



Management's Discussion and Analysis
For the Interim Period Ended
March 31, 2010

Vicwest Income Fund

March 31, 2010

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VICWEST INCOME FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR INTERIM PERIOD ENDED MARCH 31, 2010

This Management's Discussion and Analysis ("MD&A") is a review of the consolidated financial condition and results of operations of Vicwest Income Fund (the "Fund") for the three months ended March 31, 2010, and is intended to help holders of units of the Fund ("Unitholders") and other readers understand the Fund's business and the key factors underlying its financial results. It should be read in conjunction with the unaudited consolidated financial statements and accompanying notes of the Fund for the period ended March 31, 2010, which have been filed with applicable regulatory authorities and are available through the SEDAR website at www.sedar.com.

Additional information is available on the Fund's website at www.vicwestfund.com.

The financial information contained herein has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"); however, reference is made to earnings before interest, taxes (other than capital taxes), depreciation and amortization ("EBITDA") and to distributable cash, including references to capital expenditures for the maintenance of productive capacity, which are not measures of financial performance under GAAP. The Fund has included this information as it is used by management as a measure of financial performance and management believes it is used by certain investors and analysts as a measure of the Fund's financial performance. These measures are not necessarily comparable to similarly titled measures used by other income funds or companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with GAAP or as a measure of liquidity. See the section entitled "Non-GAAP Measures" for further information.

This MD&A has been prepared as of May 12, 2010.

OVERVIEW OF THE FUND

The Fund is an unincorporated, open-ended limited purpose investment trust governed by the laws of the Province of Ontario established pursuant to the amended and restated Declaration of Trust (the "Fund Declaration of Trust"), dated June 30, 2005, which governs the Fund and may be amended from time to time. The Fund was created pursuant to a plan of arrangement (the "Arrangement") for the purpose of investing directly in the securities of VWH Trust and indirectly in the securities of Vicwest Corporation and any other direct or indirect subsidiary or partnership interest of the Fund. Pursuant to the Arrangement made on July 1, 2005, the conversion from a corporate entity into an income fund was completed and the Fund indirectly acquired all of the shares of Vicwest Corporation in exchange for units of the Fund on the basis of one unit of the Fund per share of Vicwest Corporation.

The Fund is one of Canada's leading manufacturers and distributors of building construction products, and steel containment products for agricultural grain, fertilizer and liquid storage. Through its Vicwest building products division ("Vicwest BP"), headquartered in Oakville, Ontario, the Fund fabricates and markets metal roofing, siding and other associated building products under the Vicwest, Mercury Metals, Valley Truss & Metal and RCA Metal trade names. The Fund's Westeel Storage Solutions division ("Westeel"), headquartered in Winnipeg, Manitoba, manufactures storage solutions for agricultural grain and fertilizer, as well as liquid storage tanks and accessories. These products are manufactured and distributed under the trade names Westeel, Northern Steel Industries and NSI. The Fund has 15 manufacturing facilities strategically located across Canada with approximately 1,200 dedicated employees committed to providing superior quality products and delivering excellent service to customers in domestic and international markets.

Vicwest BP manufactures and distributes building construction products to the industrial, commercial and institutional ("ICI") construction markets and the agricultural, light commercial and residential renovation markets ("Light Commercial"). ICI sales are generally to contractors, owners and developers, while the Fund's Light Commercial products are distributed to building material supply centres and contractors in agricultural and residential markets. The largest portion of Light Commercial product revenues are from agricultural building applications, with the balance being from light commercial construction and residential applications. The Fund's building construction

products are manufactured primarily for the Canadian construction markets, although a small percentage of revenues are from sales to the United States.

The Westeel products for grains, seeds and fertilizer storage applications are sold to farm co-operatives, large retail chains and independent dealers in agricultural markets both domestically and internationally. Westeel also sells liquid storage products directly to oil and gas companies and through commercial and retail distributors to various end users, including forestry, agriculture and institutional markets.

