse and order management systems, rebates paid to Affiliated-Wholesalers, their continuous ownership interest in the Fund and the automatic annual readjustment of each Affiliated-Wholesalers' equity interest in the Vendor are strong incentives for Affiliated-Wholesalers to continue to increase their purchases from Colabor.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information of the Vendor is derived from the audited consolidated financial statements of the Vendor for the years ended December 31, 2004, December 31, 2003 and December 31, 2002 and the unaudited consolidated financial statements of the Vendor for the periods ended March 25, 2005 and March 26, 2004. Financial years of the Vendor are composed of thirteen periods of 28 days each; three quarterly periods of the Vendor are composed of three periods of 28 days each and the last quarterly period is composed of four periods of 28 days each. The information should be read in conjunction with the historical consolidated financial statements of the Vendor and the notes thereto, the ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' all included elsewhere in this prospectus.

	THE VENDOR					
	Twelve-month period ended March 25, 2005	84-day period ended March 25, 2005	86-day period ended March 26, 2004	Years ended December 31		
				2004	2003	2002
	(unaudited)	(unaudited)	(unaudited) (in thousands of dollars)	(audited)	(audited)	(audited)
Consolidated Earnings:						
Sales	$377,578	$74,601	$65,733	$368,710	$332,918	$354,238
Cost of sales	369,851	72,971	64,252	361,132	326,310	347,632
Rebates from suppliers	27,532	4,687	4,174	27,019	24,446	25,908
Gross Profit	35,259	6,317	5,655	34,597	31,054	32,514
Selling, distribution and administrative expenses	11,085	2,574	2,609	11,120	10,168	9,165
Other revenue	358	103	221	476	669	105
Earnings Before Rebates and Other Items	24,532	3,846	3,267	23,953	21,555	23,454
Rebates to Affiliated-Wholesalers and other customers	22,533	4,138	3,725	22,120	19,145	20,371
Earnings (loss) Before Other Items	1,999	(292)	(458)	1,833	2,410	3,083
Net earnings (loss) (1)	1,612	(380)	(550)	1,442	283	585
Cash Flow Items:						
Cash flows from operating activities before changes in working capital and deferred revenue	525	(186)	(284)	427	1,714	1,570
Cash flows from operating activities after changes in working capital and deferred revenue	4,524	(3,124)	(2,293)	5,355	6,446	(7,086)
Capital expenditures (2)	964	117	167	1,014	508	5,799

	As at March 25, 2005		As at December 31, 2004	As at December 31, 2003
	(unaudited)	(in thousands of dollars)	(audited)	(audited)
Balance Sheet Data:				
Working capital (3)	4,825		5,390	5,336
Total assets	55,936		50,893	51,887
Long-Term debt	1,800		2,025	2,925

(1) Net earnings for the year ended December 31, 2004 include a gain on disposal of land and building held for resale of $1.7 million, before taxes, and net earnings for the year ended December 31, 2002 include moving expenses of $1.1 million, before taxes, incurred in connection with the moving of the operations to the Distribution Centre.

(2) See ''Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures''.

(3) Working capital means the total current assets less the total current liabilities.

SELECTED PRO FORMA FINANCIAL INFORMATION

The following selected pro forma financial information of the Fund is derived from the audited consolidated financial statements of the Vendor for the year ended December 31, 2004, the unaudited consolidated financial statements of the Vendor for the periods ended March 25, 2005 and March 26, 2004 and the unaudited pro forma statements of earnings of the Fund for the twelve-month period ended March 25, 2005. Financial years of the Fund will be composed of thirteen periods of 28 days each; three quarterly periods of the Fund will be composed of three periods of 28 days each and the last quarterly period will be composed of four periods of 28 days each. The information should be read in conjunction with the historical consolidated financial statements of the Vendor and the notes thereto and the unaudited pro forma consolidated financial statements of the Fund and the notes thereto, all included elsewhere in this prospectus.

	Twelve-month period ended March 25, 2005				
	Fund	Colabor Inc.	Pro Forma adjustments (1)		Pro Forma Fund
	(in thousands of dollars, except net earnings per Unit)				
Sales	$	$377,578	$		$377,578
Rebates			(11,151)	(a) i)	(11,151)
Net sales		377,578	(11,151)		366,427
Cost of sales		369,851			369,851
Rebates from suppliers		27,532			27,532
		342,319			342,319
Gross profit		35,259	(11,151)		24,108
Selling, distribution and administrative expenses		11,085			11,085
Other revenue		(358)			(358)
		10,727			10,727
Earnings before rebates, financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		24,532	(11,151)		13,381
Rebates to Affiliated-Wholesalers and other customers		22,533	(22,533)	(a) ii)	
Earnings before financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		1,999	11,382		13,381
Financial expenses		298	427	(b)	725
Amortization of property, plant and equipment		1,152			1,152
Amortization of intangible assets			1,455	(c)	1,455
Gain on disposal of land and building held for resale		(1,739)			(1,739)
		(289)	1,882		1,593
Earnings before income taxes and non-controlling interest		2,288	9,500		11,788
Income taxes		676	(676)	(d)	
Earnings before non-controlling interest		1,612	10,176		11,788
Non-controlling interest			5,823	(e)	5,823
Net earnings	$	$ 1,612	$ 4,353		$ 5,965
Basic and diluted net earnings per unit					$ 1.09

(1) The unaudited pro forma consolidated statement of earnings of the Fund for the twelve-month period ended March 25, 2005 is based on the consolidated financial statements of the Vendor and the effect of the proposed transactions. It has been prepared as though the transactions had taken place on January 1, 2004, as follows:

a) Adjustment to reflect:

i) the rebates to Affiliated-Wholesalers, privileged members and other customers paid in accordance with the agreements governing their relationship with Colabor;

ii) the elimination of rebates to Affiliated-Wholesalers and privileged members, which were based on profitability, and the elimination of rebates to other customers.

b) Increase in financial expenses related to the additional borrowing of $10,674,000 (including $7,824,000 related to the acquisition of the Business Assets of Colabor Inc.) under the New Operating Credit Facilities, which bear interest at an average rate of 4.0% for the twelve-month period ended March 25, 2005.

c) Amortization of the customer relationships on a straight-line basis over a 20-year period.

d) Elimination of the tax expense to reflect the fact that the Fund and the entities controlled by it are not subject to income taxes.

e) Adjustment to reflect the non-controlling interest of a 49.4% share in net earnings.

SUMMARY OF DISTRIBUTABLE CASH

The following summary has been prepared by management on the basis of the information contained in this prospectus, more recent financial information available to management and management's estimate of the amount of expenses and expenditures to be incurred by the Fund and Colabor. **This summary is not a forecast or a projection of future results. The actual results of operations of the Fund and Colabor for any period, whether before or after Closing, will likely vary from the amounts set forth in the following summary, and those variations may be material.**

Management believes that, upon completion of the Offering and the transactions described under the heading ''Funding, Acquisition and Related Transactions'', the Fund and Colabor LP will incur interest expenses and general and administrative expenses and other costs and taxes and may require capital expenditures that will differ from those contained in the historical consolidated financial statements or in the pro forma consolidated financial statements that are included elsewhere in this prospectus. Although management does not have firm commitments for all of these expenses or costs listed below and, accordingly, the complete financial effects of all of these expenses and costs are not objectively determinable, management believes that the following represents a reasonable estimate of what distributable cash would have been had the Fund been in existence for the twelve-month period ended March 25, 2005:

	Twelve-month period ended March 25, 2005
	(unaudited) (in thousands of dollars, except per Unit data)
Earnings Before Rebates and Other Items (1)(2)	$ 24,532
Management considers that, to determine the Fund's estimated distributable cash, the following items should be deducted :	
Rebates payable to Affiliated-Wholesalers and other customers (3)	(11,151)
Additional general and administrative expenses and other costs (4)	(775)
Financial expenses (5)	(962)
Maintenance capital expenditures (6)	(510)
Estimated distributable cash (''Estimated Distributable Cash'')	$ 11,134
Estimated Distributable Cash per Unit (7)	$ 1.025

(1) Earnings Before Rebates and Other Items is a measure derived directly from the historical financial statements of the Vendor and, in management's view, is the appropriate basis on which to determine the Fund's distributable cash. See ''Selected Consolidated Financial Information''. Earnings Before Rebates and Other Items is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, Earnings Before Rebates and Other Items may not be comparable to similar measures presented by other issuers.

(2) Earnings before rebates, gain on disposal of land and building held for resale, financial expenses, amortization of property, plant and equipment, and income taxes for the twelve-month period ended March 25, 2005 have been determined by adding such amount for the 84-day period ended March 25, 2005 and the year ended December 31, 2004, and subtracting such amount for the 86-day period ended March 26, 2004.

(3) Following the Closing, rebates to Affiliated-Wholesalers, privileged members and other customers' will be payable in accordance with the agreements governing their respective relationship with Colabor. Such rebates were previously reflected in the Vendor's financial statements under ''Rebates to Affiliated-Wholesalers and other customers''.

(4) Management estimates that, subsequent to the Offering, the Fund will incur additional general, administrative and other costs on a continuing basis, including relating to requirements for on-going financial disclosure, investor relations, trustee fees, trustee, director and officer insurance and other related expenses.

(5) Represents estimated interest expense based on borrowings of, on average, $17.5 million (including 7.8 million related to the acquisition of the Business Assets) under the New Credit Facilities at an average assumed interest rate of 5.5%. See ''Debt Financing''.

(6) See ''Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures''.

(7) Assumes the conversion of all Exchangeable LP Units into Units on a one-for-one basis.

The Fund views estimated cash available for distribution as an operating performance measure, as it is a measure generally used by Canadian income funds as an indicator of financial performance. As the Fund will distribute substantially all of its cash on an on-going basis (after providing for certain amounts described above), the Fund believes that Earnings Before Rebates and Other Items is a measure from which to make adjustments to determine its distributable cash.

Distributable cash is a non-GAAP measure and the method of calculating the Fund's distributable cash may differ from similar computations, as reported by other issuers and, accordingly, may not be comparable to other distributable cash as reported by other issuers.

CONSOLIDATED CAPITALIZATION OF THE FUND

The following table sets forth the consolidated capitalization of the Fund both before and after giving effect to the Offering.

Designation	Authorized	As at May 19, 2005	As at May 19, 2005, after giving effect to the Offering (unaudited)
Term Debt	Unlimited	—	$ 2,800,000
Non-Controlling Interest (1)			$ —
Units (2)(3)(4)	Unlimited	$ 10.00 (1 Unit)	$ 55,000,000 (5,500,000 Units)
Special Voting Units (4)	Unlimited	—	— (5,362,439 Units)

(1) Reflects the Exchangeable LP Units held by the Vendor which are exchangeable for Units of the Fund on a one-for-one basis subject to certain conditions and customary anti-dilution provisions. See ''Retained Interest of the Vendor''.

(2) The Fund was initially established on May 19, 2005 with $10.00.

(3) Sufficient Units will be reserved for issuance to satisfy the Fund's obligations to issue Units in connection with the exchange rights granted to the Vendor pursuant to, and as contemplated by, the Exchange Agreement. See ''Retained Interest of the Vendor — Exchange Rights''.

(4) Without giving effect to the Over-Allotment Option, following Closing, the Vendor will own 5,362,439 Exchangeable LP Units (if the Over-Allotment Option is exercised in full, the Vendor will hold 5,087,439 Exchangeable LP Units).

DEBT FINANCING

General

The Fund and its subsidiaries intend to implement a financing strategy that (i) incorporates long-term secured and, possibly, unsecured debt, and (ii) maintains flexibility to appropriately manage the Colabor's short-term cash needs and the funding of future growth.

Existing Credit Facilities

Existing Operating Credit Facilities

The Vendor currently has credit facilities for a maximum authorized amount of $19.9 million, consisting, among others, of (i) a $10.2 million operating line of credit, (ii) a special revolving credit facility for a maximum amount of

$2.3 million from January 1 to June 9 and of $7.3 million from June 10 to December 31 of each year and, (iii) a $2.4 million credit for a letter of credit, all of which are with a Canadian chartered bank (the ''Existing Operating Credit Facilities''). These credit facilities are renewable annually. As of March 25, 2005, the Vendor had approximately $330,000 outstanding under the operating line of credit and a $2,027,000 letter of credit issued to Colax. The Existing Operating Credit Facilities contain customary representations and warranties, covenants and events of default and are secured by the inventory and receivables of the Vendor and by a performance bond issued by St-Paul Insurance Company for the benefit of the Vendor as security for the performance of the obligations of certain Affiliated-Wholesalers.

Below is a brief summary of the Existing Operating Credit Facilities, which summary is not intended to be complete:

Operating line of credit: The Vendor's operating line of credit has a principal commitment of $10.2 million.

Special revolving credit facility: The Vendor's special revolving credit facility has a maximum principal commitment of $2.3 million from January 1 to June 9 of each year and of $7.3 million from June 10 to December 31 thereafter.

Letter of credit: A letter of credit in the amount of $2,027,000 was issued on behalf of the Vendor to Colax in connection with the lease agreement for the Distribution Centre to guarantee the payment of one year's rent (See ''Business of Colabor — Installations, Warehousing and Distribution'').

The Existing Operating Credit Facilities bear interest at the prime rate of the Vendor's financial institution which was 4.25% as at March 25, 2005. A monthly availability fee of 0.125% of the unused portion of the operating line of credit and special revolving credit facility and an annual issuance fee for the letter of guarantee equal to 1% of the principal amount of such letter, of which 50% is assumed by Colax, is payable by the Vendor to the Vendor's financial institution. The Vendor also has the ability to obtain banker's acceptances under the Existing Operating Credit Facilities.

Existing Long-Term Loan

The Vendor currently has a long-term loan with a financial institution bearing interest at the floating base rate of such financial institution reduced by 1.25% calculated on the outstanding principal amount of the loan (the ''Existing Long-Term Loan''). As at March 25, 2005, $2.7 million principal amount bearing interest at a 5.0% rate per annum was outstanding under the Existing Long-Term Loan. The repayment of the principal amount and interest thereon is made in consecutive monthly instalments until March 2008. The Existing Long-Term Loan is secured by all the moveable assets of the Vendor.

References to ''Existing Credit Facilities'' in this prospectus refer to the ''Existing Operating Credit Facilities'' and the ''Existing Long-Term Loan'' taken together.

New Credit Facilities

Concurrent with the Closing, Colabor LP intends to replace the Existing Operating Credit Facilities with new operating credit facilities (the ''New Operating Credit Facilities'') with a Canadian chartered bank which is an affiliate of one of the Underwriters and replace the Existing Long-Term Loan, subject to satisfaction of certain customary terms and conditions and execution of definitive agreements.

Below is a brief summary of the New Credit Facilities, which summary is not intended to be complete. Reference is made to the New Credit Facilities Agreements for a complete description and the full text of their provisions. See ''Material Contracts''.

New Operating Credit Facilities

The secured operating credit facility of Colabor LP will be for a maximum authorized total amount of $32.03 million consisting of (i) an operating line of credit in the amount of $30 million and, (ii) a $2.03 million facility for a letter of credit, both of which are with a Canadian chartered bank (the ''New Operating Credit Facilities''). The New Operating Credit Facilities will mature 364 days after the closing of such credit facilities.

The operating line of credit available under the New Operating Credit Facilities may be drawn by way of advances in Canadian dollars or in bankers' acceptances. Amounts that may be drawn will be limited to the sum of (i) 85% of eligible accounts receivable and (ii) 75% of the eligible inventory, less priority accounts payable. Amounts drawn in

Canadian dollars from the operating line of credit will bear interest at the prime rate of the financial institution and bankers acceptances will bear interest at the discounted rate for bankers' acceptances plus a spread of 150 basis points. A monthly availability fee of 0.25% per annum of the unused portion of the operating line of credit is payable quarterly to the financial institution if the monthly average use of the operating line of credit is below 50% of the authorized amount and an annual issuance fee for the letter of credit equal to 1% of $2,027,000 (the principal amount of such letter), of which 50% will continue to be assumed by Colax, will be payable by Colabor LP to Colabor LP's financial institution. A $25,000 annual fee will be payable by Colabor LP upon renewal of the New Operating Credit Facilities. The operating line of credit is repayable at any time without any prepayment penalty.

The New Operating Credit Facilities will be secured by a first ranking hypothec on the receivables and inventory of Colabor LP.

The New Operating Credit Facilities will be subject to customary terms and conditions for facilities of this nature, including limits on incurring additional indebtedness, mergers and acquisitions, making capital expenditures, granting liens or selling assets without the consent of the lender. The New Operating Credit Facilities will also be subject to maintenance of one financial ratio. The New Operating Credit Facilities may, in certain circumstances, restrict Colabor LP's ability to make distributions on any of its outstanding securities, unless sufficient funds are available for repayment of indebtedness and the payment of interest expenses including if an event of default or pending event of default has occurred under the New Operating Credit Facilities. The New Operating Credit Facilities will be in place on Closing and $7,824,000 is expected to be drawn at Closing.

New Term Loan

The senior secured term loan of Colabor LP will be for a maximum commitment of $2.8 million (the ''New Term Loan''). The New Term Loan will mature in 2011, with no scheduled repayments of principal for the first three months. The New Term Loan is repayable without any prepayment penalty. The New Term Loan will bear interest at the financial institution's discounted rate less a spread of 1.50% (0.25% of which is subject to the maintenance of a certain ratio) and will be secured by a first-ranking hypothec on Colabor LP's specific equipment.

Reference to ''New Credit Facilities'' in this prospectus refers to the ''New Operating Credit Facilities'' and ''New Term Loan'' taken together.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of Colabor's financial condition and results of operations should be read together with the historical consolidated financial statements of Colabor and related notes included elsewhere in this prospectus. The consolidated financial statements of Colabor are prepared in accordance with Canadian generally accepted accounting principles (''GAAP''). The fiscal year of Colabor ends on December 31 of each year.

This discussion contains forward looking statements. Please see ''Forward Looking Statements'' for a discussion of the risks, uncertainties and assumptions relating to these statements.

The Fund will be entirely dependent on the operations and financial condition of Colabor LP. In turn, Colabor LP's earnings and cash flows will be affected by certain risks associated with its business and other risks described in this prospectus. See ''Risk Factors''.

Overview

First organized in 1962 as a buying group, Colabor is a master distributor of food, food-related and non-food products which it purchases and supplies to wholesale distributors who redistribute the products to their customers operating in the retail or foodservice market segments. Today, Colabor is one of the leading master distributors catering to the needs of wholesale food distributors in Canada and the market leader in Quebec with total sales of $377.6 million for the twelve-month period ended March 25, 2005.

Summary of Sales, Rebates from Suppliers, Expenses and Rebates

Sales

Colabor's sales are derived from the sale of food, food-related and non-food products to wholesale distributors servicing clients in the retail and foodservice segments. Sales of products are either made directly from its Distribution Centre (''Warehouse Sales'') or through direct delivery from manufacturers and suppliers (''Direct Sales''). Gross profit before rebates from suppliers is generated solely by Warehouse Sales. Although Direct Sales are executed at cost, the volume derived from such sales is included in the calculation of rebates from suppliers.

Cost of Sales

Cost of sales consists solely of product costs.

Rebates from Suppliers

A significant portion of Colabor's gross profit is derived from rebates from suppliers. Rebates from suppliers consist of (i) agreements with suppliers relating principally to distribution agreements, central billing, truck load allowance and other incentive plans, (ii) rebates received from suppliers based on buying volume, (iii) cash discounts on purchases based on terms of sale, and (iv) net advertising funds received in connection with promotional activities.

Selling, Distribution and Administrative Expenses

Selling, distribution and administrative expenses (''SD&A'') include the costs associated with purchasing, warehousing and distributing products as well as general and administrative expenses. Fixed costs include energy costs relating to the operation of the Distribution Centre, rent, property taxes and general and administrative expenses whereas variable costs include packaging material, repair and maintenance costs related to warehouse equipment usage and, to some extent, warehouse employee wages.

Rebates Payable

As a result of the nature of its operations, Colabor establishes the total amount of rebates payable to Affiliated-Wholesalers and other customers based on the profitability of its operations. The distribution of that profitability is based on the Affiliated-Wholesalers' and other customers' respective purchases from Colabor.

Selected Financial Information

The following table sets forth selected financial data of Colabor for the periods indicated:

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(in Thousands of Dollars)				
Operating Data					
Sales by channel					
Retail					
Private labels	1,480	1,508	7,987	7,148	7,983
Branded products	24,407	22,346	125,297	119,747	151,007
	25,887	23,854	133,284	126,895	158,990
Foodservice					
Private labels	3,795	3,622	23,482	22,701	20,875
Branded products	23,368	20,497	112,350	100,188	98,096
Frozen food	21,551	17,760	99,594	83,134	76,277
	48,714	41,879	235,426	206,023	195,248
Total sales	74,601	65,733	368,710	332,918	354,238
Warehouse vs direct sales					
Warehouse sales	48,627	42,475	243,359	221,047	230,354
Direct sales	25,974	23,258	125,351	111,871	123,884
Total sales	74,601	65,733	368,710	332,918	354,238
Sales to Affiliated-Wholesalers vs Sales to other Customers					
Sales to Affiliated-Wholesalers	66,614	59,537	333,114	302,436	322,993
Sales to other Customers	7,987	6,196	35,596	30,482	31,245
Total sales	74,601	65,733	368,710	332,918	354,238

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
	(in Thousands of Dollars)				
Consolidated Earnings Highlights					
Sales	74,601	65,733	368,710	332,918	354,238
Cost of sales	72,971	64,252	361,132	326,310	347,632
	1,630	1,481	7,578	6,608	6,606
Rebates from suppliers	4,687	4,174	27,019	24,446	25,908
Gross profit	6,317	5,655	34,597	31,054	32,514
SD&A (1)	2,574	2,609	11,120	10,168	9,165
Other revenue	(103)	(221)	(476)	(669)	(105)
	2,471	2,388	10,644	9,499	9,060

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
			(in Thousands of Dollars)		
Earnings Before Rebates and Other Items (2)	3,846	3,267	23,953	21,555	23,454
Rebates	4,138	3,725	22,120	19,145	20,371
	(292)	(458)	1,833	2,410	3,083
Financial expenses, net	33	104	369	696	329
Amortization	247	256	1,161	1,254	774
Moving expenses	—	—	—	—	1,050
Gain on disposal of land and building held for resale	—	—	(1,739)	—	—
	280	360	(209)	1,950	2,153
Earnings (loss) before income taxes	(572)	(818)	2,042	460	930
Income taxes	(192)	(268)	600	177	345
Net earnings (loss)	(380)	(550)	1,442	283	585
Consolidated cash flow highlights					
Cash flows from operating activities before changes in working capital and deferred revenue	(186)	(284)	427	1,714	1,570
Cash flows from operating activities after changes in working capital and deferred revenue	(3,124)	(2,293)	5,355	6,446	(7,086)
Capital expenditures	117	167	1,014	508	5,799

	As at March 25, 2005	As at December 31, 2004	As at December 31, 2003
	(unaudited)	(audited)	(audited)
	(in thousands of dollars)		
Balance sheet highlights			
Total assets	55,936	50,893	51,887
Total debt (3)	3,085	2,925	10,110

(1) Selling, distribution and administrative expenses.

(2) Other items include financial expenses, amortization of property, plant and equipment, moving expenses, gain on disposal of land and building held for resale and income taxes.

(3) Includes bank overdraft, bank loans, instalments on long-term debt and long-term debt.

The following table sets forth for each of the mentioned items the percentage they represents compared to Colabor's sales:

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(% of sales)		
Operating Data					
Sales by channel					
Retail					
Private labels	2.0%	2.3%	2.2%	2.1%	2.3%
Branded products	32.7%	34.0%	34.0%	36.0%	42.6%
	34.7%	36.3%	36.2%	38.1%	44.9%

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(% of sales)		
Foodservice					
Private labels	5.1%	5.5%	6.4%	6.8%	5.9%
Branded products	31.3%	31.2%	30.4%	30.1%	27.7%
Frozen food	28.9%	27.0%	27.0%	25.0%	21.5%
	65.3%	63.7%	63.8%	61.9%	55.1%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%
Warehouse vs direct sales					
Warehouse sales	65.2%	64.6%	66.0%	66.4%	65.0%
Direct sales	34.8%	35.4%	34.0%	33.6%	35.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%
Sales to Affiliated-Wholesalers vs Sales to other Customers					
Sales to Affiliated-Wholesalers	89.3%	90.6%	90.3%	90.8%	91.2%
Sales to other Customers	10.7%	9.4%	9.7%	9.2%	8.8%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
			(% of sales)		
Consolidated Earnings Highlights					
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	97.8 %	97.8 %	97.9 %	98.0 %	98.0 %
	2.2 %	2.2 %	2.1 %	2.0 %	2.0 %
Rebates from suppliers	6.3 %	6.4 %	7.3 %	7.3 %	7.3 %
Gross profit	8.5 %	8.6 %	9.4 %	9.3 %	9.3 %
SD&A (1)	3.5 %	4.0 %	3.0 %	3.0 %	2.6 %
Other revenue	(0.1)%	(0.4)%	(0.1)%	(0.2)%	(0.0)%
	3.4 %	3.6 %	2.9 %	2.8 %	2.6 %
Earnings Before Rebates and Other Items (2)	5.1 %	5.0 %	6.5 %	6.5 %	6.7 %
Rebates	5.5 %	5.7 %	6.0 %	5.8 %	5.8 %
	(0.4)%	(0.7)%	0.5 %	0.7 %	0.9 %
Financial expenses, net	0.0 %	0.1 %	0.1 %	0.2 %	0.1 %
Amortization	0.4 %	0.4 %	0.3 %	0.4 %	0.2 %
Moving expenses	—	—	—	—	0.3 %
Gain on disposal of land and building held for resale	—	—	(0.5)%	—	—
	0.4 %	0.5 %	(0.1)%	0.6 %	0.6 %
Earnings (loss) before income taxes	(0.8)%	(1.2)%	0.6 %	0.1 %	0.3 %
Income taxes	(0.3)%	(0.4)%	0.2 %	0.0 %	0.1 %
Net earnings (loss)	(0.5)%	(0.8)%	0.4 %	0.1 %	0.2 %

(1) Selling, distribution and administrative expenses.

(2) Other items include financial expenses, amortization of property, plant and equipment, moving expenses, gain on disposal of land and building held for resale and income taxes.

Key Factors Affecting the Business

The results of operations, business prospects and financial condition of Colabor are subject to a number of risks and uncertainties, and are affected by a number of factors outside of the control of management. In addition to the factors discussed below, see ''Risk Factors'' for a complete discussion of the risks affecting the Business.

Dependence on Affiliated-Wholesalers

Sales to Affiliated-Wholesalers represented approximately 90% of Colabor's sales for the twelve-month period ended on March 25, 2005. During that same period, the five largest Affiliated-Wholesalers accounted for approximately 44% of Colabor's sales, the two largest Affiliated-Wholesalers each accounting for approximately 13.4% and 9.3% of Colabor's sales respectively. The loss of Affiliated-Wholesalers, net of recruiting other wholesale distributors, could have an adverse effect on Colabor LP's business, financial condition and operations. This risk has been mitigated, on a going forward basis after Closing, by the execution of agreements to amend the Affiliate Agreements to provide for an initial ten-year term, renewal provisions for two additional terms of five years and also provide for the granting of a right of first refusal by the Affiliated-Wholesalers to Colabor LP on their businesses. However, there is no assurance that Colabor LP will be able to finance the exercise of such right of first refusal. Moreover, incentives are built-in the contractual relationship existing between the Affiliated-Wholesalers, Colabor LP and the Vendor encouraging Affiliated-Wholesalers to increase their purchases from Colabor. See ''Affiliated-Wholesalers – Following Closing of the Offering''.

Absence of Long-Term Agreements between Affiliated-Wholesalers and their Customers

In accordance with general industry practice, the Affiliated-Wholesalers do not normally enter into long-term agreements with their customers. As a result, customers may, without notice or penalty, terminate their relationship with Affiliated-Wholesalers. In addition, even if customers should decide to continue their relationship with the Affiliated-Wholesalers, there can be no guarantee that they will purchase the same volume of products as in the past or that they will pay the same price for those products as they have in the past. Any loss of customers by Affiliated-Wholesalers, or decrease in the volume purchased or price paid by them for products, could affect Colabor LP's sales and result in a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders. In the past, Affiliated-Wholesalers, using their knowledge of the respective markets in which they operate, have been able to differentiate themselves from their competitors by providing personalised services to their customers, including flexible delivery schedules and product offering tailored to the needs of their customers; management believes they will continue to do so in the future.

Seasonality

Colabor's business is subject to normal industry seasonal fluctuations due to weather conditions and holiday periods. Sales are generally lower at the beginning of the year due to lower consumer spending following the Christmas holiday season, increase progressively thereafter during spring and summer months as sales of food consumed away from home increase and reach their peak in the last four months before year-end and following Colabor's yearly trade show held in September of each year. Rebates payable to its Affiliated-Wholesalers are levelled off throughout the year, resulting therefore in net losses during the first few periods of each year.

Variable costs are managed to mitigate the impact of seasonality. However, an important portion of Colabor's costs, including the rent and energy costs related to the operation of its Distribution Centre, are fixed and cannot be adjusted for seasonality.

