

NOTICE OF SPECIAL MEETINGS

OF UNITHOLDERS OF:

**ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND
ACUITY CLEAN ENVIRONMENT EQUITY FUND
ACUITY CLEAN ENVIRONMENT BALANCED FUND**

to be held on

August 7, 2007 commencing at

at 3:00 p.m.

**at the offices of Acuity Funds Ltd.
65 Queen Street West, Suite 1800
Toronto, Ontario
M5H 2M5**

NOTICE OF SPECIAL MEETINGS OF UNITHOLDERS OF:
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ACUITY CLEAN ENVIRONMENT BALANCED FUND

NOTICE IS HEREBY GIVEN that special meetings (the “Special Meetings”) of unitholders (the “Unitholders”) holding units (“Units”) of Acuity Clean Environment Global Equity Fund, Acuity Clean Environment Equity Fund and Acuity Clean Environment Balanced Fund, will be held on August 7, 2007 at the offices of Acuity Funds Ltd. (“Acuity”), 65 Queen Street West, Suite 1800, Toronto, Ontario M5H 2M5 at the following times:

	Time
Acuity Clean Environment Global Equity Fund	3:00 p.m.
Acuity Clean Environment Equity Fund	3:20 p.m.
Acuity Clean Environment Balanced Fund	3:40 p.m.

Unitholders are being asked to consider and, if deemed advisable, to:

as a Unitholder of Acuity Clean Environment Global Equity Fund, to vote:

for or against a resolution approving the merger of Acuity Clean Environment Global Equity Fund into Acuity Clean Environment Equity Fund as set out in Schedule “A” to the accompanying Management Information Circular (“Circular”);

as a Unitholder of Acuity Clean Environment Equity Fund, to vote:

for or against a resolution approving a proposal to change the fundamental investment objective as set out in Schedule “B” to the accompanying Circular;

as a Unitholder of Acuity Clean Environment Balanced Fund, to vote:

for or against a resolution approving a proposal to change the fundamental investment objective as set out in Schedule “C” to the accompanying Circular.

Acuity has provided a complete description of the matters to be considered at the Special Meetings in the accompanying Circular. The text of the resolutions (“Resolutions”) authorizing each matter is set out in Schedule “A”, Schedule “B” and Schedule “C”, respectively, to the Circular.

Only Unitholders of record as of the close of business on July 6, 2007 will be entitled to vote at the applicable Special Meeting. Unitholders who are entitled to vote, but are unable to attend the applicable Special Meeting in person, are requested to complete, sign and return in the envelope provided for that purpose, the enclosed form of proxy.

To be effective, a completed form of proxy (refer to Appendix “A” to the Circular) must be returned to Acuity no later than 4:00 p.m. on August 6, 2007.

An addressed prepaid envelope has been provided for your use. The approval of each Resolution will require the affirmative vote of not less than a majority of the votes cast in respect thereof. Two Unitholders present in person or represented by proxy will constitute a quorum.

DATED at Toronto, on July 16, 2007.

Acuity Funds Ltd., as manager and trustee of
Acuity Clean Environment Global Equity Fund,
Acuity Clean Environment Equity Fund and Acuity
Clean Environment Balanced Fund.

By: signed "George Henry"
George Henry
Chief Financial Officer

MANAGEMENT INFORMATION CIRCULAR

FOR THE SPECIAL MEETINGS OF

UNITHOLDERS OF:

**ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND
ACUITY CLEAN ENVIRONMENT EQUITY FUND
ACUITY CLEAN ENVIRONMENT BALANCED FUND**

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MANAGEMENT INFORMATION CIRCULAR

**ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND
ACUITY CLEAN ENVIRONMENT EQUITY FUND
ACUITY CLEAN ENVIRONMENT BALANCED FUND**

DATED JULY 16, 2007

SOLICITATION OF PROXIES

This Management Information Circular is furnished to unitholders of the mutual funds listed below in connection with the solicitation of proxies by Acuity Funds Ltd. ("**Acuity**"), in its capacity as manager and trustee of Acuity Clean Environment Global Equity Fund, Acuity Clean Environment Equity Fund and Acuity Clean Environment Balanced Fund (sometimes referred to as a "**Fund**" and collectively referred to as the "**Funds**"), to be used at special meetings (the "**Special Meetings**") to be held August 7, 2007, at the times indicated below, and for the reasons set out in the accompanying notice calling the Special Meetings:

	Time
Acuity Clean Environment Global Equity Fund	3:00 p.m.
Acuity Clean Environment Equity Fund	3:20 p.m.
Acuity Clean Environment Balanced Fund	3:40 p.m.

The Special Meetings and all adjournments thereof will be held at 65 Queen Street West, Suite 1800, Toronto, Ontario M5H 2M5 and concern:

- a) with respect to Acuity Clean Environment Global Equity Fund, to vote for or against a resolution approving the merger of Acuity Clean Environment Global Equity Fund into Acuity Clean Environment Equity Fund as set out in Schedule "A";
- b) as a Unitholder of Acuity Clean Environment Equity Fund, to vote for or against a resolution approving a proposal to change the fundamental investment objective as set out in Schedule "B"; and
- c) as a Unitholder of Acuity Clean Environment Balanced Fund, to vote for or against a resolution approving a proposal to change the fundamental investment objective as set out in Schedule "C".

Acuity will bear the costs of soliciting proxies for the Special Meetings.