The Fund's product segments are subject to a variety of market influences. Demand for Vicwest BP products and Westeel's storage solutions depends on the construction and agricultural industries, which are seasonal and cyclical and can be impacted by weather patterns, crop yields, oil and gas exploration activities, economic growth, government spending and other factors.

The Fund's primary raw material is steel, the price of which fluctuates according to many factors including global supply and demand and material input costs. Flat rolled steel accounts for approximately 50% of the cost of goods sold annually. The cost and selling prices of the Fund's products vary with changes in the cost of steel. Accordingly, the impact of changing steel prices may result in corresponding changes in the selling price of the Fund's products across all product groups.

OPERATING STRATEGY

Although the Fund's business is both seasonal and cyclical, its goals are to maintain stable distributions to Unitholders and to provide superior long-term financial returns to Unitholders through both yield and appreciation.

The Fund's operating strategy is to grow both revenue and income by making investments in higher value-added products with greater margin opportunity, by pursuing prudent acquisition opportunities and by increasing internal operating efficiencies.

FIRST QUARTER OVERVIEW

The Fund's first quarter financial results were consistent with expectations. Revenue was \$76.1 million, compared to \$84.3 million during the same period last year with Westeel operations accounting for the reduction. During the comparable period in 2009, Westeel was addressing an unusually high order backlog that resulted in high levels of production and shipping volumes in the early stages of 2009. Reflecting the lower revenue in the quarter, the Fund's gross profit declined, however, gross margin as a percentage of revenue improved marginally when compared to the first quarter of 2009. Selling, general and administrative expenses remained relatively consistent quarter over quarter. Net income and EBITDA declined from 2009, primarily reflecting the impact of lower revenue. The Fund's net debt level declined to \$33.2 million as at March 31, 2010, with a net debt to EBITDA ratio of 0.8 to 1, compared to net debt of \$44.6 million as at March 31, 2009. On a trailing twelve month basis, the Fund's net debt to EBITDA ratio as at the quarter end in 2009 was 0.9 to 1.

During the first quarter of 2010, Vicwest BP completed the consolidation of its Delta and Surrey, British Columbia plants into a single custom-designed facility (the "British Columbia Plant Consolidation"). The new facility is expected to reduce operating costs and working capital through operational synergies and the implementation of lean manufacturing practices. This facility also provides increased floor space for the fabrication of the Fund's aluminum composite panel product, which has periodically been constrained by production capacity.

In 2010, the Fund continued to invest in new initiatives with purchases of property, plant and equipment of \$2.4 million, with \$1.0 million of such purchases considered maintenance capital expenditures (see Non-GAAP Measures) and \$1.4 million as generative. The generative purchases related primarily to the British Columbia Plant Consolidation, the new Vicwest BP Saskatoon facility (the "Saskatoon Plant") which opened mid-2009, a new Vicwest BP production initiative in Montreal, Quebec called Trim Express and the expansion of production capacity at the Vicwest BP Victoriaville plant.

RESULTS OF OPERATIONS
Comparative Statements of Income

For the periods ended March 31, 2010 and 2009
(Thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2010	2009
	\$	\$
Revenue	76,140	84,300
Cost of goods sold	61,954	68,678
Gross profit	14,186	15,622
Gross profit percentage	18.6%	18.5%
Selling, general and administrative	11,210	11,021
Foreign exchange loss (gain)	47	(182)
Net interest and financing	344	604
Income before income taxes	2,585	4,179
(Recovery of) provision for income taxes	(15)	165
Net income	2,600	4,014
EBITDA (see Non-GAAP Measures)	4,458	6,293
As a percentage of revenue	5.9%	7.5%

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's presentation. Amortization of property, plant and equipment relating to the manufacturing of product has been reclassified to cost of goods sold (\$1.1 million in 2010 and \$1.0 million in 2009).