Changes in Distribution and Retail Market

The industry in which Colabor operates has been changing over the last few years. Eating away from home and alternative format food stores, such as mass merchandisers, warehouse stores and supercenters, have taken market share from traditional supermarket operators, including small and medium-size independent grocers. In addition, suppliers are seeking to ensure that more of their promotional expenditures and allowances are directed to consumers rather than distributors or retailers in order to increase sales volumes. Furthermore, grouping of suppliers or change in the policy of individual suppliers could have an effect on the rebates that Colabor negotiates with suppliers. If the strategies Colabor has developed in response to these changing market conditions are not successful, Colabor LP's margins may decline, which could have a material adverse effect on the results of operations or financial conditions of Colabor LP. Since 1962, Colabor has successfully adapted its operations in response to changing market conditions and management believes that the Affiliated-Wholesalers' intimate knowledge of the market conditions will allow it to anticipate and respond to future changes in the food distribution business.

Critical Accounting Estimates

Colabor prepares its financial statements in conformity with GAAP and in Canadian dollars, which requires management to make estimates, judgments and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions influence the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and other assumptions, which it believes to be reasonable under the circumstances. Management also evaluates its estimates on an on-going basis.

The significant accounting policies of Colabor are described in Note 3 to the audited consolidated financial statements for the three-year period ended December 31, 2004 contained elsewhere in this prospectus. The estimates which Colabor believes are the most critical to assist in fully understanding and evaluating its reported financial results include the following:

Revenue Recognition

Revenues are recognized on shipment of goods when all benefits and risks relating to ownership have been transferred and collection is reasonably assured. Allowances are made for the estimated sales discounts granted to customers and the future credits related to revenues for the year. However, an additional allowance could be required if actual results were to differ from the assumptions and estimates used by Colabor when recording allowances.

Allowance for Surplus or Obsolete Inventory

Inventory is valued at the lower of net realizable value or cost calculated using the first-in, first-out method. Colabor records an allowance for obsolescence calculated on the basis of assumptions about the future demand for its products and conditions prevailing in the markets where its products are sold. This allowance, which reduces inventory to its net realizable value is then recorded as a reduction of inventory in the consolidated balance sheet. Management must make estimates and assumptions when establishing such allowances. In the event that actual market conditions are less favourable than Colabor's assumptions, additional allowances could prove necessary.

Rebates from suppliers

Colabor negotiates purchasing agreements with suppliers that provide for the payment of rebates. Purchasing agreements with suppliers are periodically reviewed and pricing levels are adjusted on the basis of prevailing market conditions. The volume rebates applicable to a type of product is deducted from the year-end inventory valuation.

Related Party Transactions

Colabor's sales to Affiliated-Wholesalers controlled by directors of the Vendor amount to:

	Periods ended		Years ended December 31		
	March 25, 2005 (84 days)	March 26, 2004 (86 days)	2004	2003	2002
	(in thousands of dollars)				
Sales to Affiliated-Wholesalers controlled by directors of the Vendor	41,773	35,797	203,219	178,280	173,574

Results of Operations

Fiscal Periods

Fiscal years of the Vendor are composed of thirteen periods of 28 days each; three quarterly periods of the Vendor are composed of three periods of 28 days each and the last quarterly period is composed of four periods of 28 days each.

Twelve-week Period Ended March 25, 2005 (84 days) Compared to the Twelve-week Period Ended March 26, 2004 (86 days)

Sales

Sales increased by $8.9 million, or 13.5%, to $74.6 million for the twelve-week period ended March 25, 2005 from $65.7 million for the same period the prior year. This growth in sales is primarily attributable to an increase in Affiliated-Wholesalers' purchases which increase reflects the growth in their respective businesses and markets. Sales to other wholesalers reached $8.0 million for the twelve-week period ended March 25, 2005 compare to sales of $6.2 million for the twelve-week period ended March 26, 2004.

Retail sales increased by $2.0 million, or 8.5%, to $25.9 million for the twelve-week period ended March 25, 2005 from $23.9 million for the same period the prior year whereas foodservice sales increased by $6.8 million, or 16.3%, to $48.7 million for the twelve-week period ended March 25, 2005 from $41.9 million for the same period the prior year. The larger increase in foodservice sales compared to retail sales is mainly due to the Affiliated-Wholesalers own sales which are increasing at a faster pace in the foodservice segment of the industry.

Frozen food products sales continued to grow at a rapid pace as they increased by $3.8 million, or 21.3%, to $21.6 million for the twelve-week period ended March 25, 2005 from $17.8 million for the same period the prior year. This increase is reflective of the continued growing demand for frozen food products resulting from the increasing popularity of ready-to-serve products.

Finally, Warehouse Sales increased by $6.2 million, or 14.5%, to $48.7 million for the twelve-week period ended March 25, 2005 from $42.5 million for the same period the prior year whereas Direct Sales increased by $2.7 million, or 11.7%, to $26.0 million for the twelve-week period ended March 25, 2005 from $23.3 million for the same period the prior year.

Cost of Sales

Cost of sales, as a percentage of sales in the twelve-week period ended March 25, 2005, remain relatively stable at 97.8%.

Rebates from Suppliers

Rebates from suppliers increased by $513,000, or 12.3%, to $4.7 million for the twelve-week period ended March 25, 2005 from $4.2 million for the same period the prior year. This increase is mainly due to higher rebates, sums payable pursuant to agreements with suppliers and cash discounts payable in connection with purchases derived from higher sales of products. Rebates from suppliers as a percentage of sales slightly decreased to 6.3% for the twelve-week period ended March 25, 2005 from 6.4% for the same period the prior year.

Selling, Distribution and Administrative Expenses

SD&A decreased by $35,000, or 1.3%, to $2.6 million for the twelve-week period ended March 25, 2005.

Earnings Before Rebates and Other Items

Earnings Before Rebates and Other Items increased by $579,000, or 17.7%, to $3.8 million for the twelve-week period ended March 25, 2005 from $3.3 million for the same period the prior year. Earnings Before Rebates and Other Items, as a percentage of sales for the twelve-week period ended March 25, 2005, increased at 5.1% compared to 5.0% for the same period the prior year. This increase is mainly attributable to increased sales in all segments and products and the reduction in SD&A.

Rebates

Rebates distributed to Affiliated-Wholesalers and other customers increased by $413,000, or 11.1%, to $4.1 million for the twelve-week period ended on March 25, 2005 from $3.7 million for the same period the prior year. Rebates paid to Affiliated-Wholesalers as a percentage of sales to Affiliated-Wholesalers were estimated at 5.75% while rebates payable to other customers represented 3.85% of sales to such customers for the twelve-week period ended March 25, 2005 compared to 4.86% for the same period the prior year. The decrease in rebates payable to other customers is due to the fact that Colabor started to recruit new distributors at the beginning of 2004 and accrued rebates payable to such new distributors based on management's estimate of these new distributors' annual purchase volume.

Annual rebates payable to other customers for the year ended December 31, 2004 represented 4.40% of sales to other distributors for the year.

Financial Expenses

Interest expenses decreased by $71,000, or 68.3%, to $33,000 for the twelve-week period ended March 25, 2005 from $104,000 for the same period the prior year. This decrease was primarily due to (i) the repayment in April of 2004 of a mortgage loan in the amount of $420,000 related to Colabor's former warehouse further to its sale and the elimination of the interest charge related thereto, (ii) the reinvestment of a portion of the proceeds from the sale of the former warehouse in working capital resulting in lower outstanding amounts under the Existing Operating Credit Facilities and in a decrease in the interest charge related thereto and (iii) a decrease in the amount outstanding under a loan that was used, at the time Colabor moved to its Distribution Centre, to fund the purchase of furniture and fixtures, warehouse equipment and vehicles as well as computer hardware and software resulting in a decrease in the interest charge related thereto.

Amortization of Property, Plant and Equipment

Amortization of property, plant and equipment decreased by $9,000, or 3.5%, to $247,000 for the twelve-week period ended March 25, 2005 from $256,000 for the same period the prior year. Amortization is comprised of the amortization of furniture and fixtures, warehouse equipment and warehouse vehicles, computer hardware, computer software and leasehold improvements.

Income Tax Expense

The effective income tax rate for the twelve-week period ended March 25, 2005 was 33.6% compared to 32.8% for the same period the prior year. This increase is related to the non-deductible costs.

Net Income

As a result of the above, net loss decreased by $170,000, or 30.9%, to ($380,000) for the twelve-week period ended March 25, 2005 from ($550,000) for the same period the prior year.

Year ended December 31, 2004 Compared to Year ended December 31, 2003

Sales

Sales increased by $35.8 million, or 10.8%, to $368.7 million for the year ended December 31, 2004 from $332.9 million for the prior year. Growth in sales originating from the Affiliated-Wholesalers represented $30.7 million, or 85.7% of the total sales increase, the balance of $5.1 million comes from other customers. The increase in purchases by Affiliated-Wholesalers is mainly due to growth in their respective businesses and markets while the increase in purchases by other wholesale distributors is mostly attributable to recruitment of new members.

Retail sales increased by $6.4 million, or 5.0%, to $133.3 million for the year ended December 31, 2004 from $126.9 million for the prior year whereas foodservice sales increased by $29.4 million, or 14.3%, to $235.4 million for the year ended December 31, 2004 from $206.0 million for the prior year. The larger increase in foodservice sales compared to retail sales is mainly due to the Affiliated-Wholesalers' own sales which are increasing at a faster pace in the foodservice segment of the industry.

Further to the introduction of new frozen food products and new warehousing arrangements with suppliers, frozen food product sales increased by $16.5 million, or 19.8%, to $99.6 million for the year ended December 31, 2004 from $83.1 million for the prior year. This increase is reflective of the growing demand for frozen food products which results from the increasing popularity of ready-to-serve products.

Warehouse Sales increased by $22.4 million, or 10.1%, to $243.4 million for the year ended December 31, 2004 from $221.0 million for the prior year whereas Direct Sales increased by $13.5 million, or 12.1%, to $125.4 million for the year ended December 31, 2004 from $111.9 million for the prior year.

Cost of Sales

Cost of sales, as a percentage of sales for the year ended December 31, 2004, slightly decreased at 97.9% compared to 98.0% for the year ended December 31, 2003. This decrease is primarily due to higher margins on Warehouse Sales (3.11% for the year ended December 31, 2004 compared to 2.99% for the previous year).

Rebates from Suppliers

Rebates from suppliers increased by $2.6 million, or 10.5%, to $27 million for the year ended December 31, 2004 from $24.4 million for the prior year. This increase is mainly due to higher rebates resulting from a new agreement with the National Brand Marketing Company and higher volume of purchases. Rebates from suppliers as a percentage of sales remain constant at 7.3%.

Selling, Distribution and Administrative Expenses

SD&A increased by $952,000, or 9.4%, to $11.1 million for the year ended December 31, 2004 from $10.2 million for the prior year. This increase is partially attributable to variable expenses increase in relation to the increase of sales and to the hiring of a new Vice-President, Sales and Development and a new Director in charge of banners as well as to higher performance based bonuses paid to management. However, SD&A as a percentage of sales remained constant at 3.0%.

Earnings Before Rebates and Other Items

Earnings Before Rebates and Other Items increased by $2.4 million, or 11.1%, to $24.0 million for the year ended December 31, 2004 from $21.6 million for the prior year. This increase is mainly attributable to increased sales volumes, greater rebates from suppliers and efficiency gains on Warehouse Sales. Earnings Before Rebates and Other Items, as a percentage of sales for the year ended December 31, 2004, is stable at 6.5% compared to the prior year.

Rebates

Rebates paid to Affiliated-Wholesalers and other customers increased by $3.0 million, or 15.5%, to $22.1 million for the year ended on December 31, 2004 from $19.1 million for the prior year. Rebates paid to Affiliated-Wholesalers as a percentage of sales to Affiliated-Wholesalers were increased to 6.17% while those payable to other customers represented 4.40% of sales to such other customers for the year ended December 31, 2004.

Financial Expenses

Interest expenses decreased by $327,000, or 47.0%, to $369,000 for the year ended December 31, 2004 from $696,000 for the prior year. This decrease was primarily due to (i) lower interest paid in connection with Colabor's Existing Operating Credit Facilities resulting from improved inventory management and collection of accounts receivable, (ii) the repayment in April of 2004 of a loan in the amount of $420,000 related to Colabor's former warehouse further to its sale and the elimination of the interest charge related thereto, (iii) the reinvestment of a portion of the proceeds from the sale of the former warehouse in working capital resulting in lower outstanding amounts under the Existing Operating Credit Facilities and in a decrease in the interest charge related thereto and (iv) a decrease in the amount outstanding under a loan that was used, at the time Colabor moved to its Distribution Centre, to fund the purchase of furniture and fixtures, warehouse equipment and vehicles as well as computer hardware and software resulting in a decrease in the interest charge related thereto.

Amortization of Property, Plant and Equipment

Amortization of property, plant and equipment decreased by $93,000, or 7.4%, to $1.2 million for the year ended December 31, 2004 from $1.3 million for the prior year. Amortization is comprised of the amortization of furniture and fixtures, warehouse equipment and warehouse vehicles, computer hardware, computer software and leasehold improvements.

Income Tax Expense

The effective income tax rate for the year ended December 31, 2004 was 29.4% compared to 38.5% for the year ended December 31, 2003. This decrease is primarily due to (i) a decrease in Federal statutory income tax rate, (ii) a decrease related to the non-deductible costs and (iii) a decrease due to a non-taxable portion of a capital gain related to the sale of the former warehouse.

Net Income

As a result of the above and of a $1.7 million, before taxes, non-recurring gain on disposal of land and building held for resale realised in connection with the disposal of Colabor's former warehouse, net income increased by $1.2 million, or 410.0%, to $1.4 million for the year ended December 31, 2004 from $283,000 for the prior year.

Year ended December 31, 2003 Compared to Year ended December 31, 2002

Sales

During the year ended December 31, 2003, Colabor lost three affiliated wholesale distributors which represented combined annual sales of approximately $32.0 million. Two of the three departing distributors served primarily the retail industry. One was purchased by a competitor and the second continued to operate independently. The third distributor was mostly active in the foodservice segment and was acquired by a distributor which joined Colabor in 2004 as a buying member. Colabor mitigated the impact of the loss of affiliated wholesalers by (i) taking advantage of its new warehousing facility's floor space dedicated to frozen food products and increased frozen food products sales and (ii) increasing sales of its private label products related to the food service segment. As a result, sales decreased by $21.3 million, or 6.0%, to $332.9 million for the year ended December 31, 2003 from $354.2 million for the prior year.

Retail sales were the most affected by the departures and decreased by $32.1 million, or 20.2%, to $126.9 million for the year ended December 31, 2003 from $159.0 million for the prior year whereas foodservice sales increased by $10.8 million, or 5.5%, to $206.0 million for the year ended December 31, 2003 from $195.2 million for the prior year. Frozen food products sales increased by $6.9 million, or 9.0%, to $83.1 million for the year ended December 31, 2003 from $76.3 million for the year ended December 31, 2002 while sales of private label products increased by $991,000, or 3.4%, to $29.8 million for the year ended December 31, 2003 from $28.9 million for the year ended December 31, 2002.

Warehouse Sales decreased by $9.3 million, or 4.0%, to $221.0 million for the year ended December 31, 2003 from $230.4 million for the prior year whereas Direct Sales decreased by $12.0 million, or 9.7%, to $111.9 million for the year ended December 31, 2003 from $123.9 million for the prior year.

Cost of Sales

Cost of sales, as a percentage of sales in the year ended December 31, 2003, remained constant at 98.0% compared to the prior year.

Rebates from Suppliers

Rebates from suppliers decreased by $1.5 million, or 5.6%, to $24.4 million for the year ended December 31, 2003 from $25.9 million for the prior year. This decrease is primarily attributable to lower sales volume further to the loss of three affiliated wholesale distributors.

However, rebates from suppliers, as a percentage of sales for the year ended December 31, 2003, slightly increased at 7.34% compared to 7.31% the prior year.

Selling, Distribution and Administrative Expenses

SD&A increased by $1.0 million, or 10.9%, to $10.2 million for the year ended December 31, 2003 from $9.2 million for the prior year. SD&A as a percentage of sales also increased representing 3.1% of sales for the year ended December 31, 2003 compared to 2.6% for the prior year. This increase is primarily attributable to higher fixed charges related to Colabor's Distribution Centre, including rent and energy costs related to the operation of the new freezer.

Earnings Before Rebates and Other Items

Earnings Before Rebates and Other Items decreased by $1.9 million, or 8.1%, to $21.6 million for the year ended December 31, 2003 from $23.5 million for the prior year. This decrease is attributable to (i) lower revenue from agreements with suppliers, rebates and cash discounts from suppliers further to the loss of three affiliated wholesale distributors and the decrease in purchases resulting therefrom and (ii) higher SD&A.

In relation to sales, these factors were offset in part by higher margins on warehouse deliveries due to (i) an increase in sales of private label products and (ii) gain of efficiency. As a result, Earnings Before Rebates and Other Items, as a percentage of sales for the year ended December 31, 2003, decreased only slightly at 6.5% compared to 6.6% for the prior year.

Rebates

Primarily as a result of the loss of three affiliated customers and the resulting decrease in sales, rebates distributed to Affiliated-Wholesalers and other customers decreased by $1.2 million, or 6.0%, to $19.2 million for the year ended on December 31, 2003 from $20.4 million for the prior year. Rebates paid to Affiliated-Wholesalers and other customers as a percentage of sales for the year ended December 31, 2003 remained at 5.75%.

Financial Expenses

Interest expenses increased by $367,000, or 111.6%, to $696,000 for the year ended December 31, 2003 from $329,000 for the prior year. This increase was primarily due to (i) higher interest paid in connection with Colabor's Existing Operating Credit Facilities resulting mainly from inventory build-up at the Distribution Centre prior to moving the operations and (ii) interest paid on a $5.0 million loan to fund the purchase of furniture and fixtures, warehouse equipment and warehouse vehicles as well as computer hardware and software.

Amortization of Property, Plant and Equipment

Amortization of property, plant and equipment increased by $480,000, or 62.0%, to $1.3 million for the year ended December 31, 2003 from $774,000 for the prior year. This increase is due to the amortization related to the newly acquired furniture and fixtures, warehouse equipment and warehouse vehicles as well as computer hardware, computer software purchases made during that year.

Income Tax Expense

The effective income tax rate for the year ended December 31, 2003 was 38.5% compared to 37.1% for the year ended December 31, 2002. This increase is related to the non-deductible costs offset in part by a decrease in the Federal and Quebec statutory income tax rates.

Net Income

As a result of the above and of a $1.1 million, before taxes, non-recurring moving expenses accounted for in 2002 related to moving the operations to the Distribution Centre, net income decreased by $302,000, or 51.6%, to $283,000 for the year ended December 31, 2003 from $585,000 for the prior year.

Liquidity and Capital Resources

Cash Flows from Operating Activities

Due to seasonality inherent to Colabor's business, Colabor generated negative cash flows of $3.1 million from operating activities for the twelve-week period ended March 25, 2005, a decrease of $831,000, or 36.2%, for the same period of the prior year. This decrease is primarily attributable to change in working capital items related to an increase in inventory and accounts receivable resulting from higher sales. Cash flows from operating activities for the years ended December 31, 2004, 2003 and 2002 were $5.4 million, $6.4 million and ($7.1 million), respectively. Negative cash flows in 2002 were primarily due to an increase in working capital related to the build-up of inventory in the Distribution Centre. Future working capital requirements are expected to be minimal and mostly offset by profits derived from growth in sales.

Capital Expenditures

Colabor has made significant investments over the past three fiscal years to move to the Distribution Centre and to implement an efficient inventory management system to optimize services to its Affiliated-Wholesalers and minimize investment in inventory. Colabor has also made, through GIC, investments to develop a distribution software designed to increase operating efficiency.

	Historical capital expenditures				
	84-day period ended March 25, 2005	86-day period ended March 26, 2004	Years ended December 31,		
			2004	2003	2002
Capital expenditures related to the assets acquired by Colabor LP					
Computer hardware and software	24	131	258	84	1,596
Warehouse vehicles and equipment	64	2	110	165	3,728
Furniture and other	10	2	31	68	315
	98	135	399	317	5,639
Other capital expenditures					
Land at new facility			102	111	65
Former facility		13	137	25	42
Software development and other fixed assets — GIC	19	19	376	55	53
	19	32	615	191	160
Total capital expenditures	117	167	1,014	508	5,799

Going forward, Colabor's capital expenditures will consist primarily of maintenance capital expenditures such as the purchase of new warehouse equipment and vehicles, computers, computer hardware and software. Management estimates maintenance capital expenditures will be approximately $500,000 going forward, which will be funded by cash flows from operations.

Commitments

The following chart outlines Colabor's contractual obligations during the periods indicated.

		Payments Due by Period			
Contractual Obligations	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
			(in thousands of dollars)		
Long-Term Debt (1)	2,700	900	1,800	—	—
Operating Leases					
Colabor	36,761	2,028	4,056	4,056	26,621
GIC (2)	819	108	216	216	279
Total	37,580	2,136	4,272	4,272	26,900
Total	40,280	3,036	6,072	4,272	26,900

(1) Colabor intends to replace, prior to Closing, the Existing Long-Term Loan with the New Term Loan. Total obligations under the New Term Loan will amount to $2,800,000; the instalments on the New Term Loan for the coming twelve-month periods are $343,000 in 2006, $468,000 in 2007, 2008, 2009 and 2010 and $585,000 thereafter.

(2) Following Closing, the obligations under the lease relating to the premises occupied by GIC will be assumed by GIC and the Vendor.

Financing Activities

The New Credit Facilities will be used to partly finance the acquisition of the Business, pay related fees and expenses and for general corporate purposes and will be comprised of a (i) secured operating credit facility consisting of an operating line of credit in the amount of $30 million and a $2.03 million facility for a letter of guarantee and (ii) a secured term facility for a maximum commitment of $2.8 million. See ''Debt Financing — New Credit Facilities''.

Changes in Accounting Policies and Initial Adoption

Impairment of long-lived assets

Effective at the beginning of fiscal year 2004, Colabor adopted prospectively the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3063, ''Impairment of Long-lived Assets''. This Section provides guidance on the recognition, measurement and disclosure of the impairment of long-lived assets, including property, plant and equipment and intangible assets with finite useful lives to be held and used. Colabor reviews long-lived assets for impairment when 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 assets is less than their carrying amount, an impairment loss must be recognized. An impairment loss is measured as the amount by which the carrying amount of the assets exceeds their fair value. At December 31, 2004, no such impairment had occurred.

Revenue recognition

Effective at the beginning of fiscal year 2004, Colabor adopted prospectively Abstract 141 (EIC-141), ''Revenue Recognition'' issued by the Emerging Issues Committee (EIC) of the CICA. In general, the objective of this abstract is to provide guidelines for the application of section 3400, ''Revenue'', of the CICA Handbook. Specifically, EIC-141 presents the criteria to be met for revenue to be recognized. The application of the new guidelines did not result in a material impact on the financial statements of Colabor for the fiscal year ended December 31, 2004.

Outlook

In the coming years, management believes that Colabor will continue to benefit from its loyal and entrepreneurial Affiliated-Wholesalers network, customer driven distribution network, recent investments in information technology and low operating costs. Management believes that Colabor will also continue to be proactive in terms of expanding its product offering, services provided to Affiliated-Wholesalers and will continue to grow its business through the recruitment of wholesale distributors. Management believes that volume of sales of frozen food products and private label products will continue their growth and that Colabor is well positioned to take advantage of the continued importance of these two product categories.

Following the transactions contemplated by this prospectus, management believes that the New Credit Facilities and the Business' on-going cash flow from operations will be sufficient to allow the Fund to meet on-going cash requirements including capital expenditures, investments in working capital and expected distributions to Unitholders. However, the Fund's needs may change and in such event its ability to satisfy its obligations will be dependent upon future financial performance, which in turn will be subject to financial, tax, business and other factors, including elements beyond the Fund's control.

TRUSTEES, DIRECTORS AND MANAGEMENT

Trustees of the Fund

On Closing, the board of the Fund will be comprised of five Trustees, a majority of whom will be ''unrelated'' (within the meaning of the corporate governance policies of the TSX and ''independent'' (within the meaning of applicable securities laws). The Trustees of the Fund, their municipalities of residence and their principal occupations are set out below:

Name and Municipality of Residence	Position with the Fund	Principal Occupation
Donald Dubé,(1) . . . . Lac Baker (NB)	Trustee	President of Edfrex Inc., a wholesale distributor
Daniel Lachapelle, ... Repentigny (QC)	Trustee	President of Dubé & Loiselle Inc., a wholesale distributor
Jacques Landreville,(2) . . . . Brossard (QC)	Trustee	President and Chief Executive Officer of Uni-Sélect Inc.
Richard Lord,(1)(2) . . . . Saint-Laurent (QC)	Trustee	President and Chief Executive Officer of Richelieu Hardware Ltd.
Robert Panet-Raymond,(1)(2) . . . . Montréal (QC)	Trustee	Corporate Director

(1) Member of the Audit Committee

(2) Member of the Corporate Governance and Human Resources Committee

Under the terms of the Fund Declaration of Trust, the Vendor shall have the right to propose for election as Trustees (i) up to two nominees as long as it holds, directly or indirectly, at least 40% of the issued and outstanding Voting Units, and (ii) one nominee if it holds, directly of indirectly, at least 20% of the issued and outstanding Voting Units. The Corporate Governance and Human Resources Committee of the Fund will propose the nominees for election of the remaining Trustees. Donald Dubé and Daniel Lachapelle are the Trustees designated by the Vendor. See ''Description of the Fund — Trustees''.

Biographies

The following are brief profiles of the Trustees.

Donald Dubé has been President of Edfrex inc., a wholesale distributor with operations in the Atlantic Provinces mainly in the foodservice segment, since 1987. From 1988 to 1999, he was the treasurer of Mouska Buying Group, now owned by Colabor. Mr. Dubé has been serving on the board of directors of the Vendor since 1998, has been president of the Audit Committee of the Vendor from 1999 to 2004 and, since 2004, Chairman of the Vendor.

Daniel Lachapelle has been Chairman and Chief Executive Officer of Dubé & Loiselle Inc., a wholesale distributor with operations in the Province of Quebec mainly in the foodservice segment, since 1993. From 1990 to 1993, he was director of marketing at Christina Canada Inc., a clothing manufacturer. Mr. Lachapelle has been serving on the board of directors of the Vendor since 1994, has been a member of the Audit Committee of the Vendor since 1999 and has also held the position of Chairman of the Vendor.

Jacques Landreville has been President and Chief Executive Officer of Uni-Select Inc. since 1991. From 1987 to 1990, he held various positions ranging from general manager to president of different divisions of Culinar in Montréal, and between 1985 and 1987, he served as executive vice-president and general manager of Lassonde Industries Inc. Mr. Landreville sits on the board of Uni-Sélect Inc., Lassonde Industries Inc. and Livingston International Income Fund. He has also been a director of ADF Group, Rona Inc. and Bestar Inc. over the course of the last five years.

Richard Lord has been President and Chief Executive Officer of Richelieu Hardware Ltd. since 1988. In 1999, he received the Ernst & Young Entrepreneur of The Year award (wholesale/distribution category — Québec) and is the 2005 winner of the ''Les Nouveaux Performants 2005 (entrepreneur)'' award. Mr. Lord sits on the board and is a member of the audit committee of 20-20 Technologies Inc.

Robert Panet-Raymond is a corporate director. From 1992 to 2004, he was Senior Vice-President and Market Leader, Eastern Canada, Commercial Banking for the Canadian Imperial Bank of Commerce. From 1985 to 1991, he was President and Chief Executive Officer and member of the Advisory Board of Les Rôtisseries St-Hubert Ltée. Mr. Panet-Raymond sits on the board of directors of many non-profit organizations including the University of Montréal for which he also acts as Chairman of the Audit Committee.

All Trustees that are currently directors of the Vendor will resign from such position at Closing.

Trustees of the Trust

As the Trust is the sole shareholder of the General Partner, the entities controlled by the Trust will be responsible for the overall management of the Business. The Trustees of the Trust will at all times be the same individuals who are the Trustees of the Fund.

Management of Colabor

The names, municipalities of residence and positions of management of Colabor LP after Closing are set out below.

Name and Municipality of Residence	Position(s)
Gilles C. Lachance, ... Boucherville (QC)	President and Chief Executive Officer
Michel Loignon, C.A., ... Boucherville (QC)	Vice President, Finance and Administration
Mario Burnham, ... St-Bruno (QC)	Vice President, Sales and Development
Mario D'Amours, ... Terrebonne (QC)	Vice President, Distribution
Marko Potvin, ... Ste-Julie (QC)	Vice President, Purchases and Merchandising
Michel Delisle, ... Lachenaie (QC)	Vice President, Information Technology

Biographies

The following are brief profiles of the executive officers of Colabor LP:

Gilles C. Lachance, President and Chief Executive Officer — Mr. Lachance joined Colabor as president in 1998. Over the previous 20 years, Mr. Lachance held various executive positions with businesses, including with Groupe Jean Coutu (PJC) Inc. as Vice President, Operations and Marketing from 1981 to 1986 and as Operations and Marketing Manager from 1979 to 1981, Les Rôtisseries St-Hubert Ltée as President and Chief Executive Officer from 1991 to 1992 and Vice-President and General Manager form 1986 to 1991 and L'Auberge des Gouverneurs as President and Chief Executive Officer from 1992 to 1993. Mr. Lachance holds a master and bachelor's degree in biology which he obtained from the University of Sherbrooke in 1975 and a MBA from the University of Sherbrooke, in 1977.