In respect of the Special Meetings, proxies may be solicited by mail and the directors, officers or employees of Acuity may solicit proxies personally, by telephone or by facsimile transmission. Acuity will reimburse nominee holders, brokerage firms and other intermediaries for the reasonable expenses incurred in sending proxy materials to beneficial owners of securities and requesting them to execute proxies.

Except as otherwise stated, the information contained in this Management Information Circular is given as of July 16, 2007.

A. PROPOSED FUND MERGER

Introduction

Acuity is the manager of Acuity Clean Environment Global Equity Fund and Acuity Clean Environment Equity Fund. For the reasons discussed below under “Reasons For The Merger”, Acuity proposes to merge (the “**Merger**”) Acuity Clean Environment Global Equity Fund (the “**Terminating Fund**”) into Acuity Clean Environment Equity Fund (the “**Continuing Fund**”).

Unitholders of the Terminating Fund, therefore, are being asked to approve the Merger. Implicit in this approval is the approval of the Continuing Fund’s revised investment objectives, as unitholders in the Terminating Fund will become investors in the Continuing Fund as a result of the Merger (see “Change to Investment Objective of Acuity Clean Environment Equity Fund” below for more information).

Thereafter, the Terminating Fund will be wound up as soon as reasonably possible after the effective date of the merger transaction.

The Terminating Fund and the Continuing Fund are open-end mutual fund trusts established under the laws of the Province of Ontario and were created pursuant to declarations of trust dated as follows:

	Date of Declaration of Trust
Acuity Clean Environment Global Equity Fund <i>(Terminating Fund)</i>	June 30, 1993
Acuity Clean Environment Equity Fund <i>(Continuing Fund)</i>	December 31, 1991

These individual declarations of trust were amended and restated by Acuity under a master declaration of trust (the “**Declaration of Trust**”) on September 1, 2002. Units of the Terminating Fund and the Continuing Fund are offered pursuant to an amended and restated simplified prospectus and annual information form dated February 19, 2007, as amended.

Acuity is seeking the approval of unitholders of the Terminating Fund (and regulatory approval, if necessary) for the Merger.

Procedure For The Merger

If approved, the Merger will be structured as follows:

- (i) it is anticipated that substantially all the assets of the Terminating Fund will be transferred to the Continuing Fund in connection with the Merger. However, immediately prior to the date of the Merger, if there are any securities in the underlying portfolio of assets attributable to the Terminating Fund that does not meet the investment objectives and investment strategies of the Continuing Fund (as determined by the portfolio adviser of the Continuing Fund), such securities will be sold and converted to cash or cash equivalents. In this limited circumstance, the Terminating Fund may temporarily hold cash or money market instruments and may not be fully

invested in accordance with its investment objectives for a brief period of time prior to the Merger;

- (ii) the balance of the Terminating Fund's investment portfolio and other assets will be valued and determined at the close of business on the effective date of the Merger in accordance with the Declaration of Trust;
- (iii) the Continuing Fund will acquire the investment portfolio and cash and/or cash equivalents referred to above in exchange for units of the Continuing Fund;
- (iv) the Continuing Fund will not assume the liabilities of the Terminating Fund, and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the date of the Merger;
- (v) the units of the Continuing Fund received by the Terminating Fund under the Merger will have an aggregate net asset value equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring and will be issued at the applicable class net asset value per unit as of the close of business on the effective date of the Merger;
- (vi) the Terminating Fund will distribute to its unitholders a sufficient amount of its net income and net realized capital gains so that it will not be subject to tax under Part I of the *Income Tax Act* (Canada) for its current taxation year;
- (vii) the units of the Continuing Fund received by the Terminating Fund under the Merger will be distributed to unitholders of the Terminating Fund on a dollar-for-dollar and class-by-class basis in exchange for their units in the Terminating Fund Fund; and
- (viii) as soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

If unitholders approve the Merger, and subject to any required regulatory approval, it is proposed that the Merger will occur before September 30, 2007. Acuity may, in its sole discretion, elect not to proceed with the Merger, if approved, should it so determine or otherwise elect to postpone implementing an approved Merger until a later date if it considers such postponement to be more advantageous for tax reasons or other reasons.

The cost of effecting the Merger (consisting primarily of legal, proxy solicitation, printing, mailing and regulatory fees) will be borne by Acuity.

Unitholders will continue to have the right to redeem units of the Terminating Fund held by them and the right to switch their investment to other mutual funds offered and managed by Acuity until the close of business on the business day before the effective date of the Merger provided that Acuity is in receipt of a written redemption or switch order, duly completed and executed by or on behalf of the applicable unitholder, with the consequent income tax implications - see "Tax Consequences of the Merger" below. Redemption and switch requests not settled on or before the effective date of the Merger will be deemed to be requests to redeem units of the Continuing Fund and the normal settlement procedures will apply after the effective date of the Merger. Unitholders of the Terminating Fund will be able to subsequently redeem, in the ordinary course, the units of the Continuing Fund that they acquire through the Merger.

In anticipation of receiving unitholder approval for the Merger, purchases of, and transfers to, units of the Terminating Fund will be suspended at the close of business on August 6, 2007. Following the Merger,

Automatic Purchase Plans and Automatic Withdrawal Plans that were established with respect to the Terminating Fund will continue with respect to the Continuing Fund unless affected unitholders advise otherwise. Unitholders may change their Automatic Purchase Plans and Automatic Withdrawal Plans at any time and at no cost. Investors in the Terminating Fund who wish to establish a Pre-Authorized Chequing Plan or a Systematic Withdrawal Plan in respect of their holdings in the Continuing Fund may do so following the Merger.