FIRST QUARTER RESULTS

Revenue

Consolidated revenue in the first quarter of 2010 was \$76.1 million, down \$8.2 million, or 9.7%, from the \$84.3 million reported for the first quarter of 2009. The reduction was attributable to the Westeel division which had experienced a reduction in revenue of \$9.0 million when compared to the first quarter of 2009, while Vicwest BP reported a marginal revenue increase of \$0.8 million.

Vicwest BP revenue was up \$0.8 million, or 2.0%, from the first quarter of 2009 with increased revenue in Light Commercial construction markets being partially offset by reductions in revenue in ICI construction markets. As compared to the first quarter of 2009, shipping volumes were positive, with increases in Light Commercial steel based products, particularly in cladding, trims and flats, offsetting a reduction in volumes to the Fund's ICI markets. Overall, the construction markets were negatively impacted by reduced pricing quarter over quarter.

Westeel's revenue of \$34.9 million represented a decrease of approximately 20.5% from the first quarter of 2009. The higher revenue in 2009 was attributable to a significant backlog entering 2009 resulting from pent up demand in the agricultural industry for grain storage.

Gross Profit

Gross profit decreased from \$15.6 million in the first quarter of 2009 to \$14.2 million in the quarter ending March 31, 2010; however, gross profit as a percentage of revenue remained relatively consistent, increasing from 18.5% to 18.6%. During the first quarter of 2010, Vicwest BP's gross profit was negatively impacted by \$0.7 million due to additional costs relating to the British Columbia Plant Consolidation and the Saskatoon Plant, combined with increased shipping and quality assurance costs. Westeel's gross profit decreased in the quarter primarily due to reduced volumes, while gross profit percentage increased due to a combination of factors, including favourable product mix, pricing and raw material procurement.

Selling, General and Administrative Expenses

During the first quarter of 2010, the Fund's selling, general and administrative expenses remained relatively constant at \$11.2 million or 14.7% of revenue compared to \$11.0 million, or 13.0% of revenue in the first quarter in 2009. Increased costs related to the continued investment in customer service initiatives, management restructuring in the Westeel division and period costs related to the enterprise resource planning system implementation, which were offset by lower incentive due to lower reported net income as well as a recovery in trustee compensation as a result of a decline in the value of Fund units.

EBITDA (see Non-GAAP Measures)

EBITDA for the three months ended March 31, 2010 was \$4.5 million as compared to \$6.3 million for the first quarter of 2009. The reduction in EBITDA was primarily due to the decrease in gross profit.

Net Income

For the quarter ended March 31, 2010, net income was \$2.6 million compared to \$4.0 million for 2009, representing a reduction of \$1.4 million. This decrease was due to a contraction in revenue and gross profit, an increase in selling, general and administrative expenses, offset by a decrease in interest expense during the quarter.

OUTLOOK AND CAPITAL STRUCTURE

This section contains certain forward-looking statements. Please refer to the disclosure under the heading "Forward-Looking Statements" for a discussion of risks and uncertainties related to such statements.

The Fund's business is subject to seasonality and results for the three month period ended March 31, 2010 are not necessarily indicative of what might occur over a twelve month period. The Fund's revenue and income fluctuate with the seasonal and cyclical factors in the construction, agricultural and energy industries in Canada. Revenue is generally lowest in the first quarter, improves in the second quarter as construction activity increases, and reaches a peak towards the end of the third quarter. The fourth quarter generally remains strong through October and November but drops off in December due to colder weather.

Vicwest BP faced significant price and margin compression with the rapid steel price increases at the beginning of the first quarter of 2010. However, as the quarter closed out, price increases implemented by Vicwest BP began to show improvements in margins. It is anticipated that steel price increases will continue, given the limited supply of steel in the marketplace. Recovery of these price increases will be challenging and could result in margin compression, at least through the second quarter of 2010.

It is expected that Westeel sales will continue to lag behind the results from the first half of 2009 with limited steel supply affecting revenues. There is an expectation that farm incomes will remain positive in 2010, although the early, dry spring is causing some concerns amongst farmers. Growth in export sales is expected to improve this year as credit restrictions are expected to ease in foreign jurisdictions and local economies improve. Westeel will continue to invest resources in developing sales from promising international markets. Tank sales are expected to experience a moderate recovery as economic conditions in the oil and gas resource sector improve.