Michel Loignon, Vice President, Finance and Administration — Mr. Loignon joined Colabor in 1998 as Vice President, Finance. Mr. Loignon has over 25 years of experience in finance and operations with various manufacturing and distribution businesses such as Westburne/Nedco, where he held the position of Controller from 1979 to 1981, Le Groupe Ro-Na Dismat Inc., as Director of Finance from 1986 to 1988 and Deputy to the President from 1988 to 1990 and Héroux Inc., as Controller from 1993 to 1994. Mr. Loignon holds a licence in business administration which he obtained from Laval University in 1974, and has been a member of the Institute of Chartered Accountants of Quebec since 1976.

Mario Burnham, Vice President, Sales and Development — Mr. Burnham joined Colabor in 2003 as Vice President, Sales and Development. Mr. Burnham has 20 years of experience in the food industry, principally with H.G. Heinz Canada from 1985 to 2002 where he held various positions, including as National Director of Distribution Accounts. Mr. Burnham has a bachelor's degree in marketing from the University of Sherbrooke.

Mario D'Amours, Vice President, Distribution — Mr. D'Amours joined Colabor in 2002 as Vice-President Distribution. Mr. D'Amours has over 20 years of experience in the food industry with businesses including at Métro-

Richelieu Inc. from 1980 to 2000 as Operations Manager, Distribution Manager and at Centre Frigorifique Montérégie Inc. from 2001 to 2002 as General Manager. Mr. D'Amours holds a diploma in administration from Cegep Lionel-Groulx which he obtained in 1979.

Marko Potvin, Vice President, Purchases and Merchandising — Mr. Potvin joined Colabor in 1993 as Director Purchasing and Merchandising, was Director of Operations from 1997 to 1998 and became Vice President, Purchases in 1998. Mr. Potvin has 20 years of experience in the foodservices and retail industries. Prior to joining Colabor, Mr. Potvin was Director, Marketing with Steinberg from 1990 to 1992 and Chief Banner from 1989 to 1990. From 1981 to 1989, Mr. Potvin held various positions in purchasing and merchandizing with Aligro Inc.

Michel Delisle – Vice President, Information Technology — Mr. Delisle joined Colabor in 1993 as responsible of information technology systems and has been president of Gestion Informatique Colabor Inc. since 2000. As of Closing, Mr. Delisle will join Colabor LP as Vice President — Information Technology. From 1986 to 1993, Mr. Delisle was employed by Mitech Computer Systems Inc., a software development company. Mr. Delisle holds a technical diploma in computer science from Cegep Ahuntsic.

Ownership Interest of Trustees and Officers

After giving effect to the Offering, the Trustees, the Trustees of the Trust and the executive officers of Colabor LP, as a group, will exercise control or direction over, in the aggregate 166,236 Units, which will represent a 1.5% equity and voting interest in the Fund.

Governance of the Fund

The Trustees will appoint a Corporate Governance and Human Resources Committee and an Audit Committee, each of which will have three members who will all be ''unrelated'' (as that term is currently defined in the corporate governance guidelines of the TSX) to the Fund and Colabor and ''independent'' within the meaning of applicable securities law.

Corporate Governance and Human Resources Committee

The Corporate Governance and Human Resources Committee will review and make recommendations to the Trustees and the directors of the General Partner concerning the nomination of directors of the General Partner and the appointment of directors and officers of the Fund's other subsidiaries including Colabor LP. The committee will review annually the President's goals and objectives for the upcoming year and provide an appraisal of the President's performance. The committee will also make recommendations concerning the compensation of the directors of the General Partner and the compensation of the officers of Colabor LP. The committee will administer and make recommendations regarding the operation of incentive compensation plans and equity based plans, including the LTIP (as defined herein). The committee will also be responsible for advising the board on filling vacancies among the Trustees and the board of the General Partner and periodically reviewing the composition and effectiveness of the Trustees and board of the General Partner and the contribution of individual Trustees and directors.

The committee will also be responsible for developing Colabor's approach to corporate governance issues and for reviewing and authorizing all related party transactions. Related party transactions will specifically include any transaction between the Fund, the Trust or Colabor LP and the Vendor or its Affiliated-Wholesalers. More specifically, the committee will pass upon an arrangement relating to the following matters:

- the relationship among the Vendor, the Affiliated-Wholesalers and Colabor LP, including the terms and conditions of the Affiliate Agreements and any other agreement governing such relationship, which includes the terms and conditions upon which cash rebates are payable to Affiliated-Wholesalers by Colabor LP;
- the terms and conditions upon which Colabor LP occupies the Distribution Centre;
- the terms and conditions upon which GIC will provide information technology services to Colabor LP.

This committee will finally be responsible for adopting and periodically reviewing and updating the Fund's written disclosure policy. This policy will, among other things:

- articulate the legal obligations of the Fund, its affiliates and their respective trustees, directors, officers and employees with respect to confidential information;
- identify spokespersons of the Fund, who will be the only persons authorized to communicate with third parties such as analysts, media and investors;

- provide guidelines on the disclosure of forward-looking information;
- require advance review by senior executives of Colabor LP of any selective disclosure of financial information to ensure the information is not material, to prevent the selective disclosure of material information and to ensure that, if selective disclosure does occur, a news release is issued immediately; and
- establish ''black-out'' periods immediately prior to and following the disclosure of quarterly and annual financial results and immediately prior to the disclosure of certain material changes, during which periods the Fund, its affiliates and their respective trustees, directors, officers, employees and consultants may not purchase or sell Units, other than under the LTIP.

Audit Committee

The Audit Committee will assist the Trustees in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the Fund, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements of the Fund. The Audit Committee will also be responsible for directing the auditors' examination of specific areas, to review with the auditors the scope of the audit review and for the selection of potential independent auditors to be appointed by the holders of Voting Units. In addition, the Audit Committee will review and recommend to the Trustees the approval of the interim and annual financial statements and all public disclosure containing audited or unaudited financial information. All members of the Audit Committee will be financially literate within the meaning of applicable securities laws.

EXECUTIVE COMPENSATION

Remuneration of Trustees

Initial compensation for Trustees who are not employees or officers of Colabor LP will be $20,000 per Trustee per year and $1,000 per Trustee for attending board or committee meetings of the Trustees either in person or by conference call. The Chairman of the board of Trustees will receive additional remuneration of $10,000 per year and the chair of the Audit Committee and of the Corporate Governance and Human Resources Committee will each receive an additional $5,000 per year. Trustees will also be reimbursed for out-of-pocket expenses for attending meetings. Trustees will participate in the insurance and indemnification arrangements described below under ''Insurance Coverage for the Fund and Related Entities and Indemnification''. See ''Description of the Fund — Trustees'' and ''Description of the Trust — Trustees''. No Trustee will receive compensation for acting as a Trustee of the Trust, a director of the General Partner or other affiliated entities (other than for fees for attending board or committee meetings of the Trust or of these corporations that do not run concurrently with meetings of the board of Trustees).

Remuneration of Officers

The total compensation for officers of Colabor LP will be comprised of a base salary, annual incentive compensation and a long-term incentive plan. Total compensation of the officers of Colabor LP will be reviewed periodically and adjusted as appropriate based on individual and Colabor LP's performance, capabilities, responsibilities and competitive market data.

Historical Compensation

The following table provides a summary of the compensation earned in respect of the Vendor's fiscal year ended December 31, 2004 by each of the President's and the Vice President Finance and Administration (the ''Named Executive Officers'') (based upon the compensation earned by such individuals in their capacities as officers of Colabor during such fiscal year). The amounts of annual compensation earned by any executive officers not listed in the table below are less than $150,000.

Name and Principal Position with the Vendor	Salary	Bonus	All other Compensation
	$	$	$
Gilles C. Lachance, President	212,082	72,774	21,328
Michel Loignon, Vice President, Finance and Administration	115,213	48,887	9,880

In addition, prior to the completion of the Offering, Gilles C. Lachance, Michel Loignon, Mario Burnham, Mario D'Amours, Marko Potvin and Michel Delisle (collectively, the ''Officers'') will receive an aggregate of $3,144,750 payable by the Vendor in consideration of the disposition of options to acquire shares of the Vendor held by the Officers. Each of the Officers has agreed to use at least 50% of the payment he will receive, after any applicable taxes, from the Vendor to acquire Units at Closing, said Units will be subject to contractual lock-up provisions providing for their release in five equal yearly instalments on each anniversary date of Closing.

The 2004 compensation arrangements were based on the Vendor's prior circumstances as a private company and will not continue going forward. For details on the going forward compensation arrangements which are based on the new income fund structure, see ''Remuneration of Officers'', ''Proposed Compensation'', ''Employment Contracts'', ''Incentive Plan — Long-Term Incentive Plan'' and the ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' sections of this prospectus.

Proposed Compensation

The following table shows the proposed base salary for 2005 for each of the Named Executive Officers:

Name and Principal Position with Colabor LP	Proposed Base Salary for 2005	Proposed other Compensation for 2005
	($)	($)
Gilles C. Lachance, President and Chief Executive Officer	270,000	34,500
Michel Loignon, Vice President, Finance and Administration	160,000	18,400

Employment Contracts

On Closing, Colabor LP will enter into new employment contracts with each of the Named Executive Officers. Gilles C. Lachance's employment agreement will be for a minimum term of 3 years and will provide for a cash performance bonus of up to a maximum of 50% of his base salary in addition to any payment he receives under the LTIP. Michel Loignon's employment agreement will be for a minimum term of 3 years and will provide for a cash performance bonus of up to a maximum of 30% of his base salary in addition to any payment he receives under the LTIP. Upon termination of employment by Colabor LP without cause, the agreements will provide that Mr. Lachance or Mr. Loignon, as the case may be, will be entitled to severance pay equal to the greater of the amount of base salary he is entitled to receive until the expiry of the minimum three year term and an amount equal to one year of base salary, in either case plus bonus during the applicable period and any accrued but unpaid LTIP payments. In addition, each of Mr. Lachance and Mr. Loignon will receive a payment equal to one year of base salary in the event he ceases to be employed by Colabor LP within one year following a change of control. Non-disclosure covenants by each of the Named Executive Officers in favour of Colabor LP will apply during the term of employment and will continue indefinitely following termination of his employment; non-solicitation and non-competition covenants in favour of Colabor LP will apply during the term of his employment and will continue for a one-year period following termination of his employment. The Named Executive Officers may also be entitled to other incentives as may be determined from time to time by the Corporate Governance and Human Resources Committee. Other terms and conditions of the employment agreements will be consistent with employment agreements for senior executives of comparable entities.

Incentive Plans

Annual Incentive Plan

All non-unionized employees of Colabor LP will be eligible to receive discretionary cash bonuses pursuant to an annual incentive plan. These bonuses will be based entirely on specific objective performance measures and will not exceed, in the aggregate, 5% of the annual distributable cash, calculated in a manner consistent with the method described under ''Summary of Distributable Cash''.

Long-Term Incentive Plan

The officers and key employees of Colabor LP will be eligible to participate in Colabor LP's Long-Term Incentive Plan (the ''LTIP''). The purpose of the LTIP is to fully align the interests of Colabor LP's officers and key employees with those of the Unitholders and to provide eligible participants with compensation opportunities that will enhance Colabor LP's ability to attract, retain and motivate key personnel and reward officers and key employees for significant performance that results in the Fund exceeding its per Unit distributable cash targets. Pursuant to the LTIP, Colabor LP will set aside a pool of funds based upon the amount by which the Fund's per Unit distributable cash exceed certain per Unit distributable cash threshold amounts. Colabor LP, or a trustee appointed to administer the LTIP, will purchase Units in the market with this pool of funds and will hold the Units until such time as ownership vests to each participant. Generally, one-third of these Units will vest equally over the three years following the grant of the awards. LTIP participants will be entitled to receive distributions on all Units held for their account prior to the applicable vesting date. Unvested Units held by the trustee for an LTIP participant will be forfeited if the participant resigns for a reason other than his retirement or is terminated for cause prior to the applicable vesting date, and those Units will be sold and the proceeds returned to Colabor LP.

The Trustees or the Corporate Governance and Human Resources Committee will have the power to determine, among other things: (i) those persons who will participate in the LTIP, (ii) the level of participation of each participant, and (iii) determine the time or times when LTIP awards will vest or be paid to each participant.

Initially, the LTIP will provide awards (in either cash or Units) that may be earned based on the amount by which distributable cash per annum per Unit exceeds $0.53 per Unit (on a fully diluted basis) for fiscal year 2005 and $1.025 per Unit (on a fully diluted basis) per fiscal year beginning in 2006 (the ''Base Distribution Threshold per Unit''). The Base Distribution Threshold per Unit will be reviewed annually by the Corporate Governance and Human Resources Committee and adjusted, if necessary. To the extent that the distributable cash per Unit (including reserves held back to fund distributions under the LTIP) (the ''Gross Distributable Cash per Unit'') in any year exceeds the Base Distribution Threshold per Unit and any lower percentage threshold set out below, the following amounts will be used to fund the LTIP:

Percentage by which Gross Distributable Cash per Unit exceeds Base Distribution Threshold per Unit per fiscal year	Maximum proportion of excess distributable cash available for incentive payments
Up to 5%	10%
Between 5% and 10%	15% of the amount in excess of 5%
Above 10%	20% of the amount in excess of 10%

Indebtedness of Directors and Executive Officers

On Closing, none of the Trustees, directors or executive officers of Colabor LP, nor any associate of such Trustees, directors or executive officers will be indebted to Colabor LP. Furthermore, Colabor LP has adopted a policy prohibiting loans to Trustees, directors or executive officers of Colabor LP. Additionally, after Closing, Colabor LP will not provide any guarantee, support agreement, letter of credit or similar arrangement or undertaking in respect of any indebtedness of any such person to any other person or entity.

Liability of Trustees

The Fund Declaration of Trust contains customary provisions limiting the liability of the Trustees. The Trustees will not be liable to any holder of Voting Units or any other person, in civil law or otherwise, for: (i) any action taken or not taken in good faith in reliance on any document that is, prima facie, properly executed; (ii) any depreciation of, or loss to, the Fund incurred by reason of the sale of any asset; (iii) the loss or disposition of money or securities; (iv) any action or failure to act of any other person to whom the Trustees have delegated any of their duties under the Fund Declaration of Trust; or (v) any other action or failure to act (including failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform its duties under or delegated to it, under the Fund Declaration of Trust), unless, in each case, such liabilities arise out of a breach of the Trustees' standard of care, diligence and skill or breach of the restrictions on the Trustees' powers as set out in the Fund Declaration of Trust. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under the Fund Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel, and the Trustees will not be liable for and will be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of such expert, advisor or legal counsel. In the exercise of the powers, authorities or discretion conferred on the Trustees under the Fund Declaration of Trust, the Trustees are and will be conclusively deemed to be acting as Trustees of the Fund's assets and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Fund or the Fund's assets.

Insurance Coverage for the Fund and Related Entities and Indemnification

The Fund will obtain or cause to be obtained an insurance policy for the Trustees and for the trustees, directors and officers of the Fund's subsidiaries. The initial aggregate limit of liability applicable to the insured trustees, directors and officers under the policy will be customary and consistent with industry practice for comparable issuers. Under the policy, each entity will have reimbursement coverage to the extent that it has indemnified the trustees, directors and officers. The policy will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Fund or any of its subsidiaries. The total limit of liability will be shared amongst the Fund, its subsidiaries and their respective trustees, directors and officers so that the limit of liability will not be exclusive to any one of the entities or their respective trustees, directors and officers.

The declaration of trust of each of the Fund and the Trust provides for the indemnification of their respective trustees and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations. The by-laws of the General Partner and the Fund's other corporate subsidiaries also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations.

Undertakings to Canadian Securities Regulatory Authorities

Trustees, directors, senior officers and other insiders of the Fund and of entities owned directly or indirectly by the Fund will be required to file insider reports and comply with insider trading provisions under applicable Canadian securities legislation in respect of trades in Voting Units made by such persons.

FUNDING, ACQUISITION AND RELATED TRANSACTIONS

Closing Transactions

The Business is currently conducted by the Vendor. Through a series of transactions to be completed on or prior to Closing, the Fund will indirectly acquire an interest in Colabor LP which will, prior to Closing, have acquired the Business Assets from the Vendor. The following is a summary of the principal transactions that will take place in connection with the completion of the Offering and the indirect acquisition by the Fund of the Business:

1. Colabor LP will, prior to Closing, acquire all of the Business Assets of the Vendor for a consideration equal to approximately $133,615,000 payable by the issuance of promissory notes (collectively the ''Notes'') and Exchangeable LP Units;
2. Colabor LP will enter into new short-term credit facilities for an aggregate principal amount of approximately $32 million. See ''Debt Financing – New Credit Facilities'';
3. the Fund will use the proceeds of the Offering to subscribe for a combination of Trust Units and Trust Notes;
4. the Trust will use the proceeds from the issuance of its securities to the Fund to subscribe for Ordinary LP Units and purchase all of the issued and outstanding shares of the General Partner;
5. Colabor LP will use the cash proceeds from the issuance of its Ordinary LP Units to the Trust for Notes repayment; and
6. the Fund, the Trust, Colabor LP, the General Partner and the Vendor will enter into the Exchange Agreement.

As a result of these transactions and without giving effect to the exercise of the Over-Allotment Option, the Units will be owned in a proportion of 50.6% by the public and 49.4% by the Vendor through its ownership of Exchangeable LP Units.

Acquisition Agreement

Pursuant to the terms of the Acquisition Agreement, the Vendor will, prior to Closing, have sold all of the Business Assets to Colabor LP in consideration for the Notes, 5,362,439 Exchangeable LP Units and a number of Special Voting Units equal to the number of Exchangeable LP Units held by the Vendor. See ''Glossary of Terms'' for a description of the Business Assets acquired and the Excluded Assets. At Closing, the Fund will indirectly acquire 5,500,000 Ordinary LP Units of Colabor LP in exchange for cash in the aggregate amount of $51,700,000 which will be used by Colabor LP for Notes repayment and for the payment of the expenses of the Offering estimated at $1,800,000. Upon completion of the transactions contemplated by the Acquisition Agreement and the indirect subscription of Ordinary LP Units by the Fund, Colabor LP will own the Business and the Vendor will have a 49.4% limited partnership interest in Colabor LP (or 46.8% assuming the exercise of the Over-Allotment Option in full), representing a 49.4% fully diluted interest in the Fund (or 46.8% assuming the exercise of the Over-Allotment Option in full).

The Acquisition Agreement contains customary representations and warranties and related indemnities by the Vendor in favour of Colabor LP. These representations and warranties address various matters relating to Colabor and related corporate and operational matters, and include a representation and warranty that the prospectus of the Fund (i) does not contain an untrue statement of material fact with respect to the Business and the securities offered thereby, (ii) does not omit any material fact with respect to the Business or the securities offered thereby 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 and (iii) constitutes full true and plain disclosure of all material facts relating to the Business and the securities offered thereby and does not contain any misrepresentation.

The aggregate maximum liability of the Vendor for its representations, warranties and indemnities will be limited to $55 million. The Vendor will not be liable for damages under the Acquisition Agreement unless and until the aggregate of all damages suffered by Colabor LP exceeds an aggregate amount of $500,000, in which case the Vendor will be liable for all damages including the first $500,000.

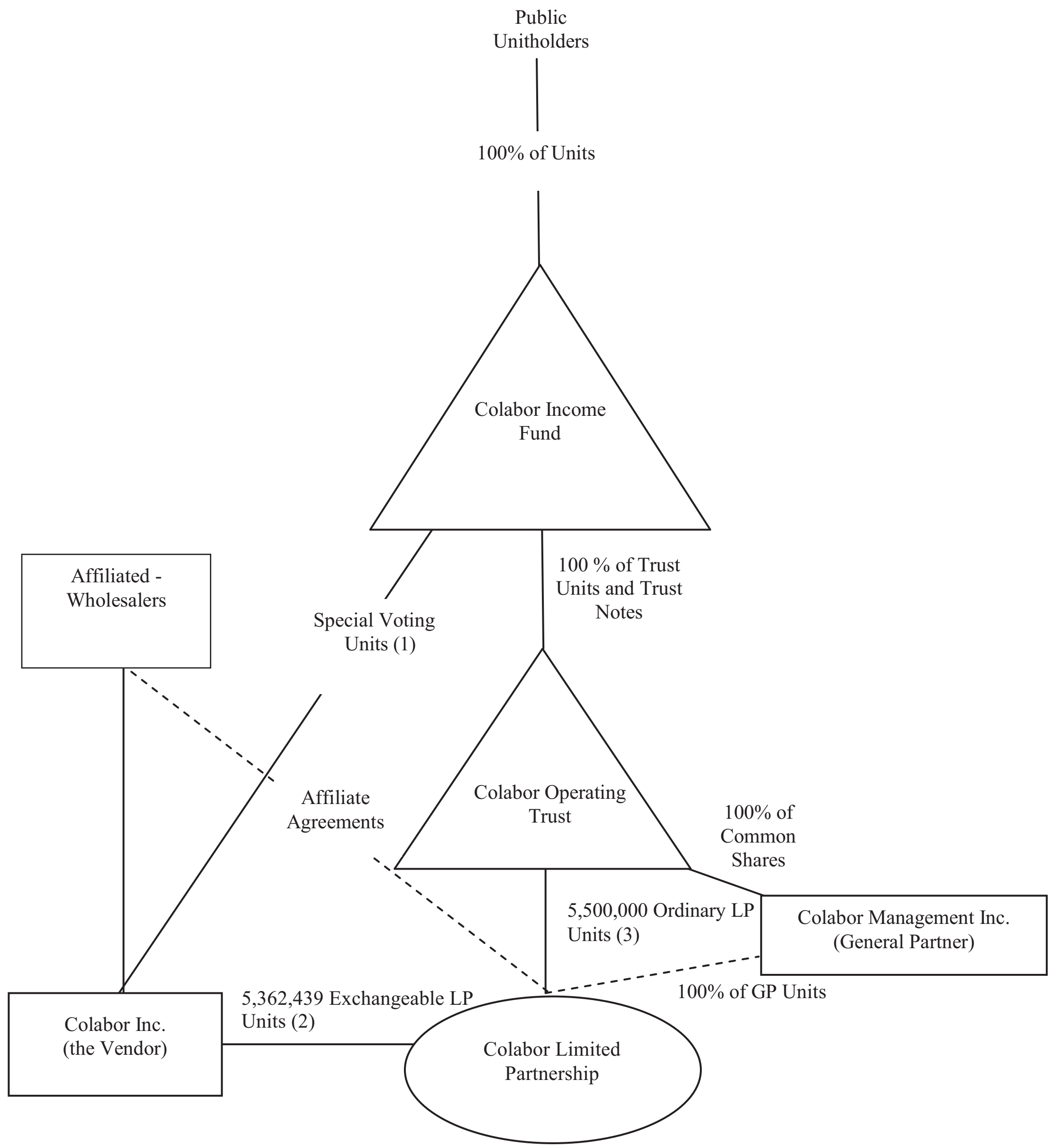
The representations and warranties of the Vendor will survive for a period of two years, except for (i) certain limited representations and warranties on the title to the Business Assets and other warranties, which will survive indefinitely, (ii) the prospectus disclosure representation and warranty, which will survive for a period of three years following Closing, (iii) representations and warranties relating to certain tax matters, which will survive until 90 days after the expiration of the applicable limitation periods. The Vendor will also enter into a non-competition agreement in favour of the Fund and its entities which shall remain in force as long as the Vendor owns any Exchangeable LP Units or Units and for a period of two years thereafter but in no event for a period less than five years following Closing.

The Acquisition Agreement does not require the Vendor to provide any security for its indemnification obligations under the Acquisition Agreement or to otherwise take any steps to ensure that it will be in a position to satisfy such obligations. Accordingly, there can be no assurance of recovery by the Fund from the Vendor for breaches of its representations and warranties.

Closing of the indirect subscription of Ordinary LP Units will be conditional upon customary closing conditions, including the receipt of certain approvals and consents and the funds being made available under the New Credit Facilities.

Structure Following Closing

The following chart illustrates the structure of the Fund following completion of this Offering and the indirect acquisition of Colabor by the Fund and related transactions:



(1) Representing 49.4% of the Voting Units of Colabor Income Fund assuming the Over-Allotment Option is not exercised.

(2) Representing a 49.4% equity interest in Colabor Limited Partnership assuming the Over-Allotment Option is not exercised.

(3) Representing a 50.6% equity interest in Colabor Limited Partnership assuming the Over-Allotment Option is not exercised.

RETAINED INTEREST OF THE VENDOR

Retained Interest

Upon completion of this Offering, the Vendor will own Exchangeable LP Units representing an indirect 49.4% ownership interest in the Fund. If the Over-Allotment Option is exercised in full, the Vendor will own Exchangeable LP Units representing an indirect 46.8% ownership interest in the Fund. As a holder of Exchangeable LP Units, the Vendor will have the right, subject to the ''lock-up provisions'' described below under ''Lock-Up'', pursuant to an exchange agreement dated as at the date of Closing among the Fund, the Trust, Colabor LP, the General Partner and the Vendor (the ''Exchange Agreement''), exercisable on certain conditions, to require the Fund to exchange each such Exchangeable LP Unit for Units on a one-for-one basis, subject to customary anti-dilution provisions. The Exchangeable LP Units are transferable together with the related Special Voting Units.

Pursuant to the provisions of the Exchange Agreement, if the Over-Allotment Option is exercised in whole or in part, the proceeds received by the Fund will be used to subscribe for Trust Units and Series 1 Trust Notes, the proceeds of which will be used by the Trust to acquire that number of Exchangeable LP Units held by the Vendor at Closing equal to the number of Units issued pursuant to the exercise of the Over-Allotment Option. The Trust will subsequently transfer to Colabor LP the Exchangeable LP Units acquired from the Vendor in exchange for Ordinary LP Units.

Exchange Rights

Pursuant to the terms of the Exchange Agreement, the Vendor will be entitled to effectively exchange all or a portion of its Exchangeable LP Units for Units, on a one-for-one basis (the ''Exchange Rights''). Subject to the ''lock-up'' provisions described below under ''Lock-Up'', these Exchange Rights may be exercised by the Vendor at any time at its discretion so long as the following conditions have been met: (a) the exchange would not cause the Fund to breach the restrictions respecting non-resident ownership contained in the Fund Declaration of Trust as described in ''Description of the Fund — Limitation on Non-Resident Ownership''; (b) the Fund is legally entitled to issue the Units in connection with the exercise of the Exchange Rights; and (c) the person receiving the Units upon the exercise of the Exchange Rights complies with all applicable securities laws. Rights under the Exchange Agreement may be assigned by the Vendor in whole or in part in connection with a transfer of its Exchangeable LP Units.

The rate of exchange of the Exchangeable LP Units will be adjusted based on customary anti-dilution protections. The Fund Declaration of Trust and the Exchange Agreement include provisions to facilitate the exchange of Exchangeable LP Units for Units so that a holder of Exchangeable LP Units can exercise its Exchange Rights, including conditionally, in order to tender to a take-over bid.

Lock-Up

Pursuant to the terms of the Exchange Agreement, the Vendor has agreed not to transfer, pledge, exchange for Units or otherwise dispose of any Exchangeable LP Units for a period of ten years following Closing (the ''Lock-Up'').

Notwithstanding the Lock-Up, the Vendor will be entitled, starting on the second anniversary of Closing and on each subsequent anniversary of Closing (collectively, the ''Release Dates''), to exchange or dispose of a number of Exchangeable LP Units based on the increase in value of the Units from Closing to such Release Date. On each Release Date, the Vendor will have the right to exchange or dispose of a number of Exchangeable LP Units having a value equal to 75% of the increase in value of the underlying Units and a number of Exchangeable LP Units having a value equal to 25% of such increase will be set aside and released as described below (the ''Remaining Units''). The increase in value for determining the number of Exchangeable LP Units which may be exchanged or disposed of as of each Release Date, if any, will be equal to the number of the Vendor's Exchangeable LP Unit still subject to the Lock-Up at such date (excluding the Remaining Units) multiplied by the difference between the market price of the Units on the Release Date and the greater of i) $10 or ii) the highest market price on each of the previous Release Dates. At the end of the Lock-Up period, the Vendor will be entitled to exchange or dispose of all of its Exchangeable LP Units with the exception of the Remaining Units which will be released over a five-year period starting on the eleventh anniversary of Closing. An Affiliated-Wholesaler that chooses not to renew the Affiliate Agreement after its initial ten-year term will forfeit its rights in respect of the Remaining Units.

The Colabor LP Partnership Agreement and the Exchange Agreement will provide that if a take-over bid by a person acting at arm's length to the Vendor (or any associate or affiliate thereof or person acting jointly or in concert with the Vendor) is made for the Units, then, provided that not less than 20% of the Units, on a fully diluted basis, (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are, directly or indirectly, taken-up and paid for pursuant to the take-over bid, the Vendor will be entitled to deposit its Exchangeable LP Units in response to such take-over-bid. The Lock-Up will automatically terminate and be of no further force or effect with respect to the Exchangeable LP Units actually taken-up and paid pursuant to the take-over bid and will remain in force for the remaining Exchangeable LP Units held by the Vendor.