Reasons For The Merger

Acuity believes that the Merger will be beneficial to unitholders of both the Continuing Fund and the Terminating Fund for the following reasons:

- (i) unitholders of both the Continuing Fund and the Terminating Fund will enjoy increased economies of scale as part of a larger Continuing Fund;
- (ii) the Merger will eliminate the administrative and regulatory costs of operating the Terminating Fund as a separate mutual fund;
- (iii) the Continuing Fund will have a portfolio of greater value allowing for increased portfolio diversification opportunities; and
- (iv) the Continuing Fund, as a result of its greater size, will benefit from its larger profile in the marketplace.

Compatibility: Terminating Fund and Continuing Fund

Fundamental Investment Objectives and Investment Strategies

Terminating Fund

The investment objective of the Terminating Fund is to provide long-term capital appreciation by investing primarily in a globally diversified portfolio of equity securities which fit the Fund's concept of sustainable development.

In order to achieve this investment objective, the Terminating Fund invests primarily in a broad selection of equity securities including convertibles, warrants and income trust securities of mid-to-large capitalization companies located in more developed economies and markets around the world. The portfolio adviser for the Terminating Fund looks for primarily mid to large capitalization companies which typically may possess proven management, proprietary/strategic advantages and financial strength. In the portfolio adviser's opinion, these companies have above-average sales or earnings growth potential and favourable valuation levels with respect to those growth expectations. Furthermore, the portfolio adviser looks for companies that fit the environmental concept of sustainable development which, as defined in a 1987 report of the World Commission on Environment and Development, is economic development that meets the needs of current generations without compromising the ability of future generations to meet theirs. This concept may be modified by Acuity without unitholder approval.

Continuing Fund

The investment objective of the Continuing Fund is to provide long-term capital appreciation by investing primarily in a diversified portfolio of equity securities which fit the Fund's concept of sustainable development.

In order to achieve this investment objective, the Continuing Fund invests primarily in a broad selection of Canadian and foreign equity securities including convertibles, warrants and income trust securities. The Continuing Fund may invest up to approximately 30% of its assets (at market value at time of purchase) in foreign (non-Canadian) securities. The portfolio adviser for the Continuing Fund looks for companies with no capitalization bias and which may typically possess proven management, proprietary/strategic advantages and financial strength. In the portfolio adviser's opinion, these companies have above-average sales or earnings growth potential and favourable valuation levels with respect to these growth expectations. Furthermore, the portfolio adviser looks for companies that fit the environmental concept of sustainable development which, as defined in a 1987 report of the World Commission on Environment and Development, is economic development that meets the needs of current generations without compromising the ability of future generations to meet theirs. This concept may be modified by Acuity without unitholder approval.

However, as discussed more fully under "Change to Investment Objective - Acuity Clean Environment Equity Fund" (see below), the Continuing Fund is proposing to alter its investment objective to permit greater investments outside of Canada. Therefore, unitholders in the Terminating Fund should be cognizant of the fact that the Merger, if approved, will result in them becoming unitholders in the Continuing Fund with its revised investment objectives.

Compatibility

In the opinion of Acuity, a reasonable person could conclude that the fundamental investment objective of the Terminating Fund is not substantially similar to the fundamental investment objectives of the Continuing Fund. However, under the Continuing Fund's proposed new investment mandate (see "Change to Investment Objective - Acuity Clean Environment Equity Fund" below), and in the opinion of Acuity, the Terminating Fund would have a substantially similar fundamental investment objective to that of the Continuing Fund.

Registered Plan Eligibility

The Terminating Fund and the Continuing Fund are each a "mutual fund trust" under the Tax Act and, accordingly, units of both the Terminating Fund and the Continuing Fund are "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans (collectively, "Registered Plans").

Comparison of Fees and Fund Size

The net assets under management and net asset value (as of June 30, 2007) and the annual management fee rate are as follows:

	Assets under Administration (millions)	Net Asset Value		Annual Management Fee Rates		MER as at December 31, 2006 (MER prior to waiver and absorption)	
		Class A	Class F	Class A	Class F	Class A	Class F
Acuity Clean Environment Global Equity Fund (Terminating Fund)	\$12,301	\$7.11	\$7.11	2.50%	1.50%	2.93% (2.95%)	1.88% (1.90%)
Acuity Clean Environment Equity Fund (Continuing Fund)	\$90,551	\$18.18	\$18.18	2.50%	1.50%	2.86% (n/a)	1.80% (n/a)

In addition to management fees, the Terminating Fund and the Continuing Fund are responsible for the payment of all expenses relating to its operations and the carrying on of its business, including, but not limited to, legal, audit, custodial and safekeeping fees, taxes, brokerage commissions, interest, operating and administrative costs, investor servicing costs and costs of financial and other reports and prospectuses that are used in complying with the laws, regulations and policies regulating the issue and sale of securities.