On May 12, 2010, the Fund announced its plans to seek Unitholder approval to convert from an income trust into a corporation effective on or about January 1, 2011. The reorganization is being initiated as a result of the Federal Government's announcement in October, 2006 that changed the way income trusts, such as the Fund, are to be taxed effective January 1, 2011. Additionally, the Fund announced its intention to pay quarterly dividends, commencing in 2011, at an initial annualized rate of \$1.08 per share. The Fund intends to maintain its current distributions at \$1.56 per unit annualized (\$0.13 per unit monthly) for the remainder of 2010. The reduced level of distributions reflects the approximate level of taxes on this amount of distributable pre-tax income that the business will be subject to commencing in 2011.

RESULTS BY SEGMENT

Vicwest BP

Results of Operations

(Thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2010	2009
Revenue	\$ 41,220	\$ 40,419
Net loss	(4,287)	(3,149)

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's presentation. Certain corporate costs which were classified as unallocated corporate costs have begun to be allocated to the divisions based on revenue of the prior year. In the first quarter of 2010, the Fund allocated \$1.4 million of costs to the Vicwest BP division (2009 - \$1.4 million).

Revenue

For the first quarter of 2010, revenue from the Vicwest BP division increased \$0.8 million or 2.0% from the first quarter of 2009. The increase in revenue was due to increases in sales to Light Commercial markets of \$3.8 million, offset by a reduction in revenue of \$3.0 million to ICI markets. Light Commercial volumes increased in all regions of Canada and in all of its major product lines (cladding, flats and trims), while ICI markets experienced reduced volumes in western and central Canada and in most product lines. During the first quarter of 2010, Vicwest BP faced price and margin compression with steel suppliers rapidly introducing steel price

increases. Vicwest BP continued to adjust pricing to downstream markets with the markets adjusting positively as the quarter came to a close.

Net Loss

Vicwest BP experienced a net loss for the quarter ended March 31, 2010 of \$4.3 million, as compared to the \$3.1 million loss recorded in 2009. The quarter over quarter decrease is partially attributed to a reduction in gross profit stemming from increased costs associated with the British Columbia Plant Consolidation and the Saskatoon Plant, and increased quality assurance and freight costs, offset by a net increase in overall shipping volumes.

Westeel Storage Solutions

Results of Operations

(Thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2010	2009
	\$	\$
Revenue	34,920	43,881
Net income	7,194	7,961

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's presentation. Certain corporate costs which were classified as unallocated corporate costs have begun to be allocated to the divisions based on revenues of the prior year. In first quarter of 2010, the Fund allocated \$0.9 million of costs to the Westeel division (2009 - \$0.8 million).

Revenue

For the first quarter of 2010, Westeel Storage Solutions revenue was \$34.9 million, down \$9.0 million, or 20.5%, compared to first quarter of 2009. As anticipated, revenue decreased in all product lines, domestically and internationally, as this division returned to shipping volumes more representative of historical demand patterns. In addition, domestic sales were negatively impacted by coil supply shortages at the steel mills which occurred throughout the quarter. International inquiries continue to show encouraging signs with shipping volumes expected to increase as the year progresses. Westeel's liquid storage sales continued to be impacted by low capital investment in natural gas and oil sectors due to low commodity prices; however, marginal improvements were experienced as the quarter progressed.

Net Income

Net income for the first quarter ended March 31, 2010 was \$7.2 million, a decline of \$0.8 million from net income of \$8.0 million in 2009. As selling, general and administrative expenses remained consistent in respect of the same period in 2009, the decrease in net income was consistent with the decrease in gross profits.