Cancellation of Exchangeable LP Units Upon Withdrawal of an Affiliated-Wholesaler

In order to stabilize distributions on the Units upon the withdrawal of an Affiliated-Wholesaler from Colabor LP or termination of an Affiliate Agreement by Colabor LP, Exchangeable LP Units which will be held by the Vendor have, for a ten-year period following the Closing Date, automatic cancellation provisions in the event that a person who was an Affiliated-Wholesaler on the Closing Date exercises its right of withdrawal from an Affiliate Agreement or that such agreement is terminated by Colabor LP. See ''Affiliated-Wholesalers — Following Closing of the Offering''. The number of Exchangeable LP Units cancelled will be based on the portion of outstanding participating shares held, directly or indirectly, by the withdrawing Affiliated-Wholesaler in the capital stock of the Vendor on the Closing Date. Concurrently with the cancellation of the Exchangeable LP Units, an equivalent number of Special Voting Units will also be cancelled by the Fund.

Voting Rights

Together with the Exchangeable LP Units, the Vendor will, in connection with the Offering, be issued Special Voting Units of the Fund that will be attached to, and will only be evidenced by, the certificates representing the Exchangeable LP Units. The Special Voting Units will entitle the Vendor to vote at all meetings of Voting Unitholders (including resolutions in writing) as if it were the holder of the number of Units that it would receive if all of its Exchangeable LP Units were exchanged for Units. See ''Description of the Fund — Units and Special Voting Units''.

Transfer of Shares of the Vendor

At Closing, the Vendor and the Fund will enter into an agreement pursuant to which the Vendor will undertake not to authorize or proceed with the transfer of its shares or amend its articles of incorporation or take any action or refrain from taking any action that would permit the sale, disposition, assignment or other form of transfer of shares of the Vendor pursuant to an offer made to one or more Affiliated-Wholesalers that would provide the transferee with the control of the Vendor in circumstances where applicable securities laws would require that an identical offer be made in respect of Units if the Exchangeable LP Units held by the Vendor were exchanged into Units at the then current exchange ratio in effect under the Exchange Agreement prior to such transfer. The foregoing restrictions will not apply if an identical offer is made for the Units (in terms of price, proportion of securities sought to be acquired and other conditions) and the transferee also acquires a proportionate number of Units actually tendered to such identical offer.

DESCRIPTION OF THE FUND

Declaration of Trust

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec pursuant to the Fund Declaration of Trust. It is intended that the Fund will qualify as a mutual fund trust for the purposes of the Tax Act, although the Fund will not be a mutual fund under applicable securities laws. The following is a summary of the material attributes and characteristics of the Voting Units and certain provisions of the Fund Declaration of Trust, which summary does not purport to be complete. Reference is made to the Fund Declaration of Trust for a complete description of the Voting Units and the full text of its provisions. See ''Material Contracts''.

Activities of the Fund

The Fund Declaration of Trust provides that the Fund is a limited purpose trust and its activities are restricted to:

(i) acquiring, investing and reinvesting in, transferring, disposing of and investing the proceeds thereof in, and otherwise dealing with securities of corporations, partnerships, trusts or other persons engaged, directly or indirectly, in the food, food-related and non-food products and distribution and marketing business, as well as activities ancillary thereto, and such other investments as the Trustees may determine;

(ii) temporarily holding cash in interest bearing accounts, short-term government debt or short-term investment grade corporate debt for the purposes of paying the expenses and liabilities of the Fund, paying amounts payable by the Fund in connection with the redemption of any Voting Units or other securities of the Fund and making distributions to Unitholders;

(iii) issuing Voting Units and other securities of the Fund (including securities convertible or exchangeable for Voting Units or other securities of the Fund or warrants, options or other rights to acquire Units or other securities of the Fund), for any proper purposes, including: (a) obtaining funds to conduct the activities of the Fund, including raising funds for acquisitions and development (including acquisitions of investments that are not identical to those the Fund already owns); (b) making any non-cash distribution; (c) issuances pursuant to any unitholder rights plans, distribution reinvestment plans, incentive plans or other compensation plans, if any, established by the Fund, the Trust, the General Partner, Colabor LP or their respective subsidiaries; or (d) giving effect to the exercise of the exchange rights pursuant to the Exchange Agreement;

(iv) issuing debt securities (including debt securities convertible into, or exchangeable for, Units or other securities of the Fund) or otherwise borrowing and mortgaging, pledging, charging, granting a security interest in, hypothecating or otherwise encumbering any of its assets as security, including for purposes of obtaining funds to conduct the activities of the Fund, including raising funds for acquisitions and developments (including acquisitions of investments that are not identical to those already owned by the Fund);

(v) guaranteeing (as guarantor, surety or co principal obligor) the payment of any indebtedness, liability or obligation of the Trust, the General Partner, Colabor LP or any of their respective subsidiaries or the performance of any obligation of any of them, and mortgaging, pledging, charging, granting a security interest in, hypothecating or otherwise encumbering all or any part of its assets as security for such guarantee, and subordinating its rights under the Trust Notes to other indebtedness;

(vi) disposing of all or any part of the assets of the Fund and reinvesting the proceeds thereof in new investments in accordance with paragraph (i) above (including new investments that are not identical to those already owned by the Fund);

(vii) issuing or redeeming rights and Voting Units pursuant to any Unitholder rights plan adopted by the Fund;

(viii) repurchasing securities issued by the Fund, subject to the provisions of the Fund Declaration of Trust and applicable law;

(ix) satisfying the obligations, liabilities or indebtedness of the Fund;

(x) entering into and performing its obligations under the Subscription and Acquisition Agreement, the Exchange Agreement, the credit agreements creating the New Credit Facilities and such other agreements as are contemplated by this prospectus and the Offering or ancillary thereto; and

(xi) undertaking all other usual and customary actions for the conduct of the activities of the Fund in the ordinary course as are approved by the Trustees from time to time, or as are contemplated by the Fund Declaration of Trust,

provided that the Fund will not undertake any activity, take any action, omit to take any action or make any investment which would result in the Fund not being considered a ''mutual fund trust'' for purposes of the Tax Act, or which would result in the Units being treated as ''foreign property'' for the purpose of the Tax Act.

Units and Special Voting Units

The beneficial interests in the Fund will be 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 may be issued pursuant to the Fund Declaration of Trust.

The Voting Units are not subject to future calls or assessments, and entitle the holder thereof to one vote for each whole Voting Unit held at all meetings of Voting Unitholders. Except as set out under ''— Redemption at the Option of Unitholders'' below, the Voting Units have no conversion, retraction, redemption or pre-emptive rights. Issued and outstanding Voting Units may be subdivided or consolidated from time to time by the Trustees without the approval of Voting Unitholders.

Units

Each Unit represents an equal undivided beneficial interest in any distributions from the Fund, whether of net income, net realized capital gains (other than net realized capital gains distributed to redeeming holders of Units) or other amounts. Each Unit also represents an equal undivided beneficial interest in the net assets of the Fund in the event of termination or winding-up of the Fund. Units are transferable and bear equal rights and privileges.

No certificates will be issued for fractional Units and fractional Units will not entitle the holders thereof to vote. The Units are not ''deposits'' within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of such act or any other legislation.

Special Voting Units

The Special Voting Units will not be entitled to any interest 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 a termination or winding-up of the Fund. Special Voting Units may, however, be redeemed at the option of the holder at any time for nominal consideration.

Special Voting Units may be issued in series and will only be issued in connection with or in relation to Exchangeable LP Units and, if the Trustees so determine, other securities exchangeable, directly or indirectly, for Units (the ''Exchangeable Securities''), in each case for the purpose of providing voting rights with respect to the Fund to the holders of such securities. Special Voting Units will be issued in conjunction with, and will be attached to, the Exchangeable LP Units (or other Exchangeable Securities) to which they relate, and will be evidenced only by the certificates representing such Exchangeable LP Units or, if the Trustees so determine, other Exchangeable Securities. Special Voting Units will not be transferable separately from the Exchangeable LP Units (or other Exchangeable Securities) to which they are attached. Each Special Voting Unit will entitle the holder thereof to that number of votes at any meeting of Voting Unitholders that is equal to the number of Units that may be obtained upon the exchange (direct or indirect) of the Exchangeable LP Unit or other Exchangeable Security to which it is attached. Upon the exchange of an Exchangeable LP Unit (or other Exchangeable Security) directly or indirectly for Units or the cancellation of an Exchangeable LP Unit upon withdrawal of an Affiliated-Wholesaler or any other reason, the Special Voting Unit that is attached to such Exchangeable LP Unit (or other Exchangeable Security) will immediately be cancelled without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

This prospectus qualifies the distribution of Special Voting Units to the holders of Exchangeable LP Units issued on Closing.

Issuance of Units

Units

The Fund Declaration of Trust provides that Units or rights to acquire Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine, including pursuant to any unitholder rights plan or any incentive option or other compensation plan established by the Fund. Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a pro rata basis to the extent that the Fund does not have available cash to fund such distributions. The Fund Declaration of Trust also provides that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units such holder held before the non-cash distribution, except where tax was required to be withheld in respect of the holder's share of the distribution. In this case, each certificate, if any, representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units (of the same class of units) after the non-cash distribution and the consolidation. Where amounts so distributed represent income, non-resident holders will be subject to withholding tax and the consolidation will not result in such non-resident Unitholders holding the same number of Units. Such non-resident Unitholders will be required to surrender the certificates, if any, representing their original Units in exchange for a certificate representing their post-consolidation Units.

The Trustees may refuse the issue or register the transfer of Units if they become aware that more than 40% of the market value of all the Units will be held for the benefit of non-residents. See ''Limitation on Non-Resident Ownership''.

Trustees

The Fund will have a minimum of three Trustees and no more than 11 Trustees, the majority of whom must be residents of Canada (within the meaning of the Tax Act). The Trustees are to supervise the activities and manage the affairs of the Fund. On Closing, the board of the Fund will be comprised of five Trustees, a majority of whom will be ''unrelated'' (within the meaning of the corporate governance policies of the TSX) and ''independent'' (within the meaning of applicable securities laws).

The Vendor shall have the right to propose for election as Trustees (i) up to two nominees as long as it holds, directly or indirectly, at least 40% of the issued and outstanding votes attached to the Voting Units, and (ii) one nominee if it holds, directly of indirectly, at least 20% of the issued and outstanding votes attached to the Voting Units. The Corporate Governance and Human Resources Committee of the Fund will propose the remaining nominees for election of the Trustees.

The Fund Declaration of Trust provides that, subject to its terms and conditions, the Trustees will have full, absolute and exclusive power, control and authority over the assets and affairs of the Fund to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the Fund assets and will supervise the investments and conduct the affairs of the Fund. Subject to such terms and conditions, the Trustees are responsible for, among other things:

- maintaining records and providing reports to Voting Unitholders;
- supervising the activities and managing the investments and affairs of the Fund;
- effecting payments of distributable cash from the Fund to Unitholders; and
- voting in favour of the Fund's nominees to serve as trustees of the Trust.

Any one or more of the Trustees may resign at any time upon written notice to the Fund, and may be removed by a resolution passed by a majority of the votes cast at a meeting of the Voting Unitholders (an ''Ordinary Resolution'') called for that purpose and the vacancy created by the removal or resignation must be filled at the same meeting, failing which it may be filled by the affirmative vote of a quorum of the Trustees.

Trustees will be appointed at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting. A quorum of the Trustees, being the majority of the Trustees then holding office, may fill a vacancy in the Trustees, except a vacancy resulting from a failure of the Voting Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from a failure of the Voting Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Voting Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Voting Unitholder may call the meeting. Except as otherwise provided in the Fund Declaration of Trust, the Trustees may, prior to the first annual meeting of Voting Unitholders or between annual meetings of Voting Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Voting Unitholders without the consent of Voting Unitholders, but the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held office at the later of the Closing and the expiration of the immediately preceding annual meeting of Voting Unitholders.

The Fund Declaration of Trust provides that the Trustees will act honestly and in good faith with a view to serve the best interests of the Fund and in connection with that duty will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Fund Declaration of Trust provides that each Trustee and officer of the Fund as well as former Trustees and officers will be entitled to indemnification from the Fund in respect of the exercise of such person's powers and the discharge of such person's duties, provided that such person acted honestly and in good faith with a view to serve the best interests of all the Voting Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where such person had reasonable grounds for believing that his or her conduct was lawful.

Distributions

The Fund intends to make equal monthly cash distributions of its available cash to the maximum extent possible to Unitholders. The Fund intends to make equal monthly cash distributions of its net monthly cash receipts, less estimated cash amounts required for payment of debt service obligations and other expense obligations of the Fund and cash redemptions of Units and any tax liability. The distributions for each month will be paid on or about the 15th day of the following month. The initial cash distribution for the period from the Closing to July 31, 2005 is expected to be paid on or before August 15, 2005 and is estimated to be approximately $0.09368 per Unit (assuming that the Closing occurs on June 28, 2005). The estimated portion of distributions in 2005 that will be taxed as a return on capital is approximately 75% and the estimated portion that will be taxed as return of capital is 25%. The Fund may make additional distributions in excess of monthly distributions during the year, as the Trustees may determine.

The distribution declared in respect of the month ending December 31 in each year shall 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 will not be liable for ordinary income tax under the Tax Act in such year.

Any income of the Fund which is applied to any cash redemptions of Units or is otherwise unavailable for cash distribution will, to the extent necessary to ensure that the Fund does not have an income tax liability under Part I of the Tax Act, be distributed to Unitholders in the form of additional Units (of the same class of units). Those additional Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Unitholders who are non-residents of Canada will be required to pay all withholding taxes payable in respect of any distributions of income by the Fund, whether those distributions are in the form of cash or additional Units. Non-residents should consult their own tax advisors regarding the tax consequences of investing in the Units. See ''Certain Canadian Federal Income Tax Considerations''.

Redemption at the Option of Unitholders

Redemption of Units

Units are redeemable at any time on demand by the Unitholders thereof upon delivery to the Fund of a duly completed and properly executed notice requesting redemption in a form approved by the Trustees specifying the number of Units to be redeemed. As the Units will be issued in book-entry form, a Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the Fund at its head office and to CDS. Upon receipt of the redemption notice by the Fund, all rights to and under the Units tendered for redemption shall be surrendered and the Unitholder thereof shall be entitled to receive a price per Unit (the ''Redemption Price'') equal to the lesser of:

(i) 90% of the ''market price'' of a Unit calculated as of the date on which the Units were surrendered for redemption (the ''Redemption Date''); and

(ii) 100% of the ''closing market price'' on the Redemption Date.

For purposes of this calculation, the ''market price'' of a Unit as at a specified date, will be:

(i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;

(ii) an amount equal to the weighted average of the closing prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(iii) if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the weighted average of the following prices established for each of the ten consecutive trading days ending on such date: the simple average of the last bid and last asking prices of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The ''closing market price'' of a Unit for the purpose of the foregoing calculations, as at any date, will be:

(i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date, if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;

(ii) an amount equal to the closing price of a Unit on the principal market or exchange, if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;

(iii) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or

(iv) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

The aggregate Redemption Price payable by the Fund in respect of all Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment no later than the last day of the month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that:

(i) the total amount payable in cash by the Fund in respect of those Units and all other Units tendered for redemption in the same calendar month shall not exceed $50,000, provided that the Trustees may, in their sole discretion, waive this limitation in respect of all Units tendered for redemption in any calendar month;

(ii) at the time the Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or quoted on any stock exchange which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units;

(iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the ten-day trading period ending on the Redemption Date; and

(iv) at the time the Units are tendered for redemption, Colabor LP shall not be in default under the New Credit Facilities, nor would such a default arise immediately after or as a result of such redemption.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of one or more of the foregoing limitations, then each Unit tendered for redemption will, subject to any applicable regulatory approvals, be redeemed by way of a distribution in specie. In such circumstances, Trust Units and Series 1 Trust Notes of a value equal to the Redemption Price will be redeemed by the Trust in consideration of the issuance to the Fund of Series 2 Trust Notes and Series 3 Trust Notes, respectively. The Series 2 Trust Notes and Series 3 Trust Notes will then be distributed to the redeeming Unitholder in satisfaction of the Redemption Price. No Series 2 Trust Notes or Series 3 Trust Notes in integral multiples of less than $100 will be distributed and, where the principal amount of securities of the Trust to be received by a Unitholder includes a multiple of less than $100, that principal amount shall be rounded to the next lowest integral multiple of $100. The Fund will be entitled to all interest paid on the Trust Notes and the distributions paid on the Trust Units on or before the date of the distribution in specie. Where the Fund makes a distribution in specie of a pro rata number of securities of the Trust on the redemption of Units of a Unitholder, the Fund currently intends to designate to that Unitholder any income or capital gain realized by the Fund as a result of the redemption of Trust Units and Series 1 Trust Notes in exchange for Series 2 Trust Notes and Series 3 Trust Notes, respectively, or as a result of the distribution of Series 2 Trust Notes or Series 3 Trust Notes to the Unitholder on the redemption of their Units. See ''Certain Canadian Federal Income Tax Considerations''.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units. Series 2 Trust Notes and Series 3 Trust Notes which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange, no market is expected to develop in Series 2 Trust Notes or Series 3 Trust Notes, and they may be subject to resale restrictions under applicable securities laws. Series 2 Trust Notes and Series 3 Trust Notes so distributed may not be qualified investments for trusts governed by Deferred Income Plans depending upon the circumstances at the time. See ''Certain Canadian Federal Income Tax Considerations''. After any redemption (whether in cash or in specie) the ratio of the number of Trust Units to the aggregate principal amount of Series 1 Trust Notes will be the same as before the redemption.

Repurchase of Units

The Fund will be permitted, from time to time, to purchase Units for cancellation in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases will constitute an ''issuer bid'' under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Meetings of Voting Unitholders

The Fund Declaration of Trust provides that meetings of Voting Unitholders will be called and held annually for the election of Trustees and the appointment of auditors of the Fund and the transaction of such other business as Voting Unitholders are entitled to vote upon. The Fund Declaration of Trust provides that the Voting Unitholders will be entitled to pass resolutions that will bind the Fund only with respect to:

- the election or removal of Trustees;
- the fixing of the number of Trustees outside the range provided under ''Trustees'';
- the election or removal of nominees of the Fund to serve as trustees of the Trust (except filling casual vacancies);
- the appointment or removal of the auditors of the Fund;
- the appointment of an inspector;
- the early termination or the extension of the term of the Fund;
- any merger, amalgamation, consolidation or other business combination or joint venture of the Fund or the Trust, except in conjunction with an internal reorganization;
- the approval of amendments to the Fund Declaration of Trust (but only in the manner described below under ''Amendments to the Fund Declaration of Trust'');
- the exercise of certain voting rights attached to the securities of the Trust held by the Fund and, subject to the terms of the partnership agreement of Colabor LP, securities of Colabor LP and of the General Partner, as the case may be, held by the Trust;
- the sale, lease, exchange or other disposition of all or substantially all of the assets of the Fund;
- the ratification of any Unitholder rights plan, distribution reinvestment plan, distribution reinvestment and Unit purchase plan, Unit option plan or other compensation plan contemplated by the Fund Declaration of Trust requiring Voting Unitholder approval;
- the dissolution of the Fund prior to the end of its term; and
- any other matters required by securities law, stock exchange rules or other laws or regulations to be submitted to Voting Unitholders for their approval.

However, Voting Unitholders shall have no power to effect any amendment to the Fund Declaration of Trust which would require the Trustees to take any action or conduct the affairs of the Fund in a manner which would constitute a breach or default of the Fund or the Trustees under any agreement binding on or obligation of the Fund or the Trustees.

No other action taken by Voting Unitholders or any other resolution of the Voting Unitholders at any meeting will in any way bind the Trustees.

A resolution appointing or removing nominees of the Fund to serve as trustees of the Trust (except filling casual vacancies) or with respect to the exercise of certain voting rights attached to the securities of the Trust held by the Fund, a resolution required by securities law, stock exchange rules or other laws or regulations requiring a simple majority of Voting Unitholders, and a resolution electing or removing the Trustees or the auditors of the Fund must be passed by a simple majority of the votes cast by Voting Unitholders. The balance of the foregoing matters must be passed by a resolution passed by a Special Resolution of the Voting Unitholders.

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. At any meeting at which quorum is not present within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened upon the request of the Voting Unitholders, will be terminated and, if otherwise called, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chairperson of the meeting. If at such adjourned meeting a quorum is not present, the Voting Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Voting Unitholders may attend and vote at all meetings of the Voting Unitholders either in person or by proxy and a proxy holder need not be a Voting Unitholder. Two persons present in person or represented by proxy and representing in total at least 10% of the votes attached to all outstanding Voting Units will constitute a quorum for the transaction of business at all meetings.

The Fund Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Exercise of Certain Voting Rights Attached to Securities of the Trust and its Subsidiaries

The Fund Declaration of Trust provides that the Fund will not vote any securities of the Trust, nor permit the Trust to vote any securities of Colabor LP or the General Partner to authorize:

(a) any sale, lease or other disposition of all or substantially all of the direct or indirect assets of the Trust, Colabor LP, the General Partner or any of their respective affiliates, except in conjunction with an internal reorganization of any of these entities, as applicable;

(b) any amalgamation, arrangement or other merger of the Trust, Colabor LP, the General Partner or any of their respective affiliates, with any other entity, except in conjunction with an internal reorganization of any of these entities, as applicable;

(c) any material amendment to the Trust Note Indenture other than in contemplation of a further issuance of Trust Notes to the Fund that are identical in all material respects to the Trust Notes issued in connection with the Offering or in conjunction with an internal reorganization of the Trust, Colabor LP, the General Partner or any of their respective affiliates, as applicable;

(d) the winding-up or dissolution of the Trust, Colabor LP, the General Partner or any of their respective affiliates prior to the end of the term of the Fund except in conjunction with an internal reorganization of these entities;

(e) any material amendment to the constating documents of the Trust, Colabor LP, the General Partner or any of their respective affiliates, to change the authorized units, share capital or partnership interests which may be prejudicial to the Fund; or

(f) any change to the provisions attached to the Exchangeable LP Units,

without the authorization of the Voting Unitholders by a Special Resolution.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund cannot be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Fund Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of more than 40% of the Units. This 40% limitation will be applied with respect to the issued and outstanding Units on both a non-diluted basis and a fully diluted basis. The Trustees, in their sole discretion, may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of more than 40% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar may make a public announcement thereof and shall not accept a subscription for Units from, or issue or register a transfer of Units to, a person unless the person provides a declaration that the person is not a non-resident. If, notwithstanding the foregoing, the Trustees, in their sole discretion, determine that more than 40% of the Units are held by non-residents, the Trustees may send a notice to non-resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the persons receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not non-residents within such period, the Trustees may, on behalf of such persons, sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be holders of the Units and their rights shall be limited to receiving the net proceeds of such sale.

Notwithstanding the foregoing, the Trustees will not take any action which will affect the rights of the Vendor to or in respect of any Units held directly or indirectly by the Vendor on Closing (including any Units subsequently acquired on the exchange of Exchangeable LP Units held by the Vendor on Closing), and, for greater certainty, any of such Units will be deemed to have been acquired by such person prior to the acquisition of Units by any other holder of Units at any time.

Amendments to the Fund Declaration of Trust

The Fund Declaration of Trust contains provisions that allow it to be amended or altered from time to time by the Trustees with the consent of the Voting Unitholders by a Special Resolution, provided that any amendment that is prejudicial to the rights of holders of Special Voting Units will also require the consent of the holders of Special Voting Units by a Special Resolution.

The Trustees, at their discretion and without the approval of the Voting Unitholders, will be entitled to make certain amendments to the Fund Declaration of Trust, including amendments:

(i) which are required for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Fund, including ensuring that the Fund continues to qualify as a ''mutual fund trust'' and the Units do not constitute ''foreign property'', each within the meaning of the Tax Act, provided that the Trustees receive a legal opinion from counsel to this effect;

(ii) which provide, in the bona fide opinion of the Trustees, additional protection or added benefits for the Voting Unitholders;

(iii) to remove any conflicts or inconsistencies in the Fund Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees in each case, necessary or desirable and not prejudicial to the Voting Unitholders;

(iv) assuring conformity with this prospectus; or

(v) which are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or policies of any governmental authority having jurisdiction over the Trustees or the Fund.

Notwithstanding the previous sentence, the Trustees may not (without the approval of Voting Unitholders) amend the Fund Declaration of Trust in a manner which would result in (a) the Fund failing to qualify as a ''mutual fund trust'' under the Tax Act, (b) the Units being treated as ''foreign property'' for the purposes of the Tax Act.

Term of the Fund

The Fund shall continue in full force and effect until no assets of the Fund are held by the Trustees; and the Trustees shall have throughout such term all the powers and discretion, expressed or implied, conferred upon it by law or by the Fund Declaration of Trust.

The Fund Declaration of Trust provides that, upon being required to commence the termination, liquidation or winding-up of the affairs of the Fund, the Trustees will give notice thereof to the Voting Unitholders, which notice shall designate the time or times at which Voting Unitholders may surrender their Voting Units for cancellation and the date at which the register of Voting Units will be closed. After the date the register is closed, the Trustees shall proceed to wind up the affairs of the Fund as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Voting Unitholders, sell and convert into money the Units, the Trust Notes and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees shall distribute the remaining part of the proceeds of the sale of the Units, the Trust Notes and other assets together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their pro rata interests. If the Trustees are unable to sell all or any of the Units, the Trust Notes or other assets which comprise part of the Fund by the date set for termination, the Trustees may distribute the remaining Units, the Trust Notes or other assets in specie directly to the Unitholders in accordance with their pro rata interests subject to obtaining all required regulatory approvals.

Take-over Bids

The Fund Declaration of Trust also contains provisions to the effect that if a take-over bid is made for the Units and not less than 90% of the aggregate of the Units (including Units issuable upon the exchange of all Exchangeable LP Units, but not including Units or Exchangeable LP Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are, directly or indirectly, taken up and paid for by the offeror, the offeror will be entitled to acquire the Units (including those issuable on the exchange of the Exchangeable LP Units) held by holders who did not accept the take-over bid, on the same terms on which the offeror acquired Units pursuant to the take-over bid.

The Fund Declaration of Trust and the Exchange Agreement include provisions to facilitate the exchange of Exchangeable LP Units for Units in the case of a compulsory acquisition and so that a holder of Exchangeable LP Units can exercise its exchange rights, including conditionally, in order to tender to a take-over bid.

The Colabor LP Partnership Agreement also contains provisions to ensure that Unitholders will benefit from any offer made for Exchangeable LP Units. See ''Description of Colabor LP — Transfer of LP Units''. Moreover, the Vendor has agreed to certain undertakings that aim at the same objective. See ''Retained Interest of the Vendor — Transfer of Shares of the Vendor''.

Information and Reports

In accordance with and subject to applicable securities laws, the Fund will furnish to Voting Unitholders such consolidated financial statements of the Fund (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation. Prior to each meeting of Voting Unitholders, the Trustees will provide the Voting Unitholders (along with notice of such meeting) all such information as is required by applicable law and the Fund Declaration of Trust to be provided to such holders. Colabor LP will undertake to provide the Fund with: (i) a report of any material change that occurs in its affairs (including the affairs of their subsidiaries, as applicable) in form and content that it would be required to file with applicable regulatory authorities if it were a reporting issuer (or equivalent); and (ii) all financial statements (and accompanying management's discussion and analysis) that it would be required to file with applicable regulatory authorities if it were a reporting issuer (or equivalent) under applicable securities laws. All such reports and statements will be provided to the Fund in a timely manner so as to permit the Fund to comply with the continuous disclosure requirements relating to reports of material changes in its affairs and the delivery of financial statements and other materials as required under applicable securities laws.

In addition, the Fund has undertaken to the securities regulatory authorities in each of the provinces of Canada that:

(i) in complying with its reporting issuer obligations, the Fund will treat the Trust and Colabor LP as subsidiaries of the Fund, except, however, if GAAP prohibits the consolidation of financial information of any such entity and the Fund, as long as such entity (and any of its significant business interests) represents a significant asset of the Fund, the Fund will provide Voting Unitholders with separate financial statements for such entity;

(ii) the Fund will take appropriate measures to require each person who would be an insider of the Trust and Colabor LP as if any such entity were a reporting issuer to (a) file insider reports about trades in Units (including securities which are exchangeable into Units) and (b) comply with statutory prohibitions against insider trading; and

(iii) the Fund will annually certify that it has complied with this undertaking and file such certificate with the securities regulatory authorities in each of the provinces of Canada concurrently with the filing of its annual financial statements.

Book-Entry Only System

Registration of interests in and transfers of the Units will be made through a book-based system (the ''Book-Entry System'') administered by CDS. On or about the date of Closing, the Trustee will deliver to CDS certificates evidencing the aggregate number of Units subscribed for under the Offering. Units may be purchased, transferred and surrendered for redemption through a participant in the CDS depository service (a ''CDS Participant''). All rights of

Unitholders must be exercised through, and all payments or other property to which a Unitholders is entitled will be made or delivered by, CDS or the CDS Participant through which the Unitholders hold such Units. Upon a purchase of any Units, the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased. References in this prospectus to Unitholders means, unless the context otherwise requires, the owner of the beneficial interest in such Units. The ability of a beneficial owner of Units to pledge those Units or otherwise take action with respect to the holder's interest in those Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option, at its sole discretion and at any time, to terminate registration of the Units through the Book-Entry System in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

Payments of distributions on each Unit will be made by the Fund to CDS or its nominee, as the case may be, as the registered holder of the Units and the Fund understands that such payments will be forwarded by CDS or its nominee, as the case may be, to CDS Participants. As long as CDS or its nominee is the registered owner of the Units, CDS or its nominee, as the case may be, will be considered the sole owner of the Units for the purposes of receiving payments on the Units. The responsibility and liability of the Fund in respect of the Units is limited to making payment of any distribution in respect of the Units to CDS or its nominee.