Additional Information Regarding the Merger

Generally

Under certain circumstances the Terminating Fund and the Continuing Fund may be subject to a short-term trading fee. Furthermore, the redemption of units purchased under the “Initial Sales Charge Option” is not subject to redemption charges other than the aforementioned short-term trading fee. Within the first three years of purchase, the redemption of units purchased under the “Level Load Option” is subject to a redemption fee of 2.0% (if redeemed in first year), 1.5% (if redeemed in second year) and 1.0% (if redeemed in third year) based on the original cost of units being redeemed. Within the first three years of purchase, the redemption of units purchased under the “Low Load Option” is subject to a redemption fee of 3.0% (if redeemed in first year), 2.75% (if redeemed in second year) and 2.5% (if redeemed in third year) based on the original cost of units being redeemed. During the first six years of purchase, the redemption of units purchased under the “Deferred Sales Charge Option” is subject to a redemption fee based on a percentage on the original cost of units being redeemed. The redemption fee otherwise applicable to certain redemptions by a holder of units purchased under the Deferred Sales Charge Option is waived, to a maximum of 10% of the aggregate number of units held by an investor under the Deferred Sales Charge Option as at December 31 of the prior year. More details on the each of these purchase options may be found in the simplified prospectus of the Funds included with this Management Information Circular.

Performance: Terminating Fund and Continuing Fund

The average annual compound returns of each class of units of the Terminating Fund and the Continuing Fund over the past one, three, five, ten year (or since inception) periods to June 30, 2007 is compared to their relative benchmark index calculated on the same compound basis:

Fund	1 Year	3 year	5 Year	10 Year	Since Inception	Inception Date
Terminating Fund – Class A	15.6%	6.3%	5.8%	-0.4%	-	June 30/93
MSCI World Index ⁽¹⁾	18.4%	8.6%	6.7%	4.7%	-	-
Terminating Fund – Class F	16.7%	7.4%	6.8%	-	-0.4%	Apr. 16/01
MSCI World Index ⁽¹⁾	18.4%	8.6%	6.7%	-	2.5%	-
Continuing Fund – Class A	26.5%	15.8%	14.2%	5.6%	-	Dec. 31/91
S&P/TSX Corporate Index ⁽²⁾	22.7%	20.1%	16.6%	9.9%	-	-
Continuing Fund – Class F	27.8%	16.8%	15.1%	-	8.3%	Mar. 1/01
S&P/TSX Corporate Index ⁽²⁾	22.7%	20.1%	16.6%	-	11.1%	-

(1) MSCI World Index is a Morgan Stanley international index that includes stocks traded in Europe, Australia, the Far East, U.S., Canada and South Africa, weighted by capitalization.

(2) S&P/TSX Corporate Index is the principal broad market measure for the Canadian equity markets including both common stock and income trust units.

Additional information regarding the Continuing Fund is contained in the simplified prospectus and financial statements that are included with this Management Information Circular. You are urged to review these documents carefully. In addition, unitholders can obtain a copy of the annual information form and the management report of fund performance of the Continuing Fund by contacting Acuity at 65 Queen Street West, Suite 1800, Toronto, Ontario M5H 2M5, Tel: (800) 461-4570 (toll-free), by faxing a request to Acuity at (416) 366-2568, visiting Acuity's website at www.acuityfunds.com. or visiting www.sedar.com - the internet site of SEDAR (System for Electronic Document Analysis and Retrieval).

Tax Consequences of the Merger

This is a general summary of the principal Canadian federal income tax considerations as of the date hereof relevant to a unitholder of the Terminating Fund who, for the purpose of the Tax Act, is an individual (other than a trust), resident in Canada, who holds units of the Terminating Fund as capital property. **This summary is not intended to be legal or tax advice and it is not exhaustive of all possible tax considerations. This summary is of a general nature only and Unitholders are advised to consult their own tax advisors about their specific circumstances.**

A unitholder who redeems units of the Terminating Fund before the date of a Merger will realize a capital gain (or capital loss) to the extent that proceeds of disposition exceed (or are exceeded by) the

aggregate of the unitholder's adjusted cost base of the units and any costs of disposition. A unitholder, other than a Registered Plan, must include one-half of such a capital gain in income and may deduct one-half of such a capital loss against taxable capital gains, subject to and in accordance with the detailed provisions of the Tax Act.

As described under Procedure for the Merger, the Terminating Fund may liquidate portfolio assets prior to the Merger. Such liquidation will result in a capital gain (or capital loss) to the Terminating Fund equal to the amount by which the proceeds of disposition of the particular portfolio asset exceed (or are exceeded by) the adjusted cost base of the particular portfolio asset and any reasonable costs of disposition. On the effective date of the Merger, the Terminating Fund will dispose of each of its remaining portfolio assets to the Continuing Fund for proceeds of disposition equal to the fair market value thereof at that time. Accordingly, the Terminating Fund will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the particular portfolio asset exceed (or are exceeded by) the adjusted cost base of the particular portfolio asset and any reasonable cost of disposition. The Terminating Fund is expected to have sufficient loss carryforwards to shelter any net realized capital gains resulting from the liquidation of portfolio assets and the disposition of portfolio assets to the Continuing Fund. It is expected that a substantial amount of loss carryforwards of the Terminating Fund will expire on the Merger.

To ensure that the Terminating Fund will not be subject to tax for its current taxation year, the Terminating Fund will, if necessary, distribute a sufficient amount of its net income and net realized capital gains to its unitholders. Unitholders, other than those who hold their units in a Registered Plan, will receive a statement for tax purposes identifying the unitholder's share of the Terminating Fund's income for such taxation year. Unless units are held in a Registered Plan, the income allocated to the unitholder, as set out in the statement, must be included in the unitholder's income for 2007.

The cost to the Terminating Fund of the units of the Continuing Fund received in the course of the Merger will be equal to the fair market value of the Terminating Fund's assets transferred to the Continuing Fund. The distribution of units of a Continuing Fund to unitholders in exchange for units of the corresponding Terminating Fund will not result in a capital gain or loss to that Terminating Fund, provided that such distribution occurs immediately after the transfer of the portfolio assets to the Continuing Fund.