Unallocated Costs

(Thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2010	2009
	\$	\$
Interest and financing expenses	344	604
Income tax (recovery) provision	(37)	194

Interest and Financing Expenses

Interest expense consists of interest on borrowed funds, as well as amortization of debt issuance costs associated with the Fund's credit facility, which are being expensed over the term of the facility. Net interest expense was \$0.3 million in the first quarter of 2010 and \$0.6 million in the first quarter of 2009. The decrease largely reflects lower borrowing levels as well as a decline in interest rates levels relative to the same period in 2009.

Income Taxes

The Fund is a mutual fund trust for tax purposes; therefore, it is not subject to tax on income distributed to Unitholders. Income taxes payable on the Fund's distributions to Unitholders are the responsibility of the Unitholders. For the first quarter of 2010, the unallocated non-cash future income tax recovery was \$37 thousand (\$194 thousand expense in 2009) and the Fund recorded a \$22 thousand current tax expense (\$6 thousand in 2009), related to the Fund's taxable subsidiaries.

After the end of the quarter, the Fund announced its plans to seek Unitholder approval to convert from an income trust into a corporation effective on or about January 1, 2011. The reorganization

is being initiated as a result of the Federal Government's announcement in October, 2006 that changed the way income trusts, such as the Fund, are to be taxed effective January 1, 2011.

CASH FLOWS

Statement of Cash Flows

For the periods ended March 31, 2010 and 2009
(Thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2010	2009
	\$	\$
Cash provided by (used for)		
Operating activities		
Net income	2,600	4,014
Amortization and other items not affecting cash	1,788	1,908
	4,388	5,922
Employer contributions to defined benefit plans	(150)	(168)
Cash used for non-cash operating working capital items	(3,631)	(761)
Cash provided by operating activities	607	4,993
Investing activities		
Cash from business acquisitions	-	40
Proceeds from sale of capital assets	116	10
Cash used for additions to intangible assets	(818)	(112)
Cash used for additions to property, plant and equipment	(2,388)	(1,774)
Cash used for investing activities	(3,090)	(1,836)
Financing activities		
Distributions paid to Unitholders	(10,273)	(10,277)
Increase in revolver debt	3,160	286
Cash used for financing activities	(7,113)	(9,991)
Decrease in cash	(9,596)	(6,834)
Cash - beginning of period	9,596	7,371
Cash - end of period	-	537

Due to the seasonal nature of the business, the Fund's operations typically generate most of their cash flow in the second half of the year. Working capital requirements, particularly accounts receivable, decrease in the first quarter, increase throughout the construction and growing seasons from early spring until late fall, and then decline again towards the end of the year.

Operating Activities

For the three months ended March 31, 2010, the Fund generated \$0.6 million in cash from operating activities with \$4.4 million of cash provided by net income and amortization of other items not affecting cash which was partially offset by a \$3.8 million use of cash to fund increases in non-cash working capital and to fund defined benefit plan obligations. In the comparable quarter of 2009, the Fund reported \$5.0 million in cash generated from operating activities through a combination of \$5.9 million before changes in non-cash working capital items and pension contributions offset by \$0.9 million of cash generated through an increase in non-cash working capital requirements and funding of the defined benefit plan obligations.

Investing Activities

During the first quarter of 2010, investing activities used \$3.1 million of cash as compared to \$1.8 million in the same period in 2009. Purchases of property, plant and equipment totalled \$2.4 million in the first quarter of 2010, with \$1.0 million considered maintenance capital expenditures (see Non-GAAP Measures) and \$1.4 million as generative. The generative purchases related primarily to the British Columbia Plant Consolidation, the Saskatoon Plant, the Vicwest BP Trim Express initiative in Quebec and expansion of the prestige line at the Vicwest BP Victoriaville plant. In the first quarter of 2009, purchases of property, plant and equipment were \$1.8 million, consisting of \$0.4 million of maintenance capital expenditures and \$1.4 million of generative expenditures relating to the expansion of the Westeel Saskatchewan plant.