Conflicts of Interest Restrictions and Provisions

The Fund Declaration of Trust contains ''conflict of interest'' provisions that serve to protect Voting Unitholders without creating undue limitations on the Fund. The Fund Declaration of Trust contains provisions, analogous to those contained in the *Canada Business Corporations Act* (the ''CBCA''), that require each Trustee or officer to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his remuneration as a Trustee or officer of the Fund, as applicable, (ii) insurance or indemnity, or (iii) a contract or transaction with an affiliate of the Fund.

Rights of Unitholders

Following the completion of the Offering, the rights of the Unitholders will be established by the Fund Declaration of Trust. Although the Fund Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation governed by the CBCA, there do exist significant differences.

Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Fund Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and auditors. The Fund Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Unitholders and Trustees, the quorum for and procedures at such meetings and the right of investors to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which Unitholder approval is required under the Fund Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Fund's subsidiary entities, as described under ''Description of the Fund and Units — Meeting of Voting Unitholders and — Exercise of Certain Voting Rights Attached to Securities of the Trust and its Subsidiaries''. These Unitholder approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are ''reporting issuers'' or the equivalent or listed on the TSX.

The Fund Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee or officer who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his remuneration as a Fund Trustee or officer of the Fund, as applicable, (ii) insurance or indemnity or (iii) a contract or transaction with an affiliate of the Fund.

Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business or businesses that the corporation can carry on or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the Fund are entitled to require the Fund to redeem their Units, as described under ''Description of the Fund — Redemption of Units''. Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregarding the interests of securityholders and certain other parties.

Shareholders of a CBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders could rely only on the general provisions of the Fund Declaration of Trust which permit the winding-up of the Fund with the approval of a Special Resolution of the Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Fund Declaration of Trust provides that Unitholders holding not less than 5% of the Units then outstanding may call a meeting of Unitholders for the purpose of considering the appointment of an inspector to investigate the performance by the Trustees of their responsibilities and duties in respect of the Fund. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Fund Declaration of Trust does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Fund.

Liability of Unitholders

The Fund Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund or its obligations and affairs.

Under the *Civil Code of Quebec* (''CCQ''), the Unitholders are the beneficiaries of the trust created by the Fund Agreement. As such, the Unitholders would be solidarily (the equivalent notion of jointly and severally in common law) liable for acts in which they participated that were performed in fraud of the rights of the creditors of the settlor or of the Fund property. The CCQ also effectively provides that the beneficiary of a trust is liable towards third parties for damages caused by the fault of the trustees of such trust in carrying out their duties, up to the amount of the benefit such beneficiary has derived from the act of such trustees, and that such obligations are to be satisfied by the trust property. Accordingly, although these provisions remain to be interpreted by the courts, they should provide protection to Unitholders with respect to such obligations.

DESCRIPTION OF THE TRUST

The Trust Declaration of Trust contains provisions substantially similar to those of the Fund Declaration of Trust. The principal differences between the Trust Declaration of Trust and the Fund Declaration of Trust are those described below. The description below is a summary only and is qualified in its entirety by reference to the text of the Trust Declaration of Trust and the Fund Declaration of Trust.

General

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Quebec pursuant to the Trust Declaration of Trust. It is a limited purpose trust and its activities will be restricted essentially to the conduct, directly or indirectly, of the business of, and the ownership, operation and lease of assets and property in connection with, the marketing and distribution of food, food-related and non-food products and such other businesses as the trustees of the Trust may determine, and to having investments and other direct or indirect rights in companies or other entities involved in the marketing and distribution of food, food-related and non-food products and such other businesses as the trustees of the Trust may determine, including all activities ancillary or incidental thereto. The Trust is wholly owned by the Fund, and the Fund is entitled to request redemption of Trust Units on demand.

As at the date of this prospectus, the Trust does not intend to hold securities of any entities other than Colabor LP, and the General Partner, except in connection with its short-term cash management.

Trustees

The Trust will have a minimum of three trustees and a maximum of eleven trustees, the majority of whom must be residents of Canada (within the meaning of the Tax Act). The trustees are to supervise the activities and manage the affairs of the Trust. On Closing, the board of the Trust will be comprised of five trustees, a majority of whom will be ''unrelated'' (within the meaning of the corporate governance policies of the TSX) and ''independent'' (within the meaning of applicable securities laws). The board of the Trust will at all times be comprised of the same individuals who are the Trustees of the Fund.

Restrictions on Powers of the Trustees of the Trust

The Trust Declaration of Trust provides that the Trustees of the Trust may not, without approval by Ordinary Resolution of the holders of Trust Units:

(i) take any action upon any matter which under applicable law (including policies of the Canadian securities commissions) or applicable stock exchange rules would require approval by ordinary resolution of the holders of Trust Units if the Trust were a reporting issuer (or the equivalent) in the jurisdictions in which the Fund is a reporting issuer (or the equivalent) and if the Trust Units were listed for trading on the stock exchanges where the Units are listed for trading; or

(ii) subject to certain exceptions, appoint or change the auditors of the Trust.

Furthermore, the Trust Declaration of Trust states that the Trustees of the Trust may not, without approval by Special Resolution of the holders of Trust Units:

(i) take any action upon any matter which under applicable law (including policies of the Canadian securities commissions) or applicable stock exchange rules would require approval by special resolution or super majority (as defined or described therein) of the holders of Trust Units if the Trust were a reporting issuer (or the equivalent) in the jurisdictions in which the Fund is a reporting issuer (or the equivalent) and if the Trust Units were listed for trading on the stock exchanges where the Units are listed for trading;

(ii) amend the Trust Declaration of Trust except in certain limited circumstances similar to those under which the Fund Declaration of Trust may be amended without consent of Voting Unitholders;

(iii) subject to certain exceptions, amend the Trust Note Indenture other than in contemplation of a further issuance of Trust Notes;

(iv) sell, lease, exchange or otherwise dispose of all or substantially all of the property of the Trust other than in the ordinary course of business or in connection with an internal reorganization;

(v) authorize the termination, liquidation or winding-up of the Trust, other than at the end of the term of the Trust; or

(vi) authorize the combination, merger or similar transaction of the Trust with any other person, other than in connection with an internal reorganization.

Distributions

The Trust intends to make monthly cash distributions on the Trust Units to the Fund of its net monthly cash receipts, after satisfaction of its interest obligations under the Trust Notes and other indebtedness, if any, and less any estimated cash amounts required for expenses and other obligations of the Trust, any cash redemptions or repurchases of Trust Units or Trust Notes, any tax liability and reserves for any principal repayments in respect of the Trust Notes. Such distributions will be paid within ten days following each calendar month end and are intended to be received by the Fund prior to its related cash distribution to Unitholders.

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 Trust for such year as is necessary to ensure that the Trust will not be liable for ordinary income taxes under the Tax Act in such year.

If the Trustees of the Trust determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Trust Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees of the Trust, to be available for the payment of such distribution. The value of each Trust Unit so issued will be the redemption price thereof.

Any Trust Units transferred to Unitholders pursuant to a distribution in specie may be subject to resale and transfer restrictions and cannot be resold or transferred except as permitted by applicable securities law.

Redemption Right

The Trust Units will be redeemable at any time on demand by the holders thereof upon delivery to the Trust of a duly completed and properly executed notice requiring the Trust to redeem the Trust Units, in a form reasonably acceptable to the Trustees of the Trust, together with the certificates for the Trust Units representing the Trust Units to be redeemed and written instructions as to the number of Trust Units to be redeemed. Upon tender of Trust Units by a holder thereof for redemption, the holder of the Trust Units tendered for redemption will no longer have any rights with respect to such Trust Units other than the right to receive the redemption price for such Trust Units, as determined under the Trust Declaration of Trust. The redemption price for each Trust Unit tendered for redemption will be equal to:

$$\frac{(A \times B) - C + D}{E}$$

Where:

A = the redemption price per Unit calculated as of the close of business on the redemption date;

B = the aggregate number of Units outstanding as of the close of business on the redemption date;

C = the aggregate unpaid principal amount and accrued interest thereon of the Trust Notes and any indebtedness of the Trust held by or owed to the Fund and the fair market value of any other assets or investments held by the Fund (other than Trust Units) as of the close of business on the redemption date;

D = aggregate unpaid liabilities of the Fund (prior to any redemption of Units for such date) as of the close of business on the redemption date; and

E = the aggregate number of Units outstanding held by the Fund as of the close of business on the redemption date.

The Trustees of the Trust will also be entitled to call for redemption, at any time, all or part of the outstanding Trust Units registered in the name of the holders thereof other than the Fund at the same redemption price per Trust Unit applicable to redemptions on demand by holders of Trust Units, provided that the calculation of the redemption price shall be made with reference to the date the Trustees of the Trust approved the redemption of Trust Units.

The aggregate redemption price payable by the Trust in respect of any Trust Units tendered for redemption by the holders thereof during any month will be satisfied, at the option of the Trustees of the Trust, (i) in immediately available funds by cheque; (ii) by the issuance to or to the order of the holder whose Trust Units are to be redeemed of such aggregate amount of Series 2 Trust Notes as is equal to the aggregate redemption price payable to such holder of Trust Units; or (iii) by any combination of funds and Series 2 Trust Notes as the Trustees of the Trust shall determine in their discretion, in each such case payable or issuable on the last day of the calendar month following the calendar month in which the Trust Units were so tendered for redemption.

Trust Notes

The following is a summary of the material attributes and characteristics of the Trust Notes that will be issuable by the Trust under the Trust Note Indenture, which summary does not purport to be complete. Reference is made to the Trust Note Indenture for a complete description of the Trust Notes and the full text of its provisions. See ''Material Contracts''.

Trust Notes will be issuable in Canadian currency. Trust Notes are issuable in denominations of $100 and integral multiples of $100. No Trust Notes in integral multiples of less than $100 will be distributed and where the number of Trust Notes to be received by a Unitholder includes a multiple of less than $100, such number shall be rounded to the next lowest integral multiple of $100. Three series of Trust Notes will initially be authorized for issuance under the Trust Note Indenture. On Closing, the Trust will issue approximately $38,775,000 principal amount of Series 1 Trust Notes to the Fund.

Series 2 Trust Notes will be reserved by the Trust to be issued exclusively to holders of Trust Units as full or partial payment of the redemption price of Trust Units, as the Trustees of the Trust may decide or, in certain circumstances, be obliged to issue. Series 3 Trust Notes will be reserved by the Trust to be issued exclusively as full or partial payment of the redemption price of Series 1 Trust Notes.

The Trust Notes will be unsecured debt obligations of the Trust.

Interest and Maturity

The Series 1 Trust Notes to be issued at Closing will be payable on demand, will mature on the 10th anniversary of the date of issuance and will bear interest at a rate of 4.0% per annum, payable in arrears within ten days following the end of each calendar month that such Series 1 Trust Notes are outstanding. Each Series 2 Trust Note will mature on a date which is no later than the first anniversary of the date of issuance thereof and bear interest at a market rate to be determined by the Trustees of the Trust at the time of issuance thereof, payable in arrears within ten days following the end of each calendar month that such Series 2 Trust Note is outstanding. Each Series 3 Trust Note will mature on the same date as the Series 1 Trust Notes and bear interest at a market rate to be determined by the Trustees of the Trust at the time of issuance thereof, payable in arrears within ten days following the end of each calendar month that such Series 3 Trust Note is outstanding.

Payment upon Maturity

On maturity, the Trust will repay the Trust Notes by paying to the trustee under the Trust Note Indenture in cash an amount equal to the principal amount of the outstanding Trust Notes which have then matured, together with accrued and unpaid interest thereon.

Redemption

The Trust Notes will be redeemable in whole or in part (at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, payable in cash or, in the case of a redemption of Series 1 Trust Notes or an in specie payment of the Redemption Price of Units, in Series 3 Trust Notes) at the option of the Trust prior to maturity.

Subordination

Payment of the principal amount and interest on the Trust Notes will be subordinated in right of payment to the prior payment in full of the principal of and accrued and unpaid interest on, and all other amounts owing in respect of, all senior indebtedness which will be defined as all indebtedness, liabilities and obligations of the Trust which, by the terms of the instrument creating or evidencing the same, will be expressed to rank in right of payment in priority to the indebtedness evidenced by the Trust Notes issued under the Trust Note Indenture. The Trust Note Indenture provides that upon any distribution of the assets of the Trust in the event of any dissolution, liquidation, reorganization or other similar proceedings relative to the Trust, the holders of all such senior indebtedness will be entitled to receive payment in full before the holders of the Trust Notes are entitled to receive any payment.

Default

The Trust Note Indenture provides that any of the following shall constitute an event of default: (i) default in payment of the principal of the Trust Notes when the same becomes due and the continuation of such default for a period of 45 days; (ii) default in payment of any interest due on any Trust Notes and continuation of such default for a period of 45 days; (iii) default in the observance or performance of any other covenant or condition of the Trust Note Indenture and continuance of such default for a period of 45 days after notice in writing has been given to the Trustees of the Trust specifying such default and requiring the Trust to rectify the same; and (iv) certain events of dissolution, liquidation, reorganization or other similar proceedings relative to the Trust.

The provisions governing an event of default under the Trust Note Indenture and remedies available thereunder do not provide protection to the holders of Trust Notes which would be comparable to the provisions generally found in debt securities issued to the public.

Trust Unit Certificates

As Trust Units are not intended to be issued or held by any person other than the Fund, registration of interests in, and transfers of, the Trust Units will not be made through the Book-Entry System administered by CDS. Rather, holders of Trust Units will be entitled to receive certificates therefor.

Meetings of Trust Unitholders

An annual meeting of holders of Trust Units may be held at such time and place as shall be prescribed for the purpose of transacting such business as the Trustees of the Trust may determine or as may properly be brought before the meeting, provided however, that the annual meeting of Unitholders will be held immediately prior to the annual meeting of holders of Trust Units.

ADMINISTRATION AGREEMENT

Colabor LP will act as the administrator of the Fund and the Trust pursuant to the terms of an administration agreement among the Fund, the Trust and Colabor LP (the ''Administration Agreement'').

Under the Administration Agreement, Colabor LP will provide certain management, administrative and support services to the Fund and the Trust. The duties of Colabor LP as administrator include (i) ensuring compliance with continuous disclosure obligations under applicable securities legislation and stock exchange rules, (ii) providing or causing to be provided accounting and financial services, (iii) providing, or causing to be provided, investor relations services, (iv) providing, or causing to be provided, to Unitholders all customary information with respect to applicable reporting obligations for Canadian federal and provincial income tax purposes, (v) assisting in the calling and holding of meetings of Unitholders and in distributing required materials, including notices of meetings and information circulars, in respect of all such meetings, (vi) assisting in calculating distributions to Unitholders, (vii) assisting in calculating interest payments on Trust Notes, (viii) attending to all administrative and other matters arising in connection with any redemption of Units or securities of the Trust, and (ix) ensuring compliance with limitations on non-resident ownership and on foreign property content.

The Administration Agreement will have an initial term of ten years and will automatically renew for successive five-year terms unless terminated by any of the parties at least twelve months prior to the expiry of the initial or any renewal term. The Administration Agreement may be terminated by any of the parties in the event of the insolvency or receivership of another party or in the case of default by one of the other parties in the performance of a material obligation under the Administration Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered.

Colabor LP will also provide administration services to the Vendor and GIC. Services provided by Colabor LP to the Vendor and GIC will be invoiced at a rate to be agreed upon which shall not exceed the market rate.

DESCRIPTION OF COLABOR LP

Colabor LP is a limited partnership formed under the laws of the Province of Quebec to conduct the Colabor business. The general partner of Colabor LP is Colabor Management Inc. (the ''General Partner''). The following is a summary of the material attributes and characteristics of Colabor LP and the Ordinary LP Units and Exchangeable LP Units (collectively, the ''LP Units'') which will be issuable under the Colabor LP Partnership Agreement. This summary is qualified in its entirety by reference to the provisions of the Colabor LP Partnership Agreement which contains a complete statement of those attributes and characteristics.

Capitalization

Colabor LP may issue an unlimited number of Ordinary LP Units and Exchangeable LP Units to any person for such consideration and on such terms and conditions as may be determined by the General Partner. Colabor LP may also issue an unlimited number of GP Units to be held by the General Partner. Subject to certain restrictions, the Colabor LP Partnership Agreement authorizes the General Partner to cause Colabor LP to issue additional LP Units for any consideration and on any terms and conditions as are established by the General Partner.

Subject to the ''lock-up'' provisions described under ''Retained Interest of the Vendor — Lock-Up'', Exchangeable LP Units held by the Vendor are indirectly exchangeable into Units in accordance with the terms of the Exchange Agreement. Ordinary LP Units and Exchangeable LP Units will have economic rights that are equivalent in all respects and will rank equally on a dissolution, liquidation or winding-up of Colabor LP. Each Ordinary LP Unit entitles the holder thereof to one vote at meetings of holders of LP Units. Exchangeable LP Units do not entitle holders thereof to vote at meetings of holders of LP Units except in certain limited circumstances in which the rights of holders of Exchangeable LP Units are affected. Exchangeable LP Units held by the Vendor will be accompanied by Special Voting Units that will entitle the holder to receive notice of, attend and vote at all meetings of Voting Unitholders of the Fund (except in respect of LP Units previously exchanged pursuant to the Exchange Agreement). Additionally, Exchangeable LP Units may be cancelled without consideration upon the withdrawal of Affiliated-Wholesalers. See ‘‘Retained Interest of the Vendor — Cancellation of Exchangeable LP Units Upon Withdrawal of an Affiliated-Wholesaler’’.

Distributions

Colabor LP will distribute to special partners of record holding LP Units on the last day of each month their pro rata portion of distributable cash as set out below. Distributions will be made within ten days following the end of each month with respect to the Ordinary LP Units and within 15 days after the end of each month with respect to the Exchangeable LP Units. Colabor LP may, in addition, make a distribution at any other time.

Distributable cash will represent, in general, all of Colabor LP’s available cash for the particular monthly period less any estimated cash amounts required for debt service obligations, other expense obligations, capital expenditures, taxes, reserves (including amounts for capital expenditures) and such other amounts as may be considered appropriate by the General Partner. Capital and other expenditures, including amounts required to enable Colabor LP to pay equal monthly distributions based on expected monthly cash distributions, may also be financed with drawings under the New Operating Credit Facilities, other borrowings or additional issuances of securities.

Allocation of Net Income and Losses

The income or loss for tax purposes of Colabor LP for a particular year will be allocated to each partner in an amount calculated by multiplying the total income or loss for tax purposes allocated to the partners by a fraction, the numerator of which is the sum of the cash distributions received by that partner with respect to that year and the denominator of which is the total amount of the cash distributions made by Colabor LP to all partners with respect to that year. The amount of income allocated to a partner may exceed or be less than the amount of cash distributed by Colabor LP to that partner.

Income and loss of Colabor LP for accounting purposes is allocated to each partner in the same proportion as income or loss is allocated for tax purposes.

Limited Liability

Colabor LP will operate in a manner as to ensure to the greatest extent possible the limited liability of the Trust. The Trust may lose its limited liability in certain circumstances. If limited liability is lost by reason of the negligence of the General Partner in performing its duties and obligations under the Colabor LP Partnership Agreement, the General Partner has agreed to indemnify the Trust against all claims arising from assertions that its liability is not limited as intended by the Colabor LP Partnership Agreement. However, since the General Partner has no significant assets or financial resources, this indemnity may have nominal value.

Transfer of LP Units

Subject to the restrictions provided in the Exchange Agreement and the approval of the General Partner, acting reasonably, the LP Units are transferable subject to compliance with applicable securities restrictions. See ‘‘Retained Interest of the Vendor — Lock-Up’’. However, an LP Unit is not transferable in part and no transfer of an LP Unit will be accepted by the General Partner unless a transfer form, duly completed and signed by the registered holder of the LP Unit and the transferee, has been remitted to the General Partner. A transferee of an LP Unit will become a partner and will be subject to the obligations and entitled to the rights of a partner under the Colabor LP Partnership Agreement on the date on which the transfer is recorded.

In addition to the above requirements, the Colabor LP Partnership Agreement will provide that no holder of Exchangeable LP Units will be permitted to transfer such Exchangeable LP Units, other than for Units in accordance with the terms of the Exchange Agreement or the Colabor LP Partnership Agreement, unless: (i) such transfer would not require under applicable securities laws that the transferee make an offer to Unitholders to acquire Units on the same terms and conditions under applicable securities legislation, if such Exchangeable LP Units, and all other outstanding Exchangeable LP Units, were converted into Units at the then current exchange ratio in effect under the Exchange Agreement immediately prior to such transfer; or (ii) the offeror acquiring such Exchangeable LP Units makes a contemporaneous identical offer for the Units (in terms of price, timing, proportion of securities sought to be acquired and other conditions) and does not acquire such Exchangeable LP Units unless the offeror also acquires a proportionate number of Units actually tendered to such identical offer.

Amendment

The Colabor LP Partnership Agreement may be amended with approval by a Special Resolution of the holders of LP Units and holders of GP Units who are entitled to vote on such resolution (the ''Amendments''), except for certain amendments that require unanimous approval of holders of Ordinary LP Units and Exchangeable LP Units, including: (i) altering the ability of the special partners to remove the General Partner involuntarily; (ii) changing the limited liability of any special partner; (iii) changing the right of a special partner to vote at any meeting and (iv) changing Colabor LP from a limited partnership to a general partnership (the ''Material Amendments'').

Notwithstanding the foregoing,

- no amendment which would adversely affect the rights and obligations of the General Partner, as general partner, may be made without its consent; and
- the General Partner may make amendments to the Colabor LP Partnership Agreement to reflect: (i) a change in the name of Colabor LP or the location of the principal place of business of Colabor LP or the registered office of Colabor LP; (ii) a change in the governing law of the partnership to any other province of Canada; (iii) admission, substitution, withdrawal or removal of special partners in accordance with the Colabor LP Partnership Agreement; (iv) a change that, as determined by General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of Colabor LP as a limited partnership in which the special partners have limited liability under the applicable laws; (v) a change that, as determined by the General Partner, is reasonable, necessary or appropriate to enable Colabor LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Colabor LP Partnership Agreement which may be defective or inconsistent with any other provision contained in the Colabor LP Partnership Agreement or which should be made to make the Colabor LP Partnership Agreement consistent with the disclosure set out in this prospectus; or (vii) a change that, as determined by the General Partner, does not have a material adverse effect on the special partners; and
- any amendment to the restrictions on transfer (including in respect of take-over bids) requires the approval of the Voting Unitholders.

Meetings

The General Partner may call meetings of partners and will be required to convene a meeting on receipt of a request in writing of a holder of Ordinary LP Units. Each partner is entitled to one vote for each Ordinary LP Unit held. A quorum at a meeting of partners consists of one or more holders of LP Units present in person or by proxy.

DESCRIPTION OF THE GENERAL PARTNER

General

Colabor Management Inc. (the ''General Partner'') is a corporation established under the laws of Canada to act as general partner of Colabor LP. The sole shareholder of the General Partner will be the Trust. The directors of the General Partner will be appointed by the Trust. The majority of directors of the General Partner will be composed of ''unrelated'' (within the meaning of the corporate governance policies of the TSX) and ''independent'' (within the meaning of applicable securities laws) Trustees of the Fund. The other directors of the General Partner will be managers of Colabor LP.

Functions and Powers of the General Partner

The General Partner will have the exclusive authority to manage the business and affairs of Colabor LP, to make all decisions regarding the business of Colabor LP and to bind Colabor LP in respect of any such decision. The General Partner will be required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Colabor LP and to exercise the degree of care, diligence and skill of a reasonably prudent person in comparable circumstances.

The authority and power to be vested in the General Partner to manage the business and affairs of Colabor LP will include all authority necessary or incidental to carry out the business of Colabor LP, including the ability to engage agents to assist the General Partner to carry out its management obligations and administrative functions in respect of Colabor LP and its business. The General Partner cannot dissolve Colabor LP, wind up Colabor LP's affairs or dispose of a material part of Colabor LP's business except in accordance with the provisions of the Colabor LP Partnership Agreement.

The Colabor LP Partnership Agreement will also provide that all related party transactions, including any transaction between Colabor LP and the Vendor or its Affiliated-Wholesalers, will be reviewed and approved by the Corporate Governance and Human Resources Committee of the Fund.

Withdrawal or Removal of the General Partner

The General Partner may not resign as general partner of Colabor LP on less than 180 days' written notice to the special partners of Colabor LP, provided that the General Partner will not resign if the effect would be to dissolve Colabor LP.

The General Partner may not be removed as general partner of Colabor LP unless: (i) the shareholders or directors of the General Partner pass a resolution in connection with the termination or winding-up of the General Partner, or the General Partner commits certain other acts of bankruptcy or ceases to be a subsisting corporation, provided that certain other conditions are satisfied, including a requirement that a new general partner is appointed as general partner under the Colabor LP Partnership Agreement; or (ii) the general partner is removed by Special Resolution and that concurrently with such removal a new general partner is appointed by Special Resolution.

PRINCIPAL UNITHOLDERS

The following table shows information concerning the securities of the Fund directly or indirectly beneficially owned by each person or company who, as at Closing, will own of record, or who, to the knowledge of the Fund, will own beneficially, directly or indirectly, more than 10% of any class or series of voting securities of the Fund. The information set forth in the following table is presented on a fully diluted basis.

Name	Number of Units Owned	Type of Ownership	Percentage Owned
Colabor Investments Inc.(1)	5,362,439(2)	Indirect	49.4%

Notes:

(1) Colabor Inc., the Vendor, will be renamed Colabor Investments Inc. at Closing.

(2) Assuming the exercise in full of the Over-Allotment Option, the Vendor will own 5,087,439 Exchangeable LP Units representing a 46.8% indirect interest in the Fund.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated June 17, 2005 (the ''Underwriting Agreement'') among the Fund, certain of its subsidiaries, the Vendor and the Underwriters, the Fund has agreed to sell 5,500,000 Units and the Underwriters have agreed to purchase, as principals, on the Closing Date, subject to the conditions stipulated in the Underwriting Agreement, all but not less than all of such Units at a price of $10 per Unit payable in cash. The Underwriting Agreement provides that the Underwriters will be paid a fee of $0.60 per Unit purchased by the public in consideration for services performed in connection with the Offering.

Prior to the Offering, there was no market through which the Units could be sold. Accordingly, the terms of the Offering of the Units were established solely through negotiation between the Fund, the Vendor and the Underwriters; no third party valuation was obtained.

The obligations of the Underwriters under the Underwriting Agreement are conditional and may be terminated at the discretion of the Underwriters on the basis of their assessment of the state of the financial markets. The Underwriting Agreement provides that the Underwriters may also terminate their obligations thereunder in certain stated circumstances and upon the occurrence of certain stated events. The Underwriters are, however, jointly (the notion equivalent to severally in common law) obligated to take up and pay for all offered Units that they have obliged themselves to purchase if any of the Units are purchased under the Underwriting Agreement.

Each of the Fund, certain of its subsidiaries and the Vendor has agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under provincial securities legislation in Canada, or to contribute to any payments the Underwriters may be required to make in respect thereof.

Subscriptions for Units 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.

The Fund has granted to the Underwriters, for a period of 30 days following the Closing, the Over-Allotment Option to purchase up to 275,000 additional Units (representing 5.0% of the Units offered pursuant to this prospectus) at the price of $10.00 per Unit payable in cash against delivery of such additional Units, to cover over-allotments and for market stabilization purposes, if any. If the Over-Allotment Option is exercised, the Underwriters will receive a fee of $0.60 per additional Unit purchased pursuant to such option. This prospectus also qualifies the distribution of the Over-Allotment Option and subsequent transfer of the Units issuable upon exercise of that option.

The Units offered by this prospectus have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States of America, and, subject to certain exceptions, may not be offered for purchase or sale, sold or otherwise disposed of, directly or indirectly, within the United States of America or its territories or possessions or to or for the account or benefit of any U.S. person and any such offer, purchase or sale would constitute a violation of the U.S. Securities Act unless made in compliance with the registration requirements of the U.S. Securities Act or an exemption therefrom. Each Underwriter has agreed that, except in accordance with the terms of an applicable exemption, it will not offer, sell or deliver the Units offered hereby within the United States of America or its territories or possessions or to or for the account or benefit of any U.S. person. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States of America or its territories or possessions or to U.S. persons.

Pursuant to policy statements of the Autorité des marchés financiers and the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Units. Such exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by Market Regulation Services Inc. 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. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or 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.

As a condition to and effective on Closing, the Fund will execute an undertaking in favour of the Underwriters not to offer, sell, contract to sell, grant or sell any option, right or warrant to purchase, or otherwise issue any Units or securities convertible into or exercisable or exchangeable for Units or announce any such issue, offer or sale at any time until 180 days following the Closing without the prior written consent of the Lead Underwriters, on behalf of the Underwriters, which consent may not be unreasonably withheld.

The Closing is expected to take place on June 28, 2005 or on any other date which may be agreed upon, but no later than July 28, 2005.