Upon the distribution of units of the Continuing Fund in exchange for units of the Terminating Fund, unitholders will have a disposition of their units of the Terminating Fund and will receive proceeds of disposition equal to the fair market value of the units of the Continuing Fund received. As a result, unitholders will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of the unitholder's units of the Terminating Fund and any reasonable costs of disposition. One-half of any capital gain must be included in computing a unitholder's income and one-half of any capital loss may be deducted against taxable capital gains subject to, and in accordance with, the detailed provisions of the Tax Act. A unitholder will acquire units of the Continuing Fund received on a Merger at a cost equal to the fair market value of such units at the time of that Merger. In determining the adjusted cost base of the unitholder's units of the Continuing Fund, the cost of the new units of the Continuing Fund will be averaged with the adjusted cost base of any and all identical units of the Continuing Fund already held by the unitholder.

The Terminating Fund and the Continuing Fund is expected to be, at all material times, a mutual fund trust under the Tax Act. Accordingly, units of the Terminating Fund and the Continuing Fund are expected to be qualified investments under the Tax Act for Registered Plans. Please refer to the enclosed

simplified prospectus for a description of the income tax consequences of acquiring, holding and disposing of units of the Continuing Fund.

Authorization of Unitholders of the Terminating Fund

In order to carry out the Merger, unitholders of the Terminating Fund must authorize Acuity, as manager and trustee of the Terminating Fund, to:

- (i) sell or otherwise convert to cash or cash equivalents any securities in the underlying portfolio of assets attributable to the Terminating Fund that does not meet the investment objectives and investment strategies of the corresponding Continuing Fund;
- (ii) exchange the net assets of the Terminating Fund for units of the corresponding Continuing Fund;
- (iii) distribute the units of Continuing Fund received by the Terminating Fund to unitholders of the Terminating Fund in exchange for all their existing units of the Terminating Fund on a dollar-for-dollar and class-by-class basis; and
- (iv) wind-up the Terminating Fund as soon as reasonably possible following the Merger.

To give effect to the foregoing, unitholders of the Terminating Fund are requested to approve the passing of the resolution as set out in Schedule “A”. Approval of this resolution will require the affirmative vote of a majority of votes cast in respect of each resolution.

B. CHANGE TO INVESTMENT OBJECTIVE – ACUITY CLEAN ENVIRONMENT EQUITY FUND

Acuity, as manager and trustee, proposes to remove the 30% limit on foreign property investments as currently disclosed in Acuity Clean Environment Equity Fund’s investment strategy section of its simplified prospectus.

Reasons for the Change in Fundamental Investment Objective

Acuity believes that it is in the best interests of investors of Acuity Clean Environment Equity Fund (referred to as the Continuing Fund in section A of this document) to change Acuity Clean Environment Equity Fund’s investment objectives for the following reasons:

- **Greater Diversification and Investment Opportunity:** The number of companies in which Acuity Clean Environment Equity Fund can invest within its current Canadian mandate is many times smaller than that available on a global basis. With greater geographic scope, Acuity Clean Environment Equity Fund would have greater investment and diversification opportunities not available within the Canadian market.
- **Elimination of Foreign Content Restrictions:** When Acuity Clean Environment Equity Fund was launched in 1991, it was designed to be fully eligible for registered tax plans as non-foreign content and, therefore, the amount of foreign investment by Acuity Clean Environment Equity Fund was limited to the amount permitted under the *Income Tax Act* (Canada). In 2005, the *Income Tax Act* (Canada) was amended to remove these restrictions in foreign investment and, therefore, the rationale for including this restriction in Acuity Clean Environment Equity Fund investment objective is no longer required or necessary.

Tax Consequences of the Change in Fundamental Investment Objective

There are no significant income tax implications for investors associated with the proposed investment objective change.

Authorization of Unitholders of Acuity Clean Environment Equity Fund

To give effect to the foregoing, unitholders of Acuity Clean Environment Equity Fund are requested to approve the passing of the resolution as set out in Schedule “B”. Approval of this resolution will require the affirmative vote of a majority of votes cast in respect of each resolution.

C. CHANGE TO INVESTMENT OBJECTIVE – ACUITY CLEAN ENVIRONMENT BALANCED FUND

For purposes of obtaining exposure to equity growth securities, the current investment objective of Acuity Clean Environment Balanced Fund requires it to invest in securities “that fit the Fund’s concept of sustainable development”. Acuity, as manager and trustee, proposes to expand and diversify Acuity Clean Environment Balanced Fund’s “sustainable development” equity investment mandate to include other socially responsible (“social values”) investment opportunities.

Therefore, the new investment objective of Acuity Clean Environment Balanced Fund is proposed to be substantially in the following form:

“Investment Objective

The investment objective of the Acuity Clean Environment Balanced Fund is to provide a prudent balance between income and capital appreciation by investing primarily in a combination of: (i) fixed income and money market securities for income; and (ii) equity securities of companies for growth that fit the Fund’s concept of social values.”

It is further proposed that the following will be added to Acuity Clean Environment Balanced Fund’s investment strategy section of the simplified prospectus:

“Acuity Clean Environment Balanced Fund also seeks to invest in companies that achieve excellence in environmental management, have positive labour practices, do not significantly contribute to human rights abuses in other countries, do not derive more than 10% of revenues from the production of nuclear power, weapons, alcohol or tobacco.”