National Bank Financial Inc. is a subsidiary of a Canadian chartered bank which is a lender to the Vendor under its Existing Credit Facilities which will be repaid at Closing. In addition, CIBC World Markets Inc. is a subsidiary of a Canadian chartered bank that is expected to make the New Operating Credit Facilities available to Colabor LP. See ''Debt Financing''. Accordingly, under applicable securities laws, the Fund may be considered a ''connected issuer'' to National Bank Financial Inc. and CIBC World Markets Inc. The decision to issue the Units and the determination of the terms of the distribution were made through negotiation between the Fund, the Vendor and the Underwriters. The Canadian chartered banks of which National Bank Financial Inc. and CIBC World Markets Inc. are subsidiaries did not have any involvement in such decision or determination. National Bank Financial Inc. and CIBC World Markets Inc. will not receive any benefit in connection with this offering other than their proportionate share of the Underwriters' fee.

PRIOR ISSUANCES

The only issuance of securities by the Fund in the twelve months prior to the date of this prospectus was the issuance of one Unit to the settlor thereof at a price equal to the offering price hereunder of $10.00.

USE OF PROCEEDS

The gross proceeds of approximately $55,000,000 from the issuance of the Units will be used by the Fund to indirectly acquire a 50.6% (53.2% if the Over-Allotment Option is exercised in full) interest in Colabor LP. See ''Funding, Acquisition and Related Transactions''.

If the Over-Allotment Option is exercised, the proceeds received by the Fund will be used by the Fund to indirectly acquire Exchangeable LP Units, which will be automatically exchanged for Ordinary LP Units, from the Vendor.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Fund and Colabor LP, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a prospective purchaser who acquires Units pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, (i) is resident in Canada, (ii) deals at arm's length and is not affiliated with the Fund, the Trust, Colabor LP and the General Partner, and (iii) holds the Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided that 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 have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Unitholder that is a ''financial institution'' (as defined in the Tax Act for purposes of the mark-to-market rules), a ''specified financial institution'' or a Unitholder an interest in which is a ''tax shelter investment'' (all as defined in the Tax Act). In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire Units. Any such holder should consult its own advisor with respect to an investment in Units.

This summary is based upon the facts set out in this prospectus, the provisions of the Tax Act and the regulations under the Tax Act in force at the date of this prospectus, counsel's understanding of the current published administrative and assessing practices of CRA and certificates from the Fund, Colabor LP and certain of the Underwriters as to certain factual matters. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this prospectus. There can be no assurance that any tax proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administration policies or assessing practices of CRA, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this prospectus.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder's particular circumstances, including the province or provinces or territory or territories in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances.

Status of the Fund

Mutual Fund Trust

This summary is based on the assumption that the Fund will qualify as a ''mutual fund trust'', as defined in the Tax Act, on completion of the Offering, will elect to be deemed to be a mutual fund trust from the date it is established and will thereafter continuously qualify as a mutual fund trust at all relevant times. If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially different.

In order for the Fund to qualify as a mutual fund trust, it must satisfy various requirements, including a requirement that the Fund must not have been established or maintained primarily for the benefit of non-residents. If draft amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004, are enacted as proposed, the Fund may cease to qualify as a mutual fund trust for purposes of the Tax Act if at any time after 2004 the fair market value of all Units and Special Voting Units held by non-residents of Canada or partnerships which are not ''Canadian partnerships'' for purposes of the Tax Act is more than 50.0% of the fair market value of all issued and outstanding Units and Special Voting Units. A partnership will only qualify as a Canadian partnership at a particular time if all of its members at that time are resident in Canada. On December 6, 2004, the Minister of Finance (Canada) tabled a Notice of Ways and Means Motion which did not include these proposed amendments. In addition, the Minister of Finance (Canada) announced on December 6, 2004 and in the February 23, 2005 Federal Budget that further discussion with the private sector in this respect would take place.

Tax Exempt Unitholders

Provided that the Fund qualifies as a ''mutual fund trust'' for purposes of the Tax Act at a particular time, the Units will be qualified investments for trusts governed by the Deferred Income Plans at such time. If the Fund ceases to qualify as a mutual fund trust, the Units no longer will be qualified investments under the Tax Act for such Deferred Income Plans. Where, at the end of a month, a Deferred Income Plan holds Units or other properties that are not qualified investments, the Deferred Income Plans, in respect of that month, may be required to pay a tax under Part XI.1 of the Tax Act equal to one percent of the fair market value of the Units or other properties at the time such Units or other properties were acquired by the Deferred Income Plans. In addition, where a trust governed by an registered retirement savings plan (or an registered retirement income fund) holds or acquires, respectively, Units or other properties that are not qualified investments, the trust will become taxable on income attributable to the Units or other properties while they are not qualified investments. Where a trust governed by an registered education savings plan acquires or holds Units or other properties that are not qualified investments, the registered education savings plan becomes revocable and its registration may be revoked by CRA. Where a trust is governed by a deferred profit sharing plan and acquires property that is not a qualified investment, the trust will be required to pay a tax equal to the fair market value of the property at the time of its acquisition. Where a trust governed by a registered retirement savings plan or registered retirement income fund acquires property that is not a qualified investment, the annuitant under the registered retirement savings plan or registered retirement income fund will be required to include the fair market value of such property in income for tax purposes.

If such a Deferred Income Plan requests the redemption of Units, property received in payment may not be qualified investments, with the result that the Deferred Income Plan may be taxable in the manner described above. A Deferred Income Plan generally is entitled to require the Fund to exchange the property received for property that is a qualified investment to the Deferred Income Plan. Deferred Income Plans wishing to redeem Units should consult their tax advisors.

Trusts governed by registered pension plans, pension corporations and other ''designated taxpayers'' (but not trusts governed by Deferred Income Plans) may be subject to penalty taxes in respect of the holding of Units further to amendments to the Tax Act proposed in the March 23, 2004 federal budget. However, in May 2004, the Minister of Finance (Canada) announced that the implementation of these proposals has been suspended pending further consultation with interested parties, following which further legislative proposals will be announced. This was reiterated by the Minister of Finance (Canada) in September 2004 and in the 2005 federal budget. **Such investors should consult their own tax advisors before purchasing Units.**

Taxation of the Fund

The taxation year of the Fund is the calendar year. In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its income for tax purposes for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount.

The Fund will include in its income for each taxation year such amount of the Trust's income for tax purposes, including net taxable capital gains, as is paid or becomes payable to the Fund in the year in respect of the Trust Units and all interest on the Trust Notes that accrues to the Fund to the end of the year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding year. The Fund will not be subject to tax on any amount received as a payment of principal in respect of the Trust Notes or any amount received as a return of capital from the Trust (provided that the capital returned, if any, does not exceed the cost amount of the Trust Units held by the Fund).

A distribution by the Fund of its property upon a redemption of Units will be treated as a disposition by the Fund of the property so distributed for proceeds of disposition equal to the fair market value of such property. The Fund will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In computing its income, the Fund may deduct reasonable administrative costs, interest and other expenses, if any, incurred by it for the purpose of earning income.

Under the Fund Declaration of Trust, an amount equal to all of the income of the Fund (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the taxable and non-taxable portion of any net capital gain realized by the Fund in the year, but excluding income or capital gains arising in connection with a distribution in specie on redemption of Units which are designated by the Fund to redeeming Unitholders, and capital gains the tax on which may be offset by capital losses carried forward from prior years or is recoverable by the Fund and other deductions and expenses of the Fund, will be payable in the year to Unitholders by way of cash distributions, subject to the exceptions described below. Where the income of the Fund in a taxation year exceeds the monthly cash distributions for that year, such excess income will be distributed to Unitholders in the form of additional Units. Income of the Fund payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Fund in computing its taxable income.

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 that taxation year arising in connection with the distribution of its property on the redemption of Units. The Fund Declaration of Trust provides that all or a portion of any income or taxable capital gain realized by the Fund as a result of that redemption may, at the discretion of the Trustees, be treated as income or capital gain paid to, and designated as income or capital gain of, the redeeming Unitholders, and will be deductible by the Fund in computing its income. In addition, accrued interest on Trust Notes distributed to a redeeming Unitholder may be treated as an amount paid to the Unitholder and will be deductible by the Fund.

Counsel has been advised that the Fund intends to make sufficient distributions in each year of its net income for tax purposes and net realized taxable capital gains so that the Fund will generally not be liable in that year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

Taxation of the Trust

The Trust will be taxable on its income determined under the Tax Act for each taxation year (which will be the calendar year), which will include its allocated share of the taxable income of Colabor LP for its fiscal period ending on or before the year-end of the Trust except to the extent that such income is paid or payable in such year to the Fund and is deducted by the Trust in computing its income for tax purposes. The Trust will generally be entitled to deduct its expenses incurred to earn such income provided such expenses are reasonable and otherwise deductible, subject to the relevant provisions of the Tax Act. Under the Trust Declaration of Trust, all of the income of the Trust for each year (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the taxable and non-taxable portion of any capital gains realized by the Trust in the year, will generally be payable in the year to the Fund and will generally be deductible by the Trust in computing its taxable income. Counsel has been advised by the Fund that the Fund does not expect the Trust to be liable for any material amount of tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

Taxation of Colabor LP

Colabor LP is not subject to tax under the Tax Act. Each partner of Colabor LP, including the Trust, is required to include in computing the partner's income for a particular taxation year the partner's share of the income or loss, limited to its ''at risk amount'', of Colabor LP, as the case may be, for its fiscal year ending in, or coincidentally with, the partner's taxation year, whether or not any of that income is distributed to the partner in the taxation year. For this purpose, the income or loss of Colabor LP will be computed for each fiscal year as if it was a separate person resident in Canada. In computing the income or loss of Colabor LP, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by it to earn income from its business or investments. The net income or loss of Colabor LP for a fiscal year will be allocated to its partners, including the Trust, in the manner set out in the Colabor LP Partnership Agreement, subject to the detailed rules in the Tax Act in that regard. The Trust will be deemed to realize a capital gain to the extent that the adjusted cost base of its Ordinary LP Units is negative at the end of a taxation year of Colabor LP.

Taxation of Unitholders

Fund Distributions

A Unitholder will generally be required to include in income for a particular taxation year the portion of the net income for tax purposes of the Fund for a taxation year, including net realized taxable capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units or otherwise.

Provided that appropriate designations are made by the Fund and the Trust, that portion of their taxable dividends, if any, received (or deemed to be received) from taxable Canadian corporations, net taxable capital gains and foreign source income as is paid or payable to a Unitholder and the amount of foreign taxes paid or deemed to be paid by the Fund and the Trust, if any, will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit provisions will be applicable in respect of Unitholders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals and the deduction in computing taxable income will be available to Unitholders that are corporations. An additional refundable $6\frac{2}{3}$% tax will be payable by Unitholders that are Canadian controlled private corporations in certain circumstances.

The Fund has advised that it anticipates that approximately 75% of the Fund's distribution in 2005 will be included in the income for tax purposes of a Unitholder, counsel can provide no assurance in this regard. Any other amount in excess of the net income of the Fund, including the non-taxable portion of any net realized capital gains of the Fund, that is paid or payable to a Unitholder in that year will not generally be included in the Unitholder's income for the year. However, where such an amount is paid or payable to a Unitholder (other than as proceeds in respect of the redemption of Units), the Unitholder will be required to reduce the adjusted cost base of the Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will then be nil. The taxation of capital gains is described below.

Dispositions of Units

On the disposition or deemed disposition of a Unit whether on a redemption or otherwise, a Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Fund that is otherwise required to be included in the Unitholder's income, including any capital gain realized by the Fund in connection with a redemption which has been designated by the Fund to the redeeming Unitholder. The taxation of capital gains and capital losses is described below.

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by Unitholder as capital property immediately before that acquisition.

Where Units are redeemed and the redemption price is paid by the delivery of Trust Notes to the redeeming Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Trust Notes so distributed less any income or capital gain realized by the Fund in connection with the redemption of those Units which has been designated by the Fund to the Unitholder. Where any income or capital gain realized by the Fund in connection with the distribution of Trust Notes on the redemption of Units has been designated by the Fund to a redeeming Unitholder, the Unitholder will be required to include in income the income or taxable portion of the capital gain so designated. The redeeming Unitholder will be required to include in income, interest on any Trust Notes acquired (including interest that accrued prior to the date of the acquisition of such notes by the Unitholder that is designated as income to the Unitholder by the Fund) in accordance with the provisions of the Tax Act. The cost of any Trust Notes distributed by the Fund to a Unitholder upon a redemption of Units will be equal to the fair market value of those Trust Notes at the time of the distribution less any accrued interest on such Trust Notes. The Unitholder will thereafter be required to include in income interest on the Trust Notes, in accordance with the provisions of the Tax Act. To the extent that the Unitholder is required to include in income any interest accrued to the date of the acquisition of the Trust Notes by the Unitholder, an offsetting deduction may be available. Unitholders are advised to consult their own tax advisors prior to exercising their redemption rights.

Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Fund in respect of a Unitholder will generally be included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs, or in respect of which a net taxable capital gains designation is made by the Fund. One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units may generally be deducted only from taxable capital gains of the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

Unitholders that are Canadian controlled private corporations (as defined in the Tax Act) will be liable for an additional refundable $6\frac{2}{3}$% tax in respect of taxable capital gains realized on a disposition of Units net of taxable capital gains designated by the Fund to such Unitholders.

Where a corporation owns Units, the amount of any capital loss arising on the disposition of Units may be reduced by the amount of dividends allocated by the Fund to the Unitholder to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Units or where a trust or partnership of which a corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns Units. **Unitholders to whom these rules may be relevant should consult their own tax advisors.**

Alternative Minimum Tax

In general terms, net income of the Fund paid or payable to a Unitholder who is an individual or a trust that is designated as taxable dividends or net realized taxable capital gains and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

RISK FACTORS

The following are certain factors relating to the Business, which prospective investors should carefully consider before deciding whether to purchase Units. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this prospectus. These risks and uncertainties are not the only ones facing the Fund and Colabor LP. Additional risks and uncertainties not presently known to the Fund or Colabor LP, or that the Fund or Colabor LP currently deem immaterial, may also impair the operations of the Fund or Colabor LP. If any such risks actually occur, the financial condition, liquidity and results of operations of Colabor LP could be materially adversely affected and the ability of the Fund to make distributions on the Units could be adversely affected.

Risks Related to Colabor LP and its Industry

Dependence on Affiliated-Wholesalers

Sales to Affiliated-Wholesalers represented 90.1% of Colabor's sales for the twelve-month period ended on March 25, 2005. During that same period, the five largest Affiliated-Wholesalers accounted for approximately 44% of Colabor's sales, the two largest Affiliated-Wholesalers each accounting for more than 13.4% and 9.3% of Colabor's sales respectively. The loss of Affiliated-Wholesalers, net of recruiting other wholesale distributors, could have an adverse effect on Colabor LP's business, financial condition and operations. This risk has been mitigated, on a going forward basis after Closing, by the execution of agreements to amend the Affiliate Agreements to provide for an initial ten-year term, renewal provisions for two additional terms of five years and also provide for the granting of a right of first refusal by the Affiliated-Wholesalers to Colabor LP on their businesses. However, there is no assurance that Colabor LP will be able to finance the exercise of such right of first refusal. Moreover, incentives are built-in the contractual relationship existing between the Affiliated-Wholesalers, Colabor LP and the Vendor encouraging Affiliated-Wholesalers to increase their purchases from Colabor. See ''Affiliated-Wholesalers — Following Closing of the Offering''.

Absence of Long-Term Agreements between Affiliated-Wholesalers and their Customers

In accordance with general industry practice, the Affiliated-Wholesalers do not normally enter into long-term agreements with their customers. As a result, customers may, without notice or penalty, terminate their relationship with Affiliated-Wholesalers. In addition, even if customers should decide to continue their relationship with the Affiliated-Wholesalers, there can be no guarantee that they will purchase the same volume of products as in the past or that they will pay the same price for those products as they have in the past. Any loss of customers by Affiliated-Wholesalers, or decrease in the volume purchased or price paid by them for products, could affect Colabor LP's sales and result in a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders. In the past, Affiliated-Wholesalers, using their knowledge of the respective market in which they operate, have been able to differentiate themselves from their competitors by providing personalised services to their customers, including flexible delivery schedules and product offering tailored to the needs of their customers; management believes they will continue to do so in the future.

Competition

Food distribution and marketing is highly competitive. Colabor competes with other food distributors and warehousing and distribution divisions of retail grocery chains. Some of these competitors have more significant operations within the marketplace, are well established suppliers to the markets that Colabor serves, may have a greater diversification of product lines and may have greater economic resources than those of Colabor. Accordingly, such competitors may be better able to withstand volatility in the food distribution industry while retaining significantly greater operating and financial flexibility than Colabor. In addition, consolidation in the industry, the presence of very large retail chains and mass merchandisers and heightened competition could create competitive pressures that reduce margins and adversely affect Colabor. There can be no assurance that Colabor LP will be able to compete successfully against its current or future competitors or that such competition will not have a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Changes in Distribution and Retail Market

The industry in which Colabor operates has been changing over the last few years. Eating away from home and alternative format food stores, such as mass merchandisers, warehouse stores and supercenters, have taken market share from traditional supermarket operators, including small and medium-size independent grocers. In addition, suppliers are seeking to ensure that more of their promotional expenditures and allowances are directed to consumers rather than distributors or retailers in order to increase sales volumes. Furthermore, grouping of suppliers or change in the policy of individual suppliers could have an effect on the rebates that Colabor negotiates with suppliers. If the strategies Colabor has developed in response to these changing market conditions are not successful, Colabor LP's margins may decline, which could have a material adverse effect on the results of operations or financial conditions of Colabor LP. Since 1992, Colabor has successfully adapted its operations in response to changing market conditions and management believes that the Affiliated-Wholesalers' intimate knowledge of the market conditions will allow it to anticipate and respond to future changes in the food distribution business.

Reliance on Purchasing Alliances

Colabor relies partially on ITWAL, a buying group which is itself a member of another buying group named National Brand Marketing Corporation, to increase its purchasing power and secure competitive volume rebates from manufacturers and suppliers. There can be no assurance that Colabor will be able to maintain its relationship with ITWAL or that Colabor would be able to negotiate similar volume rebates by itself should such relationship be terminated. Any modifications to the relationship between Colabor and ITWAL could have a material adverse effect on Colabor LP's financial conditions and results of operations and the amount of cash available for distribution to Unitholders. However, Colabor has been a member of ITWAL since 1979 and management believes that this relationship is mutually beneficial.

Management Information Systems

Colabor depends on its management information systems in each stage of the sale of its products, including entering the customer's order, determining availability of products, arranging the optimal delivery times and providing after sales service. Colabor LP will continue to improve its management information systems in order to become more efficient; however the implementation of major information technology projects carries with its various risks that must be mitigated by disciplined management and governance processes. In addition, its management information systems constitute the basis of its financial reporting. In the event that irreparable damage were caused to its information systems and databases or that any information contained in its management information systems was lost, such event could have a material adverse effect on Colabor LP's financial condition and results of operations.

Ability to Sustain and Manage Growth

A principal component of Colabor's strategy is to increase, internally or through acquisitions, its revenue base, both by expanding the range of products it offers and by servicing additional wholesale-distributors. Colabor LP may not be able to carry out this strategy which depends in part on the availability of suitable candidates at valuations accretive to Colabor LP and the availability of financing. In addition, Colabor LP may face competition for the acquisition of attractive wholesale-distributors, specialized distributors or commercial banners used by retailers from large integrated national chains and other consolidators in the food industry with greater financial resources. Furthermore, there can be no assurance that, if Colabor LP acquires what it considers to be a suitable candidate in accordance with its growth strategy, Colabor LP will be able to successfully integrate the operation of the acquired company into Colabor LP's operations on an accretive basis.

Potential Undisclosed Liabilities Associated with the Acquisitions

In connection with the transactions described in this prospectus under ''Funding, Acquisition and Related Transactions'', including the acquisition of an interest in the Business, there may be liabilities that the Fund or Colabor LP failed or was unable to discover in the due diligence prior to the consummation of the acquisition and the Fund or Colabor LP may not be indemnified for some or all of these liabilities. In particular, to the extent that prior to Closing, the Vendor failed to comply with or otherwise violated applicable laws, including environmental, health and safety laws, Colabor LP may be legally and financially responsible for these violations. The discovery of any material liabilities could have a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Employees

While labour relations have been stable to date and there is no material disruption in operations as a result of labour disputes with employees, the maintenance of a productive and efficient labour environment cannot be assured. Certain of Colabor's employees are covered by collective bargaining agreements and Colabor has recently renewed the collective bargaining covering such employees for a period of four years until December 31, 2008. In the event of protracted or extensive work stoppages, the ability of Colabor LP to maintain its current level of revenues may be impaired. Colabor LP is also dependent on the continued service of and on the ability to attract and retain warehouse's employees. A shortage of such employees has developed over the years in the industry. Colabor LP may face some difficulty to hire and retain sufficient numbers of warehouse's employees.

Reliance on Key Personnel

Colabor LP's future performance and development depend to a significant extent on the abilities, experience and efforts of its management. The loss of the services of one or more of these individuals or other senior managers could adversely affect Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders. Colabor LP's success also depends largely upon its continuing ability to attract, develop and retain skilled employees to meet its needs from time to time.

Low Margin Business

The wholesale food distribution industry in which Colabor operates is characterized by low profit margins. As a result, Colabor's results of operations are sensitive to, and may be materially adversely impacted by, among other things, competitive pricing pressures, modification to suppliers selling programs, increased interest rates, inflation with respect to wages and energy costs, and deflation in food prices. There can be no assurance that one or more of such factors will not have a material adverse effect on Colabor LP's results of operations and financial condition.

Consumer Preference

Colabor's business is dependent, in part, upon continued growth in consumer interest in the products it distributes. Notwithstanding the attributes of the products distributed by Colabor, changes in consumer preferences may affect demand for Colabor's products. Accordingly, even though Colabor LP continuously expands its product offering, there can be no assurance that the demand for the products distributed by Colabor LP can be sustained in the future. A decline in the marketability of the products distributed by Colabor LP could adversely affect Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Adverse Publicity and Product Liability

The marketing and distribution of food products entails an inherent risk of product liability, product recall and resultant adverse publicity. Even though Colabor has implemented measures to ensure the safety of its distribution process and the traceability of its products, there can be no assurances that such claims will not be asserted against Colabor LP or that Colabor LP will not be obligated to perform or participate in such a recall in the future. While Colabor as a general practice receives indemnification guarantees from its suppliers whereby the supplier agrees to indemnify Colabor from such claims and obligations, there can be no assurance that such indemnification will be sufficient or that such claims or obligations would not create adverse publicity that would have a material adverse effect on Colabor LP's ability to successfully market its products.

Health and Safety Matters

Colabor's operations are subject to extensive and increasingly stringent laws relating to employee health and safety matters. Although Colabor has not incurred significant capital or operating expenses to comply with health and safety laws, it is possible that changes to such laws, or more rigorous enforcement, could require Colabor LP to do so and have a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders. Further, additional health and safety issues relating to matters that are currently not known to Colabor LP may result in unanticipated liabilities and expenditures and may adversely affect Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Insufficiency or Unavailability of Insurance Coverage

Colabor maintains property, general liability and business interruption insurance and directors and officers liability insurance. This insurance may not remain available at commercially reasonable rates, and the amount of its coverage may not be adequate to cover any liability Colabor LP incurs. Generally speaking, the terrorist attacks on the United States in 2001 have resulted in significant increases in the cost of insurance, have made some insurance coverage available only on unfavourable terms or not at all and have resulted in significant increases in the deductible amount for liability insurance. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs for Colabor LP. In addition, uninsured losses could adversely affect Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Availability of Future Financing

Management expects that Colabor LP's principal sources of funds following the Offering will be cash generated from its operating activities and borrowing capacity remaining under the New Credit Facilities and/or from future securities offerings. Management believes that these funds will provide Colabor LP with sufficient liquidity and capital resources to meet its current and future financial obligations, as well as to provide funds for its financing requirements, capital expenditures and other needs for the foreseeable future. Despite management's expectations, however, Colabor LP may require additional equity or debt financing to meet its financing requirements. This financing may not be available when required or may not be available on commercially favourable terms or on terms that are otherwise satisfactory to Colabor LP.

Geographic Concentration and Dependence on Economic Conditions

Colabor's business is primarily conducted in the Province of Quebec and, accordingly, Colabor is highly dependent on the general economic condition of this region. There can be no assurance that future economic conditions in the Province of Quebec or other economic conditions, cyclical trends, increases in interest rates and other factors will not adversely affect Colabor LP's results of operations or financial condition.

Absence of Operating History as a Public Corporation

Although management has experience in the industry, it does not have experience operating Colabor as a public entity. To operate effectively, Colabor LP will be required to continue to implement changes in certain aspects of its business, and develop, manage and train management level and other employees to comply with on-going public entity requirements. Failure to take such actions, or delay in the implementation thereof, could have a material adverse effect on Colabor LP's financial condition and results of operations and the amount of cash available for distribution to Unitholders.

Risks Related to the Structure of the Fund and the Offering

Dependence on Colabor LP

The Fund is an unincorporated, open-ended, limited purpose trust which will be entirely dependent on Colabor LP's operations and assets through its indirect ownership of Colabor LP. Cash distributions to Unitholders will be dependent on, among other things, the ability of the Trust to pay interest on the Trust Notes and to make cash distributions in respect of the Trust Units, which, in turn, is dependent on the financial condition and results of operations of Colabor LP and its ability to make cash distributions. The ability of the Fund, the Trust and Colabor LP to make cash distributions or other payments or advances will be subject to applicable laws and regulations and contractual restrictions contained in the instruments governing any indebtedness of those entities.

Cash Distributions are not Guaranteed and will Fluctuate with Business Performance

The Fund intends to distribute the interest received in respect of the Trust Notes and the cash distributions received in respect of the Trust Units, less expenses and amounts, if any, paid by the Fund in connection with the redemption of Units. However, there can be no assurance regarding the amounts of income to be generated by Colabor LP or ultimately distributed to the Fund. The Fund's ability to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of Colabor LP, and will be subject to various factors including Colabor LP's financial performance, its obligations under applicable credit facilities, fluctuations in its working capital, the sustainability of its margins and its capital expenditure requirements, all of which are susceptible to a number of risks.

Nature of Units

Securities like the Units share certain attributes common to both equity securities and debt instruments. The Units are dissimilar to debt instruments as there is no principal amounts owing to Unitholders. The Units do not represent a traditional investment and should not be viewed by investors as a direct investment in the business or as direct investments in securities of Colabor LP or other subsidiaries of the Fund. The Units represent a fractional interest in the Fund. The Fund's primary assets will be Trust Units and Trust Notes. The price per Unit is a function of anticipated distributable income.

The 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. As holders of Units issued by an unincorporated trust, Unitholders will not have the statutory rights associated with ownership of shares of a corporation, for example, the right to bring ''oppression'' or ''derivative actions''.

Income Tax Matters

There can be no assurance that Canadian federal income tax laws and administrative policies respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders. If the Fund ceases to qualify as a ''mutual fund trust'' under the Tax Act, the income tax considerations described herein under the heading ''Certain Canadian Federal Income Tax Considerations'' would be materially and adversely different in certain respects.

The Department of Finance has indicated that it will continue to evaluate the development of the income trust market as part of its on-going monitoring and assessment of Canadian financial markets and the Canadian tax system. Accordingly, further changes in this area, in addition to the March 24, 2004 federal budget proposals, are possible. Such changes could result in the income tax considerations described under the heading ''Certain Canadian Federal Income Tax Considerations'' being materially different in certain respects.

On October 31, 2003, the Department of Finance released, for public comment, proposed amendments to the Tax Act that relate to the deductibility of interest and other expenses for income tax purposes for taxation years commencing after 2004. In general, the proposed amendments may deny the realization of losses in respect of a business if there is no reasonable expectation that the business will produce a cumulative profit over the period that the business can reasonably be expected to be carried on. The Fund has advised counsel that it does not believe that the proposed amendments will have a material effect on its tax position.

Interest on the Trust Notes accrues at the Fund level for Canadian federal income tax purposes, whether or not actually paid. The Fund Declaration of Trust provides that a sufficient amount of the Fund's net income and net realized capital gains will be distributed each year to Unitholders in order to eliminate the Fund's liability for tax under Part 1 of the Tax Act. Where such amount of net income (including interest on the Trust Notes) and net realized capital gains of the Fund in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, in circumstances when they do not directly receive a cash distribution.

No Prior Public Market for the Units

Prior to the Offering, there has been no public market for the Units. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of the Units with liquidity of investment or that it will continue for the life of the Units. The initial public offering price has been determined by negotiation between the Fund, the Vendor and the Underwriters based on several factors including Estimated Distributable Cash, calculated as if the Fund had been in existence during such period. The initial public offering price may bear no relationship to the price at which the Units will trade in the public market subsequent to the Offering. See ''Plan of Distribution''.

Unpredictability and Volatility of Unit Price

Publicly traded investment trusts do not necessarily trade at prices determined solely by reference to the underlying value of their investments. Increases in market rates of interest may lead purchasers to demand a higher yield on the Units, which may adversely affect their price. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity and income trust securities and other factors beyond the Fund's control.

The market value of the Units may deteriorate if the Fund is unable to meet its distributable cash targets in the future, and that deterioration may be material. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. See ''Certain Canadian Federal Income Tax Considerations''.

Distribution of Securities on Redemption or Termination of the Fund

Upon redemption of Units or termination of the Fund, the Trustees may distribute the Trust Notes or other securities of the Trust directly to the Unitholders, subject to obtaining all required regulatory approvals. There is currently no market for such securities. In addition, such securities are not freely tradable or listed on any stock exchange. See ''Description of the Fund — Term of the Fund'' and ''Description of the Fund — Redemption at the Option of Unitholders''. Securities so distributed may not be qualified investments for trusts governed by Deferred Income Plans, depending on the circumstances at the time.

Liability of Unitholders

The Fund Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with a holding of Units. However, there remains a risk, which is considered by the Fund to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Fund Declaration of Trust, for the obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the affairs of the Fund will be conducted to minimize such risk wherever possible.

Dilution of Existing Unitholders

The Fund Declaration of Trust authorizes the Fund to issue an unlimited number of Voting Units for that consideration and on those terms and conditions as shall be established by the Trustees without the approval of any Voting Unitholders. The Voting Unitholders will have no pre-emptive rights in connection with such further issues. Additional Units will be issued by the Fund in connection with the exchange of the Exchangeable LP Units. In addition, Colabor LP is permitted to issue additional LP Units and the GP is permitted to issue additional shares for any consideration and on any terms and conditions.

Financial Leverage and Restrictive Covenants

The ability of the Fund and its subsidiaries to make distributions, pay dividends or make other payments or advances will be subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness of those entities (including the New Credit Facilities). The degree to which Colabor LP is leveraged could have important consequences to the Unitholders including: (i) Colabor LP's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) a significant portion of Colabor LP's cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations; (iii) certain of Colabor LP's borrowings will be at variable rates of interest, which exposes Colabor LP to the risk of increased interest rates; and (iv) Colabor LP may be more vulnerable to economic downturns and be limited in its ability to withstand competitor pressures. These factors may increase the sensitivity of distributable cash to interest rate variations.

The New Credit Facilities will contain restrictive covenants that limit Colabor LP's discretion with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of Colabor LP to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the New Credit Facilities will contain a number of financial covenants that require Colabor to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the New Credit Facilities could result in a default which, if not cured or waived, could result in a suspension or termination of distributions by the Fund and permit acceleration of the relevant indebtedness. If indebtedness under the New Credit Facilities were to be accelerated, there can be no assurance that the assets of Colabor LP would be sufficient to repay in full that indebtedness. In addition the New Operating Credit Facilities will mature 364 days after the closing of such credit facilities and the New Term Loan will mature in 2011. There can be no assurance that future borrowings or equity financing will be available to Colabor LP, or available on acceptable terms, in an amount sufficient to fund Colabor LP's needs. See ''Debt Financing — New Credit Facilities''.

Ownership Interest of the Vendor

Upon Closing, the Vendor will hold Exchangeable LP Units representing 49.4% of the outstanding Units on a fully diluted basis representing 49.4% of the voting interest in the Fund. This significant level of voting control may enable the Vendor to have a major impact on all matters requiring security holder approval. Pursuant to the Fund Declaration of Trust, the Vendor will be entitled to propose for appointment two of the five Trustees as long as it holds 40% of the issued and outstanding Voting Units and one Trustee as long as it holds 20% of the issued and outstanding Voting Units.

The timing and receipt of any takeover or control premium by Unitholders could depend on the determination of the Vendor as to when to sell Units. This could delay or prevent a change of control that would be attractive to, and provide liquidity for, Unitholders, and could limit the price that investors are willing to pay in the future for Units.

Liability of the Promoter

Although the Vendor has signed this prospectus as a ''promoter'' under applicable Canadian securities laws, there is no certainty that the Vendor will have any material assets following Closing, other than its retained interest in Colabor LP.

Restrictions on Growth of Colabor

The payout by Colabor LP of substantially all of its operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. Lack of those funds could limit the future growth of Colabor LP and its cash flow.

Restrictions on the Ownership of Units

The Fund Declaration of Trust imposes various restrictions on Unitholders. Non-resident Unitholders are prohibited from beneficially owning more than 40% of Units (each, on a non diluted and a fully diluted basis). These restrictions may limit (or inhibit the exercise of) the rights of certain Unitholders, including non-residents of Canada and United States persons, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units.

Statutory Remedies

The Fund is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act,* the *Companies' Creditors Arrangement Act* and in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of the Fund were necessary, the Fund and its stakeholders would not be able to access the remedies and procedures available thereunder.

MATERIAL CONTRACTS

The only material contracts entered into by any of the Fund or any of its subsidiaries during the past two years or to which any of them will become a party on or prior to Closing, other than in the ordinary course of business, are as follows:

(i) the Fund Declaration of Trust referred to under ''Description of the Fund'';

(ii) the Trust Declaration of Trust referred to under ''Description of the Trust'';

(iii) the Colabor LP Partnership Agreement referred to under ''Description of Colabor LP'';

(iv) the Underwriting Agreement referred to under ''Plan of Distribution'';

(v) the Asset Transfer Agreement described under ''Funding, Acquisition and Related Transactions'';

(vi) the Subscription and Acquisition Agreement described under ''Funding, Acquisition and Related Transactions'';

(vii) the Administration Agreement described under ''Administration Agreement'';

(viii) the Trust Note Indenture referred to under ''Description of the Trust — Trust Notes'';

(ix) the New Credit Facilities Agreements referred to under ''Debt Financing — New Credit Facilities'';

(x) the LTIP, described under ''Executive Compensation''; and

(xi) the Exchange Agreement, described under ''Retained Interest of the Vendor''.

Copies of the foregoing documents may be examined during normal business hours at the office of the Fund located at 1620, de Montarville Boulevard, Boucherville, Quebec, J4B 8P4 during the period of distribution of the Units.

PROMOTER

The Vendor has taken the initiative in founding and organizing the Fund and may therefore be considered to be promoter of the Fund for the purposes of applicable securities legislation. The Vendor's head office is located at 1620, de Montarville Boulevard, Boucherville, Quebec, J4B 8P4. At Closing, the Vendor will hold a 49.4% indirect ownership interest in the Fund on a fully-diluted basis in the form of Exchangeable LP Units (if the Over-Allotment Option is exercised in full, the Vendor will retain a 46.8% indirect ownership interest in the Fund on a fully diluted basis). For more information regarding the Vendor's relationship to the Fund, the Trust and Colabor LP, see ''Funding Acquisition and Related Transaction'', ''Retained Interest of the Vendor'' and ''Principal Unitholder''.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

At Closing, in consideration of the disposition of options to acquire common shares of the Vendor, Gilles C. Lachance, Michel Loignon, Mario Burnham, Mario D'Amours, Marko Potvin and Michel Delisle will receive an aggregate of $3,144,750 payable by the Vendor, of which an aggregate of $1,099,090 will be used by them to acquire Units at Closing. Such Units will be subject to contractual lock-up provisions providing for their release in five equal yearly instalments on each anniversary date of Closing. See ''Executive Compensation — Historical Compensation''. In addition, all the shares in the capital stock of GIC held by Michel Delisle will be acquired by the Vendor at Closing.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Units offered hereby will be passed upon on behalf of the Fund and Colabor LP by McCarthy Tétrault LLP, on behalf of the Vendor by Bélanger Sauvé LLP, and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of Closing, the partners and associates of McCarthy Tétrault LLP, Bélanger Sauvé LLP and Fasken Martineau DuMoulin LLP will beneficially own, directly and indirectly, less than 1% of the securities of the Fund or any associate of the Fund outstanding at such date.

LEGAL PROCEEDINGS

Management is not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Fund, the Trust or the Vendor which would be material to a purchaser of Units.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Fund and its entities are Raymond Chabot Grant Thornton LLP, Chartered Accountants, Montreal, Quebec.

The transfer agent and registrar for the Units is Computershare Investor Services Inc., at its principal transfer office in Montréal, Quebec.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces 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, the securities legislation further provides a purchaser with remedies for rescission, price revision or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated or the context otherwise requires:

''**Acquisition Agreement**'' means the Asset Transfer Agreement and the Subscription and Acquisition Agreement taken together.

''**Administration Agreement**'' means the administration agreement among the Fund, the Trust and Colabor LP described under ''Funding, Acquisition and Related Transactions — Administration Agreement''.

''**affiliate**'' has the same meaning ascribed thereto in the *Securities Act* (Quebec), as amended from time to time, as if the word ''company'' was therein changed to ''person''.

''**Affiliate Agreement**'' has the meaning ascribed thereto under ''Affiliated-Wholesalers''.

''**Affiliated-Wholesalers**'' has the meaning ascribed thereto under ''Business of Colabor — Overview''.

''**Asset Transfer Agreement**'' means the asset purchase agreement relating to the acquisition of the Business between the Vendor and Colabor LP.

''**Business**'' means the food, food-related and non-food products distribution and marketing business of Colabor.

''**Business Assets**'' means all of the assets of the Vendor other than the Excluded Assets.

''**Business day**'' means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Montreal and Toronto for the transaction of banking business.

''**CDS**'' means The Canadian Depository for Securities Limited.

''**Closing**'' means the closing of the Offering.

''**Closing Date**'' means on or about June 28, 2005, or such other date, not later than July 28, 2005, as may be agreed upon between the Fund and the Underwriters.

''**Colabor**'' refers to the Business operated by (i) the Vendor prior to Closing, and (ii) Colabor LP after the Closing.

''**Colabor LP**'' means Colabor Limited Partnership (Colabor, société en commandite in its French version), of which the Trust and the Vendor will be the special partners at Closing and the sole general partner of which is the General Partner.

''**Colabor LP Partnership Agreement**'' means the amended and restated limited partnership agreement among the General Partner, the Trust and the Vendor pursuant to which Colabor LP was established, as the same may be amended, supplemented or restated from time to time.

''**Colax**'' means Colax Limited Partnership.

''**CRA**'' means the Canada Revenue Agency.

''**Deferred Income Plans**'' has the meaning ascribed thereto under ''Eligibility for Investment''.

''**Distribution Centre**'' has the meaning ascribed thereto under ''Business of Colabor — Overview''.

''**Earnings Before Rebates and Other Items**'' means Earnings before rebates, financial expenses, amortization of property, plant and equipment, moving expenses, gain on disposal of land and building held for resale and income taxes as set out in the consolidated financial statements of the Vendor included in this prospectus.

''**Estimated Distributable Cash**'' means the estimate of the Fund's cash available for distribution on the Units for the 12 months ending March 25, 2005 calculated under ''Summary of Distributable Cash''.

''**Exchange Agreement**'' means the agreement between the Fund, the Trust, Colabor LP, the General Partner and the Vendor under which the Fund will, in certain circumstances be entitled or required to indirectly acquire Exchangeable LP Units in exchange for Units.

''**Exchangeable LP Units**'' means the exchangeable units of Colabor LP.

''**Excluded Assets**'' means the shares held by the Vendor in the share capital of GIC, the rights of the Vendor in a litigation unrelated to the Business, the rights and interests of the Vendor in parcels of land located in Boucherville

(Québec), the rights in the lease agreement entered into between the Vendor and Colax relating to the Distribution Centre and the rights of the Vendor in certain loans.

‘‘**Existing Credit Facilities**’’ means, collectively, the Existing Operating Credit Facilities and the Existing Long-Term Loan.

‘‘**Existing Long-Term Loan**’’ has the meaning ascribed thereto under ‘‘Debt Financing Existing — Credit Facilities — Existing Long-Term Loan’’.

‘‘**Existing Operating Credit Facilities**’’ has the meaning ascribed thereto under ‘‘Debt Financing — Existing Credit Facilities — Existing Operating Credit Facilities’’.

‘‘**Fund**’’ means Colabor Income Fund (Fonds de revenu Colabor in its French version), an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec and, unless the context otherwise requires, includes all entities owned directly or indirectly by Colabor Income Fund. As used under ‘‘Certain Income Tax Considerations’’, ‘‘Fund’’ means Colabor Income Fund, exclusive of any entities which it owns directly or indirectly.

‘‘**Fund Declaration of Trust**’’ means the declaration of trust dated May 19, 2005, pursuant to which the Fund was established, as the same may be amended, supplemented or restated from time to time.

‘‘**GAAP**’’ means generally accepted accounting principles in Canada.

‘‘**General Partner**’’ means Colabor Management Inc., a corporation established under the laws of Canada to act as the general partner of Colabor LP.

‘‘**GIC**’’ means Groupe Informatique Colabor Inc., a wholly-owned subsidiary of the Vendor.

‘‘**GP Units**’’ means units of Colabor LP representing a general partnership interest in Colabor LP’’.

‘‘**Lead Underwriters**’’ means National Bank Financial Inc. and Canaccord Capital Corporation.

‘‘**LP Units**’’ means, collectively, the Ordinary LP Units and the Exchangeable LP Units.

‘‘**LTIP**’’ has the meaning ascribed thereto under ‘‘Executive Compensation — Incentive Plans — Long-Term Incentive Plan’’.

‘‘**New Credit Facilities**’’ means collectively the New Operating Credit Facilities and the New Term Loan.

‘‘**New Operating Credit Facilities**’’ has the meaning ascribed thereto under ‘‘Debt Financing — New Credit Facilities — New Operating Credit Facilities’’.

‘‘**New Term Loan**’’ has the meaning granted thereto under ‘‘Debt Financing — New Credit Facilities — New Term Loan’’.

‘‘**Offering**’’ means the offering of Units to be issued and sold by the Fund pursuant to this prospectus as described under ‘‘Plan of Distribution’’.

‘‘**Ordinary LP Units**’’ means ordinary units of Colabor LP.

‘‘**Ordinary Resolution**’’ means a resolution passed by more than 50% of the votes cast, either in person or by proxy, at a meeting of holders of Voting Units at which a quorum was present called for the purpose of approving such resolution, or approved in writing by holders of more than 50% of votes represented by Voting Units entitled to vote on such resolution.

‘‘**Over-Allotment Option**’’ means the option granted to the Underwriters pursuant to the Underwriting Agreement to purchase a maximum of 275,000 additional Units at the offering price to cover over-allotments, if any, and for market stabilisation purposes, as described under ‘‘Plan of Distribution’’.

‘‘**Special Resolution**’’ means a resolution passed by not less than 66⅔% of the votes cast, either in person or by proxy, at a meeting of holders of Voting Units or other securities, as the case may be, at which a quorum was present called for the purpose of approving such resolution, or approved in writing by holders of not less than 66⅔% of votes represented by such securities entitled to vote on such resolution.

‘‘**Special Voting Units**’’ means the units of the Fund to be issued to represent voting rights in the Fund that accompany the Exchangeable LP Units.

‘‘**Subscription and Acquisition Agreement**’’ means the agreement pursuant to which the Trust will acquire a participation in Colabor LP as well as all the issued and outstanding shares of the General Partner.

‘‘**take-over bid**’’ has the meaning ascribed thereto in the *Securities Act* (Quebec), as amended from time to time.

‘‘**Tax Act**’’ means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

‘‘**Trust**’’ means Colabor Operating Trust (Colabor, Fiducie d’exploitation in its French version), an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec, of which all of the issued and outstanding Trust Units and Trust Notes will be held by the Fund at the Closing.

‘‘**Trust Declaration of Trust**’’ means the declaration of trust dated June 17, 2005 pursuant to which the Trust was established, as the same may be amended, supplemented or restated from time to time.

‘‘**Trust Note Indenture**’’ means the indenture pursuant to which the Trust Notes will be issued, as the same may be amended, supplemented or restated from time to time.

‘‘**Trust Notes**’’ means, collectively, the Series 1 Trust Notes, Series 2 Trust Notes and Series 3 Trust Notes issued from time to time in accordance with the Trust Note Indenture.

‘‘**Trust Units**’’ means the units of the Trust, each of which represents an equal, undivided beneficial interest therein.

‘‘**Trustees**’’ means the trustees of the Fund from time to time.

‘‘**Trustees of the Trust**’’ means the trustees of the Trust elected by the holders of Trust Units from time to time, and ‘‘Board of Trustees of the Trust’’ has the same meaning.

‘‘**TSX**’’ means the Toronto Stock Exchange.

‘‘**Underwriters**’’ means National Bank Financial Inc., Canaccord Capital Corporation, CIBC World Markets Inc., Desjardins Securities Inc. and Sprott Securities Inc., collectively.

‘‘**Underwriting Agreement**’’ has the meaning ascribed thereto under ‘‘Plan of Distribution’’.

‘‘**Unitholders**’’ means the holders of Units from time to time.

‘‘**Units**’’ means ordinary trust units of the Fund, each of which represents an equal, undivided beneficial interest therein.

‘‘**U.S. Securities Act**’’ means the United States Securities Act of 1933, as amended from time to time.

‘‘**Vendor**’’ means Colabor Inc., a corporation existing under the laws of Canada, which shall be renamed Colabor Investments Inc. at Closing.

‘‘**Voting Unitholders**’’ means the holders of Voting Units.

‘‘**Voting Units**’’ means, collectively, the Units and Special Voting Units.

FINANCIAL STATEMENT INDEX

AUDITORS' CONSENT

We have read the prospectus of Colabor Income Fund (the ''Fund'') dated June 17, 2005 relating to the issue and sale 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 use in the above-mentioned prospectus of our reports to:

- the Trustees of the Fund on the balance sheet of the Fund as at May 19, 2005. Our report is dated May 19, 2005 (except as to Note 2, which is as of June 17, 2005).
- The Directors of Colabor Inc. (the ''Vendor'') on the balance sheets of the Vendor 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 18, 2005 (except as to Note 19, which is as of June 17, 2005).
- The Trustees of the Fund on the unaudited pro forma consolidated balance sheet of the Fund as at March 25, 2005, and the unaudited pro forma consolidated statements of earnings for the 84-day period ended March 25, 2005, for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004. Our report is dated June 17, 2005.

(signed) Raymond Chabot Grant Thornton LLP
Chartered Accountants
Montréal

June 17, 2005

AUDITORS' REPORT

To the Trustees of
COLABOR INCOME FUND

We have audited the balance sheet of Colabor Income Fund as at May 19, 2005. This financial statement is the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, the balance sheet presents fairly, in all material respects, the financial position of the Fund as at May 19, 2005 in accordance with Canadian generally accepted accounting principles.

(signed) Raymond Chabot Grant Thornton LLP
Chartered Accountants
Montreal

May 19, 2005 (except as to Note 2, which is as of June 17, 2005)

COLABOR INCOME FUND

BALANCE SHEET

as at May 19, 2005

Asset	
Cash	$10
Unitholder's Equity	$10

COLABOR INCOME FUND

Notes to Balance Sheet
May 19, 2005

1. The Fund

Colabor Income Fund (the ''Fund'') is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec on May 19, 2005. The Fund was created to indirectly acquire and hold a 50.6% interest in Colabor, Limited Partnership (''Colabor LP''). Prior to Closing, Colabor LP will have acquired the food, food-related and non-food products distribution and marketing business of Colabor Inc. On the closing of the Offering, the remaining 49.4% interest in Colabor LP will be held by Colabor Inc. in the form of Exchangeable LP Units.

2. Subsequent Events

On June 17, 2005, the Fund filed a prospectus relating to the initial public offering of units of the Fund (the ''Offering''). Upon closing of the Offering, the Fund will use the proceeds of the Offering to subscribe to a combination of Trust Units and Trust Notes of the Trust. The Trust will use the proceeds to acquire and hold 50.6% of the limited partnership interests in Colabor LP and purchase all of the issued and outstanding shares of Colabor Management Inc.

AUDITORS' REPORT

To the Directors of
COLABOR INC.

We have audited the consolidated balance sheets of Colabor Inc. 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. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and 2003 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2004 in accordance with Canadian generally accepted accounting principles.

(signed) Raymond Chabot Grant Thornton LLP
Chartered Accountants
Montreal

March 18, 2005 (except as to Note 19, which is as of June 17, 2005)

COLABOR INC.

CONSOLIDATED EARNINGS

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited	(in thousands of dollars)		
Sales	$74,601	$65,733	$368,710	$332,918	$354,238
Cost of sales	72,971	64,252	361,132	326,310	347,632
	1,630	1,481	7,578	6,608	6,606
Rebates from suppliers	4,687	4,174	27,019	24,446	25,908
Gross Profit	6,317	5,655	34,597	31,054	32,514
Selling, distribution and administrative expenses	2,574	2,609	11,120	10,168	9,165
Other revenue	(103)	(221)	(476)	(669)	(105)
	2,471	2,388	10,644	9,499	9,060
Earnings before rebates, financial expenses, amortization of property, plant and equipment, moving expenses, gain on disposal of land and building held for resale and income taxes	3,846	3,267	23,953	21,555	23,454
Rebates (Note 5)	4,138	3,725	22,120	19,145	20,371
Earnings (loss) before financial expenses, amortization of property, plant and equipment, moving expenses, gain on disposal of land and building held for resale and income taxes	(292)	(458)	1,833	2,410	3,083
Financial expenses, net	33	104	369	696	329
Amortization of property, plant and equipment	247	256	1,161	1,254	774
Moving expenses (Note 6)					1,050
Gain on disposal of land and building held for resale (Note 6)			(1,739)		
	280	360	(209)	1,950	2,153
Earnings (loss) before income taxes	(572)	(818)	2,042	460	930
Income taxes (Note 7)	(192)	(268)	600	177	345
Net earnings (loss)	$ (380)	$ (550)	$ 1,442	$ 283	$ 585

The accompanying notes are an integral part of the consolidated financial statements.

COLABOR INC.

CONSOLIDATED RETAINED EARNINGS

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited (in thousands of dollars)			
Balance, beginning of period	$3,475	$2,235	$2,235	$2,279	$1,694
Net earnings (loss)	(380)	(550)	1,442	283	585
	3,095	1,685	3,677	2,562	2,279
Premium on redemption of class ''A'' shares				327	
Refundable dividend tax			202		
	—	—	202	327	—
Balance, end of period	$3,095	$1,685	$3,475	$2,235	$2,279

The accompanying notes are an integral part of the consolidated financial statements.

COLABOR INC.

CONSOLIDATED CASH FLOWS

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited			
	(in thousands of dollars)				
OPERATING ACTIVITIES					
Net earnings (loss)	$ (380)	$ (550)	$ 1,442	$ 283	$ 585
Non-cash items					
Amortization of property, plant and equipment	247	256	1,161	1,254	774
Future income taxes	(53)	10	(437)	177	211
Gain on disposal of land and building held for resale			(1,739)		
Changes in working capital items and deferred revenue (Note 8)	(2,938)	(2,009)	4,928	4,732	(8,656)
Cash flows from operating activities	(3,124)	(2,293)	5,355	6,446	(7,086)
INVESTING ACTIVITIES					
Property, plant and equipment	(117)	(167)	(1,014)	(508)	(5,799)
Disposal of land and building held for resale			6,887		
Cash flows from investing activities	(117)	(167)	5,873	(508)	(5,799)
FINANCING ACTIVITIES					
Bank overdraft and bank loans	385	2,792	(6,316)	(5,039)	8,352
Long-term debt					5,000
Repayment of long-term debt	(225)	(90)	(869)	(1,629)	(712)
Repayment of share redemption price balance	(129)	(129)	(515)	(232)	
Security deposits		(113)	(116)	(118)	(77)
Refundable dividend tax			(202)		
Issue of shares				1,080	322
Cash flows from financing activities	31	2,460	(8,018)	(5,938)	12,885
Net change in cash	(3,210)	—	3,210	—	—
Cash, beginning of period	3,210	—	—	—	—
Cash, end of period	$ —	$ —	$ 3,210	$ —	$ —

The accompanying notes are an integral part of the consolidated financial statements.

COLABOR INC.

CONSOLIDATED BALANCE SHEETS

	2005-03-25	December 31, 2004	December 31, 2003
	unaudited	(in thousands of dollars)	
ASSETS			
Current assets			
Cash		$ 3,210	
Accounts receivable (Note 9)	$26,086	22,093	$18,323
Income taxes receivable	305		1,151
Inventory	22,039	18,427	19,692
Prepaid expenses	684	211	474
Land and building held for resale, at amortized cost			5,011
	49,114	43,941	44,651
Property, plant and equipment (Note 10)	6,822	6,952	7,236
	$55,936	$50,893	$51,887
LIABILITIES			
Current liabilities			
Bank overdraft	55		1,616
Bank loans (Note 11)	330		4,700
Accounts payable and accrued liabilities	25,304	21,284	17,583
Interest and rebates payable	17,167	15,512	13,227
Income taxes payable		209	
Deferred revenue	327	311	327
Share redemption price balance	206	335	515
Instalments on long-term debt	900	900	869
Future income taxes			478
	44,289	38,551	39,315
Long-term debt (Note 12)	1,800	2,025	2,925
Share redemption price balance (Note 13)			335
Deferred revenue	128	165	325
Security deposits (Note 14)	468	468	584
Future income taxes	376	429	388
	$47,061	$41,638	$43,872
SHAREHOLDERS' EQUITY			
Capital stock (Note 15)	5,780	5,780	5,780
Retained earnings	3,095	3,475	2,235
	8,875	9,255	8,015
	$55,936	$50,893	$51,887

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

(signed) DONALD DUBÉ
DIRECTOR

(signed) DANIEL LACHAPELLE
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in tables are in thousands of dollars; information as at March 25, 2005, for the 84-day period ended March 25, 2005 and the 86-day period ended March 26, 2004 is unaudited.)

1. Governing Statutes and Nature of Operations

The Company, incorporated under the *Canada Business Corporations Act*, is a wholesale distributor of food, food-related and non-food products.

2. Changes in Accounting Policies

Impairment of long-lived assets

Effective at the beginning of fiscal year 2004, the Company adopted prospectively the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3063, *Impairment of Long-lived Assets*. This Section provides guidance on the recognition, measurement and disclosure of the impairment of long-lived assets, including property, plant and equipment and intangible assets with finite useful lives to be held and used. The Company reviews long-lived assets for impairment when 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 assets is less than their carrying amount, an impairment loss must be recognized. An impairment loss is measured as the amount by which the carrying amount of the assets exceeds their fair value. At December 31, 2004, no such impairment had occurred.

Revenue recognition

Effective at the beginning of fiscal year 2004, the Company adopted prospectively Abstract 141 (EIC-141), *Revenue Recognition,* issued by the Emerging Issues Committee (EIC) of the CICA. In general, the objective of this abstract is to provide guidelines for the application of section 3400, *Revenue*, of the CICA Handbook. Specifically, EIC-141 presents the criteria to be met for revenue to be recognized. The application of the new guidelines did not result in a material impact on the financial statements of the Company for the fiscal year ended December 31, 2004.

3. Accounting Policies

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates.

Principles of consolidation

These financial statements include the accounts of the Company and those of its subsidiary Groupe Informatique Colabor Inc.

Revenue recognition

The Company recognizes revenue on delivery of products, when the sale is accepted by the customer and when recovery is reasonably assured.

Inventory valuation

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Amortization

Property, plant and equipment are amortized over their estimated useful lives according to the following methods, annual rate and periods:

	Methods	Rate and periods
Furniture and fixtures, warehouse equipment and warehouse vehicles	Diminishing balance	20%
Computer hardware	Straight-line	4 years
Computer software	Straight-line	7 years
Leasehold improvements	Straight-line	Lease term of 20 years

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

Deferred revenue

The deferred revenue is composed of amounts received from suppliers pursuant to commercial agreements and is amortized on a straight-line basis over the terms of the agreements.

4. Information Included in the Statement of Earnings

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited			
Interest income	$10	$14	$ 39	$ 70	$ 80
Interest on long-term debt	33	42	158	239	109
Interest on bank loans	9	74	238	517	285

5. Rebates

In accordance with the nature of its operations, the Company distributes rebates to the Affiliated-Wholesalers (shareholder-customers) based on the profitability of its operations.

6. Moving Expenses and Gain on Disposal of Land and Building Held for Resale

In 2002, the Company incurred expenses in connection with the head office and distribution centre move. These expenses were composed primarily of direct costs relating to the new location during the pre-operating period and moving-related expenses. In 2004, the Company sold the former head office and distribution centre.

7. Income Taxes

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited			
Current	$(139)	$(278)	$1,037		$134
Future	(53)	10	(437)	$177	211
	$(192)	$(268)	$ 600	$177	$345

The Company's effective income tax rate differs from the statutory income tax rate in Canada. This difference arises from the following items:

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited			
Federal statutory income tax rate	22.1%	22.1%	22.1%	24.1%	26.1%
Quebec statutory income tax rate	8.9	8.9	8.9	8.9	9.0
Combined statutory income tax rate	31.0	31.0	31.0	33.0	35.1
Non-taxable portion of a capital gain			(4.2)		
Non-deductible costs	2.6	1.8	1.4	5.5	2.0
Other			1.2		
Effective income tax rate	33.6%	32.8%	29.4%	38.5%	37.1%

Future income tax liabilities arise mainly from the changes in temporary differences in the carrying amount and tax bases of property, plant and equipment, and land and building held for resale.