While Acuity is seeking to expand and diversify upon Acuity Clean Environment Balanced Fund’s “sustainable development” investment mandate, this Fund will continue to invest and seek equity investment opportunities in the “sustainable development” sector as currently described in the simplified prospectus.

Incidental to this change, and while not requiring unitholder approval, Acuity will be increasing the permitted foreign property investment threshold from 30% to 49% and changing the Fund’s name to Acuity Social Values Balanced Fund.

Reasons For the Change in Fundamental Investment Objective

Acuity believes that it is in the best interests of investors of Acuity Clean Environment Balanced Fund to change Acuity Clean Environment Balanced Fund's investment objectives for the following reasons:

- **Greater Diversification and Investment Opportunity:** The number of companies in which Acuity Clean Environment Equity Balanced Fund can invest within its current "sustainable development" investment mandate is restricted to "companies that fit the environmental concept of sustainable development, which as defined in a 1987 report of the World Commission on Environment and Development, is economic development that meets the needs of current generations without compromising the ability of future generations to meet theirs." With a broader and more diverse "socially responsible" mandate (which includes securities within the "sustainable development" sector as defined above), Acuity Clean Environment Balanced Fund would have greater investment and diversification opportunities not currently available to it.
- **Elimination of Foreign Content Restrictions:** When Acuity Clean Environment Balanced Fund was launched in 1991, it was designed to be fully eligible for registered tax plans as non-foreign content and, therefore, the amount of foreign investment by Acuity Clean Environment Balanced Fund was limited to the amount permitted under the *Income Tax Act* (Canada). In 2005, the *Income Tax Act* (Canada) was amended to remove these restrictions in foreign investment and, therefore, the rationale for including this restriction in Acuity Clean Environment Balanced Fund investment objective is no longer required or necessary.

Tax Consequences of the Change in Fundamental Investment Objective

There are no significant income tax implications for investors associated with the proposed investment objective change.

Authorization of Unitholders of Acuity Clean Environment Balanced Fund

To give effect to the foregoing, unitholders of Acuity Clean Environment Balanced Fund are requested to approve the passing of the resolution as set out in Schedule "C". Approval of this resolution will require the affirmative vote of a majority of votes cast in respect of each resolution.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Management Information Circular are officers or employees of Acuity. A unitholder has the right to appoint a person (who need not be a unitholder) other than the persons specified in such form of proxy to attend and act for such unitholder and on behalf of such unitholder at the applicable Special Meeting. Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space so provided, signing the form of proxy and returning it in the reply envelope or by facsimile to 416-366-2568.

A unitholder who executes and returns the form of proxy may revoke it: (i) by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing at the registered office of Acuity, at any time up to and including the last business day preceding the Special Meetings or any adjournment thereof; (ii) by depositing such instrument in writing with the Chairperson of the Special Meeting on the day of such Special Meeting or any adjournment thereof; or (iii) in any other manner

permitted by law. In order to be voted, proxies must be received no later than the time of commencement of the Special Meeting.

VOTING OF PROXIES

Except as indicated below, where no direction with respect to how to vote particular units of a Terminating Fund is given by a unitholder submitting a proxy, Acuity will vote the units in favour of the matter to be voted upon.

The enclosed form of proxy (see Appendix “A”) confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the notice of Special Meetings and with respect to other matters which may properly come before the Special Meetings in respect of which the proxy is granted or any adjournments of such Special Meetings. As of the date hereof, Acuity knows of no such amendments, variations or other matters to come before the Special Meetings.

RECORD DATE

July 6, 2007 is the record date for the determination of unitholders entitled to receive notice of the Special Meetings and for determination of unitholders entitled to vote at the Special Meetings on August 7, 2007. Unitholders may transfer any of their units after such record date and the transferees of these units must then establish that they own the units and may demand not later than the commencement of the Special Meetings that their name be included in the list of unitholders, in which case they are entitled to vote at the applicable Special Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each whole unit, regardless of class, of the Funds entitles the holder thereof to one vote on all matters coming before the applicable Special Meeting. As at June 30, 2007, each of the mutual funds listed below had the following units issued and outstanding:

	Number of Issued and Outstanding Units
Acuity Clean Environment Global Equity Fund	1,730,095
Acuity Clean Environment Equity Fund	4,981,403
Acuity Clean Environment Balanced Fund	3,545,207

If a unitholder submits a proxy but fails to provide Acuity with any instructions as to how to vote his or her units of a Fund, Acuity will vote the units in favour of the applicable matter to be voted upon.

As at July 6, 2007, to the knowledge of Acuity, no person or company owned beneficially, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding units of a Fund except as follows:

Fund	Class	Investor	Number of Units Held	%
Acuity Clean Environment Global Equity Fund	F	National Bank Correspondence Network	28,092	60.3%
Acuity Clean Environment Global Equity Fund	F	National Bank Correspondence Network	8,143	17.5%
Acuity Clean Environment Global Equity Fund	F	RBC Dominion Securities Inc.	5,186	11.1%
Acuity Clean Environment Equity Fund	F	RBC Dominion Securities Inc.	6,659	51.5%
Acuity Clean Environment Equity Fund	F	Jeffrey Tomlin	1,358	10.5%

The quorum required at the applicable Special Meeting is two unitholders of the Fund present in person or represented by proxy. As stated above, the approval of the resolutions will require an affirmative vote of not less than a majority of the votes cast in respect thereof at each Special Meeting.

INTEREST OF ACUITY IN THE PROPOSED MATTERS TO BE VOTED UPON

Acuity is responsible for the management of the Funds. If the matters to be voted upon are approved, Acuity will continue to provide management services to the Continuing Fund, Acuity Clean Environment Equity Fund and Acuity Clean Environment Balanced Fund and receive management fees in accordance with the disclosure in this Management Information Circular. Acuity was paid, or is entitled to be paid, management fees as follows:

	Management Fees	
	Financial year ending December 31, 2006	January 1, 2007 to June 30, 2007
Acuity Clean Environment Global Equity Fund	\$284,494	\$150,591
Acuity Clean Environment Equity Fund	\$2,334,109	\$1,112,712
Acuity Clean Environment Balanced Fund	\$1,342,954	\$742,129

The names and municipalities of residence of the directors and officers of Acuity are as follows:

Name and Municipality of Residence	Position with Acuity
Ian O. Ihnatowycz City of Toronto	Chairman, President, Chief Executive Officer and Director
George Henry City of Toronto	Chief Financial Officer
N. William C. Ross City of Toronto	Secretary and Director
Wayne T. Egan City of Toronto	Director
Robert Mitchell Town of Oakville	Director
Alan Hubbs Town of Colborne	Director

As of the date hereof, Ian O. Ihnatowycz owns, beneficially and of record 500,000 class A common shares (representing 100% of the outstanding class A common shares) and 472,850 class B common shares (representing 85% of the outstanding class B common shares) of the Manager.

Acuity Investment Management Inc., an affiliate of Acuity, provides portfolio and investment management services for each Fund. Ian Ihnatowycz is a shareholder owning, beneficially and of record, more than 10% of the common shares of Acuity Investment Management Inc. Furthermore, Acuity Investor Services Inc., an affiliate of the Manager, is the transfer agent and registrar for each Fund and receives reimbursement of its costs in respect of all such services plus a fee equal to 10% of such amount for providing such services. Acuity Investment Management Inc. and Acuity Investor Services Inc. will continue to provide these services to the Funds and receive fees for rendering such services after the Merger and changes in investment objectives.

RECOMMENDATIONS REGARDING THE MATTERS TO BE DECIDED

For the reasons set out under the headings “Reasons For The Merger” (see section “A”), “Reasons for Change In Fundamental Investment Objective (see section “B”) and “Reasons for Change In Fundamental Investment Objective (see section “C”) above, Acuity recommends that unitholders vote FOR each of the proposed resolutions.

CERTIFICATE

The contents of this Management Information Circular and its distribution have been approved by the board of directors of Acuity as manager and trustee of Acuity Clean Environment Global Equity Fund, Acuity Clean Environment Equity Fund and Acuity Clean Environment Balanced Fund.

DATED at Toronto, on July 16, 2007.

Acuity Funds Ltd., as manager and trustee of
Acuity Clean Environment Global Equity Fund,
Acuity Clean Environment Equity Fund and Acuity
Clean Environment Balanced Fund.

By: signed "George Henry"

George Henry
Chief Financial Officer

SCHEDULE "A"

**FORM OF RESOLUTION OF THE UNITHOLDERS
OF
ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND**

BE IT RESOLVED THAT:

1. the merger (the "Merger") of Acuity Clean Environment Global Equity Fund with Acuity Clean Environment Equity Fund as described in the Management Information Circular dated July 16, 2007 is approved;
2. any director or officer of Acuity Funds Ltd. ("Acuity") is authorized to take all such steps as are necessary to give effect to the Merger;
3. any amendment or variation to the master declaration of trust dated September 1, 2002 (as amended) or any other step or action which Acuity determines is necessary or desirable to implement the Merger is hereby approved; and
4. the Board of Directors of Acuity shall have the discretion to elect not to proceed with the Merger should it so determine.

SCHEDULE "B"

**FORM OF RESOLUTION OF THE UNITHOLDERS
OF
ACUITY CLEAN ENVIRONMENT EQUITY FUND**

BE IT RESOLVED THAT:

1. a proposal to change the fundamental investment objective of Acuity Clean Environment Equity Fund to permit it to invest up to 100% of its assets in foreign securities is approved;
2. any director or officer of Acuity Funds Ltd. ("Acuity") is authorized to take all such steps as are necessary to give effect to the change in fundamental investment objective as set out in the Management Information Circular dated July 16, 2007;
3. any amendment or variation to the master declaration of trust dated September 1, 2002 (as amended) which Acuity determines is necessary or desirable to implement the change in fundamental investment objective is hereby approved; and
4. the Board of Directors of Acuity shall have the discretion to delay or revoke this resolution and not change the fundamental investment objectives of Acuity Clean Environment Equity Fund for any reason whatsoever in its sole discretion without further approval of the unitholders of Acuity Clean Environment Equity Fund if it considers such course of action in the best interests of Acuity Clean Environment Equity Fund.

SCHEDULE “C”

**FORM OF RESOLUTION OF THE UNITHOLDERS
OF
ACUITY CLEAN ENVIRONMENT BALANCED FUND**

BE IT RESOLVED THAT:

1. a proposal to change the fundamental investment objective of Acuity Clean Environment Balanced Fund for purposes of expanding and diversifying its current “sustainable development” investment mandate to include other “socially responsible” investment opportunities (as set forth below) is approved;

“Investment Objective

The investment objective of the Acuity Clean Environment Balanced Fund is to provide a prudent balance between income and capital appreciation by investing primarily in a combination of: (i) fixed income and money market securities for income; and (ii) equity securities of companies for growth that fit the Fund’s concept of social values.”