8. Information Included in the Statement of Cash Flows

The changes in working capital items and deferred revenue are detailed as follows:

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31, 2004	2003	2002
	unaudited	unaudited			
Accounts receivable	$(3,993)	$ (795)	$(3,770)	$ 7,515	$(2,837)
Income taxes receivable	(305)	(244)	1,151	(34)	(726)
Inventory	(3,612)	(697)	1,265	5,574	(5,634)
Prepaid expenses	(473)	(476)	263	(135)	(273)
Accounts payable and accrued liabilities	4,020	(605)	3,701	(7,534)	1,099
Interest and rebates payable	1,655	839	2,285	(1,117)	(474)
Income taxes payable	(209)		209		
Deferred revenue	(21)	(31)	(176)	463	189
	$(2,938)	$(2,009)	$ 4,928	$ 4,732	$(8,656)

8. Information Included in the Statement of Cash Flows (continued)

Cash flows relating to interest and income taxes on operating activities are detailed as follows:

	2005-03-25 (84 days)	2004-03-26 (86 days)	Years ended December 31,		
			2004	2003	2002
	unaudited	unaudited			
Interest paid	$ 36	$101	$312	$662	$366
Income taxes paid	375	34	121	34	860

9. Accounts Receivable

	2005-03-25	December 31,	
		2004	2003
	unaudited		
Trade accounts			
Shareholder companies controlled by directors	$10,824	$ 8,747	$ 6,532
Other shareholder companies	7,193	4,871	5,220
Other	2,235	2,350	1,998
Purchase rebates receivable	5,128	5,582	3,986
Other	706	543	587
	$26,086	$22,093	$18,323

10. Property, Plant and Equipment

	2005-03-25		
	Cost	Accumulated amortization	Net
		unaudited	
Land (Note 18)	$ 2,181		$2,181
Furniture and fixtures	894	$ 609	285
Warehouse equipment	3,238	1,383	1,855
Warehouse vehicles	1,743	1,091	652
Computer hardware	1,442	1,155	287
Computer software	2,229	762	1,467
Leasehold improvements	103	8	95
	$11,830	$5,008	$6,822

	December 31, 2004		
	Cost	Accumulated amortization	Net
Land (Note 18)	$ 2,181		$2,181
Furniture and fixtures	890	$ 595	295
Warehouse equipment	3,215	1,294	1,921
Warehouse vehicles	1,701	1,060	641
Computer hardware	1,417	1,122	295
Computer software	2,215	682	1,533
Leasehold improvements	92	6	86
	$11,711	$4,759	$6,952

10. Property, Plant and Equipment (continued)

	December 31, 2003		
	Cost	Accumulated amortization	Net
Land (Note 18)	$ 2,079		$2,079
Furniture and fixtures	875	$ 526	349
Warehouse equipment	3,207	816	2,391
Warehouse vehicles	1,599	909	690
Computer hardware	1,297	966	331
Computer software	1,728	392	1,336
Leasehold improvements	61	1	60
	$10,846	$3,610	$7,236

11. Credit Facilities

i) As at March 25, 2005 and December 31, 2004, credit facilities, for a maximum authorized amount of $19,900,000, include a $10,200,000 operating credit, an additional credit of $2,300,000 for the period from January 1 to June 9 and $7,300,000 from June 10 to December 31 of each year, and a $2,400,000 credit for the use of a letter of guarantee. These credit facilities are renewable annually. As at December 31, 2004, the letter of guarantee, in the amount of $2,027,000, is used with respect to one of the commitments described in Note 18. These credit facilities bear interest at the prime rate (4.25% as at March 25, 2005 and December 31, 2004) and are secured by accounts receivable and inventory.

The Company is required to comply with certain financial ratios under the terms of the credit agreement. As at March 25, 2005 and as at December 31, 2004, the Company is in compliance with these requirements.

ii) As at December 31, 2003, credit facilities, for a maximum authorized amount of $17,400,000, included a $10,000,000 operating credit, an additional credit of $5,000,000 for the period from June 1 to August 31 and $2,500,000 from September 1 to December 31 of each year, and a $2,400,000 credit for the use of a letter of guarantee. As at December 31, 2003, the letter of guarantee was used with respect to one of the commitments described in Note 18. These credit facilities bore interest at the prime rate (4.5% as at December 31, 2003) and were secured by accounts receivable and inventory.

The Company was required to comply with certain financial ratios under the terms of the credit agreement. As at December 31, 2003, the Company was in compliance with these requirements.

12. Long-Term Debt

		December 31,	
	2005-03-25	2004	2003
	unaudited		
Loan, secured by the universality of all present and future assets, bank's base rate less 1.25% for the period ended March 25, 2005 and for the year ended December 31, 2004 (5% as at March 25, 2005 and December 31, 2004), bank's base rate less 1.5% for the year ended December 31, 2003 (5% as at December 31, 2003), payable in monthly instalments of $75,000, maturing in March 2008 (a)	$2,700	$2,925	$3,375
Loan, secured by the land and building held for resale, prime rate plus 0.625%, reimbursed in 2004			419
	2,700	2,925	3,794
Instalments due within one year	900	900	869
	$1,800	$2,025	$2,925

(a) Under the terms of the loan agreement, the Company is required to comply with certain financial ratios. As at March 25, 2005 and December 31, 2004, the Company is in compliance with these requirements. As at December 31, 2003, the Company was not in compliance with the required available capital ratio and subsequently obtained confirmation that the financial institution waived non-compliance with the available capital ratio requirement for the twelve months following year-end.

As at March 25, 2005, the instalments on long-term debt for the coming twelve-month periods are $900,000 in 2006, 2007 and 2008.

13. Share Redemption Price Balance

The share redemption price balance bears interest at the prime rate (4.25% as at March 25, 2005, 4.25% as at December 31, 2004 and 4.5% as at December 31, 2003). The balance is repayable in monthly instalments of $42,909 and matures in 2005.

14. Security Deposits

Security deposits arise principally from Affiliated-Wholesalers (shareholder-customers). They bear interest at the prime rate (4.25% as at March 25, 2005, 4.25% as at December 31, 2004 and 4.5% as at December 31, 2003) and mature according to the terms specified in the Company's by-laws. Affiliated-Wholesalers (shareholder-customers) have assigned their deposits to the Company as security for their debt.

15. Capital Stock

Authorized

Unlimited number of shares

Class ''A'' shares, non-voting, participating, non-cumulative dividend determined by the Board of Directors, ranking prior to the class ''C'' and ''D'' shares, redeemable when the affiliation agreement with the holder ends, at a price equal to the carrying amount at the end of the last fiscal year ended prior to the notice of redemption.

Class ''B'' shares, voting, non-participating, redeemable at the paid-up capital amount when a holder or group of holders holds more than 15% of the issued and outstanding class ''B'' shares or when a holder of class ''B'' shares stops holding class ''A'' shares.

Class ''C'' shares, non-voting, non-participating, non-cumulative dividend determined by the Board of Directors, redeemable at the paid-up capital amount.

Class ''D'' shares, non-voting, participating, non-cumulative dividend determined by the Board of Directors, redeemable at a price equal to the carrying amount at the end of the last fiscal year ended prior to the notice of redemption.

		December 31,	
Issued and fully paid	**2005-03-25**	**2004**	**2003**
	unaudited		
5,342,420 class ''A'' shares	$5,779	$5,779	$5,779
5,342,420 class ''B'' shares	1	1	1
	$5,780	$5,780	$5,780

During the 2003 fiscal year, the Company:

— redeemed 751,561 class ''A'' shares and 751,561 class ''B'' shares for cash considerations of $1,082,248, of which $326,761 is recorded as redemption premium, and $75 respectively. The redemptions were carried out in exchange for share redemption price balances of $1,082,323;

— issued 750,014 class ''A'' shares and 750,014 class ''B'' shares for cash considerations of $1,080,020 and $75 respectively.

Stock option plan

The Company will grant class ''A'' stock options to some of the current Affiliated-Wholesalers (shareholder-customers) who have contributed to the settlement of the Brault-Clément Ltée issue. This option will be for a value equal to their financial contribution to the settlement, i.e. $1,776,711.

These options can only be exercised at the time of an initial public offering of the Company or upon the sale of all of the shares and/or assets of the Company to third parties.

The exercise price of the option will be $0.01. The number of options granted will be equal to the financial contribution divided by the value of the share at the time of the exercise.

16. Related Party Transactions

The majority of the Company's sales arise from transactions with Affiliated-Wholesalers (shareholder-customers). These transactions are concluded in the normal course of business and are measured at the exchange amount.

Moreover, sales to Affiliated-Wholesalers controlled by directors amount to $41,773,105 for the 84-day period ended March 25, 2005, $35,796,843 for the 86-day period ended March 26, 2004, $203,219,332 for the year ended December 31, 2004, $178,279,831 for the year ended December 31, 2003 and $173,573,820 for the year ended December 31, 2002.

17. Financial Instruments

The fair value of cash, accounts receivable, bank overdraft, bank loans, accounts payable and accrued liabilities, and interest and sales rebates payable is comparable to their carrying amount given that they will mature shortly.

The fair value of share redemption price balance and security deposits could not be determined since it is practically impossible to find financial instruments on the market having substantially the same economic characteristics.

The fair value of the long-term loan is equivalent to its carrying amount because it bears interest at a variable rate based on market rates.

18. Commitments

Under a 30-year emphyteutic lease, the Company assigned to a related trust, whose trustees are also directors of the Company, its rights to land with a cost of $2,181,000 as at March 25, 2005. Under a 20-year emphyteutic lease, the trust assigned its rights relating to this land to the limited partnership that owns the building used for the Company's distribution centre and head office.

The Company has entered into a long-term lease agreement expiring in August 2022, which calls for minimum lease payments of $36,761,000 for the rental of this building. The Company's obligation under the lease is secured by the land assigned by the Company under the emphyteutic lease.

18. Commitments (continued)

The Company has also entered into a long-term lease agreement expiring in October 2012, which calls for minimum lease payments of $819,000 for the rental of other premises.

The minimum lease payments under lease agreements for the next twelve-month periods are $2,136,000 in 2006, 2007, 2008, 2009 and 2010.

19. Subsequent Events

On May 19, 2005, the Company subscribed to 100 common shares of a newly created company, Colabor Management Inc., for a consideration of $100.

On May 19, 2005, the Company and its wholly-owned subsidiary, Colabor Management Inc., created a limited partnership, Colabor, Limited Partnership (''Colabor LP'').

On June 17 2005, the Company transferred substantially all of its assets and liabilities to Colabor LP for notes payable (the ''Notes'') and units of Colabor LP. This transaction was accounted for at the carrying amount since the transfer occurred with the wholly-owned subsidiary.

On June 17 2005, Colabor Income Fund (the ''Fund'') filed a prospectus relating to the initial public offering of units of the Fund (the ''Offering''). Upon closing of the Offering, the Fund will use the proceeds of the Offering to subscribe to a combination of Trust Units and Trust Notes of the Trust. The Trust will use the proceeds to acquire and hold 50.6% of the limited partnership interests in Colabor LP and purchase all of the issued and outstanding shares of Colabor Management Inc.

Colabor LP will use the cash proceeds together with the new short-term credit facilities to repay the Notes and pay the cost of the Offering.

On June 17 2005, the Company awarded stock options to officers of the Company. These officers renounced exercising their options in exchange for $3,144,750 paid by the Company.

If the Offering is not completed, Colabor LP will be responsible for payment of the issue expenses.

COMPILATION REPORT

To the Trustees of
COLABOR INCOME FUND

We have read the accompanying unaudited pro forma consolidated balance sheet of Colabor Income Fund (the «Fund») as at March 25, 2005 and the unaudited pro forma consolidated statements of earnings for the 84-day period ended March 25, 2005, for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004, and have performed the following procedures:

1. Compared the figures in the column captioned ''Fund'' to the audited balance sheet of the ''Fund'' as at May 19, 2005 and found them to be in agreement.
2. Ensured that the figures in the columns captioned ''Fund'' in the unaudited pro forma consolidated statements of earnings for the 84-day period ended March 25, 2005, for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004 were $ nil.
3. Compared the figures in the columns captioned ''Colabor Inc.'' to the unaudited financial statements of Colabor Inc. as at March 25, 2005 and for the 84-day period then ended and to the audited financial statements of Colabor Inc. for the year ended December 31, 2004, respectively, and found them to be in agreement.
4. Recalculated the figures in the column captioned ''Colabor Inc.'' in the unaudited pro forma consolidated statement of earnings for the twelve-month period ended March 25, 2005, which were determined by adding amounts from the unaudited consolidated statement of earnings of Colabor Inc. for the 84-day period ended March 25, 2005 to the amounts from the audited consolidated statement of earnings for the year ended December 31, 2004, and subtracting the amounts presented in the unaudited consolidated statement of earnings for the 86-day period ended March 26, 2004.
5. Made inquiries of certain officials of the Fund who have responsibility for financial and accounting matters about:
   a. the basis for determination of the unaudited pro forma adjustments, and
   b. whether the unaudited pro forma financial statements comply as to form in all material respects with the requirements of the various securities commissions and similar regulatory authorities in Canada.

   The officials:
   a. described to us the basis for the determination of the unaudited pro forma adjustments, and
   b. stated that the unaudited pro forma consolidated financial statements comply as to form in all material respects with the requirements of the various securities commissions and similar regulatory authorities in Canada.
6. Read the notes of the unaudited pro forma consolidated financial statements, and found them to be consistent with the basis described to us for determination of the unaudited pro forma adjustments.
7. Recalculated the application of the unaudited pro forma adjustments to the aggregate of the amounts in columns captioned ''Fund'' and ''Colabor Inc.'' as at March 25, 2005 and for the 84-day period then ended, for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004, and found the amounts in the column captioned ''Pro forma Fund'' to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or review, the objective of which is the expression of assurance with respect to management's assumptions, the unaudited 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 unaudited 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.

(signed) Raymond Chabot Grant Thornton LLP
Chartered accountants
Montreal

June 17, 2005

COLABOR INCOME FUND

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS
84-day period ended March 25, 2005

	Fund (Note 2)	Colabor Inc. (Note 2)	Pro forma adjustments (Note 3)		Pro forma Fund
	(in thousands of dollars, except net earnings per unit)				
Sales	$	$74,601	$		$74,601
Rebates			(2,196)	a) i)	(2,196)
Net sales		74,601	(2,196)		72,405
Cost of sales		72,971			72,971
Rebates from suppliers		4,687			4,687
		68,284			68,284
Gross profit		6,317	(2,196)		4,121
Selling, distribution and administrative expenses		2,574			2,574
Other revenue		(103)			(103)
		2,471			2,471
Earnings before rebates to Affiliated-Wholesalers and other customers, financial expenses, amortization, income taxes and non-controlling interest		3,846	(2,196)		1,650
Rebates to Affiliated-Wholesalers and other customers		4,138	(4,138)	a) ii)	
Earnings (loss) before financial expenses, amortization, income taxes and non-controlling interest		(292)	1,942		1,650
Financial expenses		33	99	b)	132
Amortization of property, plant and equipment		247			247
Amortization of intangible assets			335	c)	335
		280	434		714
Earnings (loss) before income taxes and non-controlling interest		(572)	1,508		936
Income taxes		(192)	192	d)	
Earnings before non-controlling interest		(380)	1,316		936
Non-controlling interest			462	e)	462
Net earnings (loss)	$	$ (380)	$ 854		$ 474
Basic and diluted net earnings per unit					$ 0.09

COLABOR INCOME FUND

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

Twelve-month period ended March 25, 2005

	Fund (Note 2)	Colabor Inc. (Note 2)	Pro forma adjustments (Note 3)		Pro forma Fund
	(in thousands of dollars, except net earnings per unit)				
Sales	$	$377,578	$		$377,578
Rebates			(11,151)	a) i)	(11,151)
Net sales		377,578	(11,151)		366,427
Cost of sales		369,851			369,851
Rebates from suppliers		27,532			27,532
		342,319			342,319
Gross profit		35,259	(11,151)		24,108
Selling, distribution and administrative expenses		11,085			11,085
Other revenue		(358)			(358)
		10,727			10,727
Earnings before rebates to Affiliated-Wholesalers and other customers, financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		24,532	(11,151)		13,381
Rebates to Affiliated-Wholesalers and other customers		22,533	(22,533)	a) ii)	
Earnings before financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		1,999	11,382		13,381
Financial expenses		298	427	b)	725
Amortization of property, plant and equipment		1,152			1,152
Amortization of intangible assets			1,455	c)	1,455
Gain on disposal of land and building held for resale		(1,739)			(1,739)
		(289)	1,882		1,593
Earnings before income taxes and non-controlling interest		2,288	9,500		11,788
Income taxes		676	(676)	d)	
Earnings before non-controlling interest		1,612	10,176		11,788
Non-controlling interest			5,823	e)	5,823
Net earnings	$	$ 1,612	$ 4,353		$ 5,965
Basic and diluted net earnings per unit					$ 1.09

COLABOR INCOME FUND

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

Year ended December 31, 2004

	Fund (Note 2)	Colabor Inc. (Note 2)	Pro forma adjustments (Note 3)		Pro forma Fund
	(in thousands of dollars, except net earnings per unit)				
Sales	$	$368,710	$		$368,710
Rebates			(10,901)	a) i)	(10,901)
Net sales		368,710	(10,901)		357,809
Cost of sales		361,132			361,132
Rebates from suppliers		27,019			27,019
		334,113			334,113
Gross profit		34,597	(10,901)		23,696
Selling, distribution and administrative expenses		11,120			11,120
Other revenue		(476)			(476)
		10,644			10,644
Earnings before rebates to Affiliated-Wholesalers and other customers, financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		23,953	(10,901)		13,052
Rebates to Affiliated-Wholesalers and other customers		22,120	(22,120)	a) ii)	
Earnings before financial expenses, amortization, gain on disposal of land and building held for resale, income taxes and non-controlling interest		1,833	11,219		13,052
Financial expenses		369	427	b)	796
Amortization of property, plant and equipment		1,161			1,161
Amortization of intangible assets			1,455	c)	1,455
Gain on disposal of land and building held for resale		(1,739)			(1,739)
		(209)	1,882		1,673
Earnings before income taxes and non-controlling interest		2,042	9,337		11,379
Income taxes		600	(600)	d)	
Earnings before non-controlling interest		1,442	9,937		11,379
Non-controlling interest			5,621	e)	5,621
Net earnings	$	$ 1,442	$ 4,316		$ 5,758
Basic and diluted net earnings per unit					$ 1.05

COLABOR INCOME FUND

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

March 25, 2005

	Fund (Note 2)	Colabor Inc. (Note 2)	Pro forma adjustments (Note 4)		Pro forma Fund
		(in thousands of dollars)			
ASSETS					
Current assets					
Cash	$	$	$ 7,824	b)	$
			49,900	c)	
			(57,724)	e)	
Accounts receivable		26,086			26,086
Income taxes receivable		305	(305)	a)	
Inventory		22,039			22,039
Prepaid expenses		684			684
		49,114	(305)		48,809
Property, plant and equipment		6,822	(2,181)	a)	4,641
Customer relationships			29,095	d)	29,095
Trademarks			3,947	d)	3,947
Goodwill			16,858	d)	16,858
		55,936	47,414		103,350
LIABILITIES					
Current liabilities					
Loans and bank overdraft		385	(385)	a)	
			7,824	b)	7,824
Accounts payable and accrued liabilities		25,304			25,304
Interest and rebates payable		17,167	(17,167)	a)	
Deferred revenue		327			327
Share redemption price balance		206	(206)	a)	
Notes payable			74,891	a)	
			(57,724)	e)	17,167
Instalments on long-term debt		900			900
		44,289	7,233		51,522
Long-term debt		1,800			1,800
Deferred revenue		128			128
Security deposits		468	(468)	a)	
Future income taxes		376	(376)	a)	
		47,061	6,389		53,450
UNITHOLDERS' EQUITY					
Capital stock		5,780	(5,780)	a)	
Retained earnings		3,095	(3,095)	a)	
			(49,900)	a)	
			49,900	d)	
Unitholders' capital account			49,900	c)	49,900
		8,875	41,025		49,900
	$	$55,936	$ 47,414		$103,350

COLABOR INCOME FUND

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in tables are in thousands of dollars)

1. The Fund

Colabor Income Fund (the ''Fund'') is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec on May 19, 2005. The Fund was created to indirectly acquire and hold a 50.6% (53.2% if the Over-Allotment Option is exercised in full) interest in Colabor, Limited Partnership (''Colabor LP''). On June 17 2005, Colabor LP acquired the food, food-related and non-food products distribution and marketing business of Colabor Inc. Following the closing of the Offering (the ''Closing''), the remaining 49.4% (46.8% if the Over-Allotment Option is exercised in full) interest in Colabor LP will be held by Colabor Inc. in the form of Exchangeable Colabor LP Units.

2. Basis of Presentation

The unaudited pro forma consolidated financial statements have been prepared by the management in accordance with Canadian generally accepted accounting principles. They give effect to the acquisition by the Fund of an indirect interest of 50.6% in Colabor LP which operates the food, food-related and non-food distribution and marketing business newly acquired from Colabor Inc.

The unaudited pro forma consolidated balance sheet has been prepared using data taken from the audited balance sheet of the Fund as at May 19, 2005, the unaudited balance sheet of Colabor Inc. as at March 25, 2005, and considering the adjustments and assumptions outlined below. The unaudited pro forma consolidated statements of earnings for the 84-day period ended March 25, 2005 and for the year ended December 31, 2004 have been prepared using data taken from the unaudited consolidated statement of earnings of Colabor Inc. for the 84-day period ended March 25, 2005 and the audited consolidated statement of earnings of Colabor Inc. for the year ended December 31, 2004 and considering the adjustments and assumptions outlined below. The unaudited consolidated statement of earnings for the twelve-month period ended March 25, 2005 were determined by adding amounts for the 84-day period ended March 25, 2005 and the amounts for the year ended December 31, 2004, and subtracting the amounts for the 86-day period ended March 26, 2004 and considering the adjustments and assumptions outlined below. The accounting policies used to prepare the unaudited pro forma consolidated financial statements correspond to those presented in the audited consolidated financial statements of Colabor Inc. as at December 31, 2004. Accordingly, the unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements of Colabor Inc. presented elsewhere in this prospectus and the balance sheet of the Fund as at May 19, 2005.

The pro forma consolidated financial statements may not be representative of the financial situation and results of operations that would have been achieved if the transactions had occurred on the dates shown, or the financial situation and results of operations that could be achieved in the future.

The accompanying unaudited pro forma consolidated financial statements of the Fund have been prepared to give effect to the following proposed transactions:

1. On June 17, 2005, Colabor LP acquired all of the business assets of Colabor Inc. for a consideration of $133,615,000 payable by the issuance of notes (the ''Notes'') and Units of Colabor LP;
2. Colabor LP will enter into new short term credit facilities for an amount of $32,000,000;
3. The Fund will use the proceeds of the Offering to subscribe for a combination of Trust Units and Trust Notes of Operating Trust;
4. The Trust will use the proceeds from the issuance of its securities to the Fund to subscribe for Ordinary Units of Colabor LP and purchase all of the issued and outstanding shares of the General Partner of Colabor LP;
5. Colabor LP will use the cash proceeds from the issuance of its Ordinary LP Units to the Trust together with the new short term credit facilities to repay the Notes and pay the issue expenses of the Offering; and
6. The Fund, the Trust, Colabor LP, the General Partner and Colabor Inc. will enter into the Exchange Agreement.

The unaudited proforma consolidated statements should be read in conjunction with the description of the transactions contained elsewhere in the prospectus, the audited and unaudited financial statements of Colabor Inc. and the audited balance sheet of the Fund, including the notes to those statements, included elsewhere in the prospectus.

3. Unaudited Pro Forma Consolidated Statements of Earnings of the Fund

The unaudited pro forma consolidated statements of earnings of the Fund for the 84-day period ended March 25, 2005, for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004 are based on the consolidated financial statements of Colabor Inc. and the effect of the proposed transactions. They have been prepared as though the transactions had taken place on January 1, 2004, as follows:

a) Adjustment to reflect:

   i. the rebates to Affiliated-Wholesalers, privileged members and other customers paid in accordance with the agreements governing their relationship with Colabor;

   ii. the elimination of rebates to Affiliated-Wholesalers and privileged members which were based on profitability, and the elimination of rebates to other customers;

b) Increase in financial expenses related to the additional borrowing of $10,674,000 (including $7,824,000 related to the acquisition of the business assets of Colabor Inc.) under the new short-term credit facilities, which bear interest at an average rate of 4.25% for the 84-day period ended March 25, 2005, 4.0% for the twelve-month period ended March 25, 2005 and for the year ended December 31, 2004.

c) Amortization of the customer relationships on a straight-line basis over a 20-year period.

d) Elimination of the tax expense to reflect the fact that the Fund and the entities controlled by it are not subject to income taxes.

e) Adjustment to reflect the non-controlling interest of a 49.4% share in net earnings.

4. Unaudited Pro Forma Consolidated Balance Sheet of the Fund

The unaudited pro forma consolidated balance sheet of the Fund as at March 25, 2005 is based on the audited historical balance sheet of the Fund as at May 19, 2005 and the unaudited balance sheet of Colabor Inc. as at March 25, 2005 and has been prepared as though the following proposed transactions had taken place on March 25, 2005:

a) Colabor Inc. transferred substantially all of its assets and liabilities to Colabor LP for notes payable and units of Colabor LP. Since Colabor LP was a wholly-owned subsidiary of Colabor Inc. at the time that Colabor Inc. transferred its distribution and marketing business assets and liabilities to Colabor LP, this transaction has been accounted for at carrying amount in accordance with Canadian Institute of Chartered Accountants Handbook Section 3840, Related Party Transactions, and Emerging Issues Committee abstract No.145, Basis of Accounting for Assets Acquired Upon the Formation of an Income Trust. The purchase price allocation is as follows:

Carrying amount of total net assets		
Share capital	$ 5,780	
Retained earnings	3,095	$ 8,875
Assets not acquired (liabilities not assumed)		
Income taxes receivable	305	
Land	2,181	
Loans and bank overdraft	(385)	
Interest and rebates payable	(17,167)	
Share redemption price balance	(206)	
Security deposits	(468)	
Future income taxes	(376)	16,116
		$24,991
Consideration		
Notes payable		74,891
5,362,439 units		—
		$74,891

The excess of the consideration over the carrying amount of the net assets acquired has been applied against retained earnings as related party transactions.

b) Colabor LP borrows $7,824,000 from its new short term credit facilities

c) Issuance by the Fund of 5,500,000 units for proceeds of $49,900,000, net of issue expenses of $5,100,000.

d) The Fund will indirectly acquire a 50.6% interest in the Colabor LP operating the food, food related and non-food products distribution and marketing business newly acquired from Colabor Inc. The preliminary purchase price allocation will be determined as follows:

Current assets	$ 48,809
Fixed assets	4,641
Customer relationships	29,095 (1)
Trademarks	3,947 (1)
Goodwill	16,858 (1)
Current liabilities	(25,304)
Notes payable	(24,991)
Deferred revenue	(455)
Long-term debt	(2,700)
	49,900
Non-controlling interest	— (1)
Cash consideration paid	$ 49,900

(1) As described above the transaction has been recorded at carrying amount. Consequently, the non-controlling interest has been recorded based on the carrying amount of the net assets of Colabor LP. The excess of purchase price over the carrying amount of net assets has been allocated to intangible assets and goodwill based on the Fund's percentage of interest in Colabor LP.

e) Repayment of the notes payable to Colabor Inc. for an amount of $57,724,000.

CERTIFICATE OF THE FUND AND THE PROMOTER

Dated: June 17, 2005

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the Securities Act (British Columbia), by Part 9 of the Securities Act (Alberta), by Part XI of The Securities Act, 1988 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part XV of the Securities Act (Ontario), by Part 6 of the Securities Act (New Brunswick), by Section 63 of the Securities Act (Nova Scotia), by Part II of the Securities Act (Prince Edward Island), and by Part XIV of the Securities Act (Newfoundland and Labrador), and the respective regulations thereunder. This prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the Securities Act (Quebec) and the regulations thereunder.

COLABOR INCOME FUND
by Colabor Limited Partnership, its administrator,
acting and represented by its general partner Colabor Management Inc.

By: (Signed) GILLES C. LACHANCE
President and Chief Executive Officer

By: (Signed) MICHEL LOIGNON
Vice-President, Finance and Administration
(as Chief Financial Officer)

By: (Signed) DONALD DUBÉ
Director

By: (Signed) JACQUES LANDREVILLE
Director

THE PROMOTER
COLABOR INC.

By: (Signed) GILLES C. LACHANCE
President

CERTIFICATE OF THE UNDERWRITERS

Dated: June 17, 2005

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the Securities Act (British Columbia), by Part 9 of the Securities Act (Alberta), by Part XI of The Securities Act, 1988 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part XV of the Securities Act (Ontario), by Part 6 of the Securities Act (New Brunswick), by Section 64 of the Securities Act (Nova Scotia), by Part II of the Securities Act (Prince Edward Island), and by Part XIV of the Securities Act (Newfoundland and Labrador), and the respective regulations thereunder. To our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the Securities Act (Quebec) and the regulations thereunder.

NATIONAL BANK FINANCIAL INC.

By: (Signed) LOUIS GENDRON

CANACCORD CAPITAL CORPORATION

By: (Signed) JEAN-YVES BOURGEOIS

CIBC WORLD MARKETS INC.

By: (Signed) ÉRIC MORISSET

DESJARDINS SECURITIES INC.

By: (Signed) JACQUES O. NADEAU

SPROTT SECURITIES INC.

By: (Signed) ROBERT CHALMERS