2. any director or officer of Acuity Funds Ltd. (“Acuity”) is authorized to take all such steps as are necessary to give effect to the change in the fundamental investment objective as set out in the Management Information Circular dated July 16, 2007;
3. any amendment or variation to the master declaration of trust dated September 1, 2002 (as amended) which Acuity determines is necessary or desirable to implement the change in the fundamental investment objective is hereby approved; and
4. the Board of Directors of Acuity shall have the discretion to delay or revoke this resolution and not change the fundamental investment objectives of Acuity Clean Environment Balanced Fund for any reason whatsoever in its sole discretion without further approval of the unitholders of Acuity Clean Environment Balanced Fund if it considers such course of action in the best interests of Acuity Clean Environment Balanced Fund.

APPENDIX “A”

FORM OF PROXY

This proxy is solicited on behalf of management of Acuity Funds Ltd. (“Acuity”), in its capacity as manager and trustee of the mutual funds listed below.

SPECIAL MEETINGS OF UNITHOLDERS OF:

ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND, ACUITY CLEAN ENVIRONMENT EQUITY FUND AND ACUITY CLEAN ENVIRONMENT BALANCED FUND (EACH A “FUND” AND COLLECTIVELY, THE “FUNDS”)

Reference to “Fund” or “Funds” in this proxy should be read as a reference to the Fund or Funds in which you are invested and in respect of which you are completing this proxy.

The undersigned holder of units of the Funds hereby appoints Ian Ihnatowycz (President of Acuity), or failing him, George Henry (Chief Financial Officer of Acuity), or instead of them _____* as proxy of the undersigned with full power of substitution, to attend, act and vote in respect of all units held by the undersigned in the Funds at the concurrent Special Meetings of Unitholders of the Funds to be held at the offices of Acuity, 65 Queen Street West, Suite 1800, Toronto, Ontario, M5H 2M5 at 3:00 p.m. on August 7, 2007 and at any and all postponements or adjournments thereof (each a “Special Meeting” and collectively, the “Special Meetings”), in the same manner, to the same extent and with the same powers as if the undersigned were personally present. Without limiting the general powers hereby conferred, said proxy is directed to vote as outlined herein.

Details of the matters to be voted on at the Special Meetings are set out in the management information circular dated July 16, 2007 (the “Management Information Circular”) accompanying the Notice of Special Meetings. **The units represented by this proxy will be voted in accordance with the instructions provided. However, this proxy confers discretionary authority on the designated management representatives. If no instruction has been given with respect to voting for or against the matters described above in this proxy, the management representatives will vote the units represented by this proxy FOR such matters.** A unitholder or his or her proxy may only vote in respect of those Funds in which the unitholder holds units. If any amendments or variations to matters identified in the Notice of Special Meetings are proposed at a Special Meeting or if any other matters should properly come before a Special Meeting, this proxy confers discretionary authority to vote on such amendments, variations or other matters according to the best judgment of the person voting this proxy at the Special Meeting.

This form of proxy must be executed by the unitholder or by an attorney authorized in writing or, if the unitholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized. This signature should correspond with the name imprinted hereon. Where two or more persons are named, all should sign.

To be effective, this proxy form must be returned by mail to the business offices of Acuity, located at 65 Queen Street West, Suite 1800, Toronto, Ontario, M5H 2M5 or to be faxed to 416-366-2568 in each case to arrive no later than 4:00 p.m. (Toronto time) on August 6, 2007 or, if the Special Meetings are adjourned, at least 24 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

If units are held by two or more unitholders, any one of them may vote the units, but if more than one of them are present or represented by proxy, all of these unitholders must vote the units together. This proxy is deemed to relate to all units of the Funds held by the unitholders unless otherwise indicated on this proxy by the unitholder.

*NOTE: A unitholder has the right to appoint a person (who need not be a unitholder) to represent him/her at a Special Meeting other than the management nominees. A unitholder desiring to appoint some other person as proxy to represent him/her at a Special Meeting may do so by inserting the other person's name in the space provided.

Complete this section to vote

You hold units of the Fund(s) listed below. The full text of the resolutions are set out in the Management Information Circular. Please check “for” or “against” in respect of the Fund(s) in which you own units.

<u># of Units</u>	<u>For</u>	<u>Against</u>
ACUITY CLEAN ENVIRONMENT GLOBAL EQUITY FUND: Resolution authorizing the merger of Acuity Clean Environment Global Equity Fund into Acuity Clean Environment Equity Fund, as set out in Schedule “A” of the Management Information Circular.	ÿ	ÿ

<u># of Units</u>	<u>For</u>	<u>Against</u>
ACUITY CLEAN ENVIRONMENT EQUITY FUND: Resolution authorizing the change in fundamental investment objective of Acuity Clean Environment Equity Fund as set out in Schedule “B” of the Management Information Circular.	ÿ	ÿ

<u># of Units</u>	<u>For</u>	<u>Against</u>
ACUITY CLEAN ENVIRONMENT BALANCED FUND: Resolution authorizing the change in fundamental investment objective of Acuity Clean Environment Balanced Fund as set out in Schedule “C” of the Management Information Circular.	ÿ	ÿ

Vote by Mail: To be effective, this form of proxy must be returned by mail to Acuity Funds Ltd., at 65 Queen Street West, Suite 1800, Toronto, Ontario, M5H 2M5.

Vote by Facsimile: If you choose the fax option, please fax 416-366-2568 and ensure that both sides of the form of proxy are sent.

DATED this _____ day of _____, 2007

Signature of Unitholder: _____

Name of Unitholder (Please Print): _____