Financing Activities

During the three-month period ended March 31, 2010, cash used by financing activities was \$7.1 million, comprised of \$10.3 million used to pay cash distributions which was partially funded by \$3.2 million of cash accessed through an increase in the revolver debt. In the same period of 2009, cash used by financing activities was \$10.0 million, comprised of \$10.3 million used to pay cash distributions which was partially funded by \$0.3 million of cash accessed through an increase in the revolver debt. Cash distributions in the first quarter of 2010 were consistent with the cash distributions paid in the first quarter of 2009.

LIQUIDITY AND CAPITAL RESOURCES

On March 31, 2010, the Fund's \$80 million credit facility was comprised of a \$30 million term loan and a revolving credit facility of up to \$62.5 million, including a \$12.5 million seasonal increase, collateralized by substantially all of the assets of the Fund's subsidiaries and operating divisions. The \$12.5 million seasonal increase is available during the periods from May 1 to October 31 of each year. Subject to the stated maximum, the credit available under the revolving credit facility at any one time is variable and is based on the value of the underlying collateral, primarily accounts receivable and inventories. At March 31, 2010, the Fund had \$28.5 million of unused availability under the revolving line of credit and the term facility was fully drawn.

At the end of the first quarter of 2010, the Fund had net debt of \$33.2 million compared to \$20.4 million as of December 31, 2009. The \$12.8 million increase in net debt during the first quarter resulted from the cash used to fund distributions, capital expenditures and working capital requirements exceeding cash generated by first quarter earnings.

The Fund makes investments in productive capacity by investing in maintenance capital expenditures (see Non-GAAP Measures) that are defined as those investments in property, plant and equipment that allow for the maintenance of the Fund's current productive capacity. Management estimates that to maintain the Fund's manufacturing capability, annual maintenance capital expenditure needs are approximately 1 percent of annual revenue. Productive capacity may be increased by making generative capital expenditures defined as those investments in property, plant and equipment that add to manufacturing capacity or expand the Fund's product offerings.

Since the Fund's business is seasonal and cyclical in nature, cash flow and working capital requirements fluctuate with the seasonality of the business. Cash consumed by working capital generally occurs in the second and third quarters of the year as business activity increases. During the fourth quarter, as business slows due to colder weather, working capital requirements will typically decline, generating positive cash flows.

In the early months of a year, the Fund expects to use its credit facility to support level monthly distributions as cash flow during this period is typically decreased. The Fund's credit facility can, and is expected to be, employed to support growing working capital needs and distributions. Over the course of a year, the Fund typically uses a combination of operating cash flow and funds drawn upon its credit facility to fund monthly distributions, seasonal working capital requirements and capital spending.

DISTRIBUTABLE CASH (see Non-GAAP Measures)

Statement of Distributable Cash

For the periods ended March 31, 2010 and 2009

(Thousands of Canadian dollars except unit and per unit amounts, unaudited)

	Three months ended	
	March 31,	
	2010	2009
	\$	\$
Net income	2,600	4,014
Amortization of property, plant and equipment	1,173	1,070
Amortization of intangible assets	356	440
Net interest and financing	344	604
(Recovery of) provision for income taxes	(15)	165
EBITDA (see Non-GAAP Measures)	4,458	6,293
Net interest expense	(283)	(544)
Cash income taxes	(22)	29
Maintenance capital additions (see Non-GAAP Measures)	(1,010)	(402)
Distributable cash (see Non-GAAP Measures)	3,143	5,376
Cash distributions declared	6,791	6,794
Average units outstanding	17,413,201	17,419,468
Net income per unit	0.15	0.23
Distributable cash per unit	0.18	0.31
Cash distributions declared per unit	0.39	0.39

The Fund's business is subject to seasonality; however, regular monthly distributions are generally made evenly throughout the year. Although the Fund intends to make distributions of its available cash, these distributions are not assured. Actual distributions will depend on numerous factors, including the financial performance for the year, business cyclical, debt covenants and obligations, seasonality, working capital requirements, future capital requirements and other factors.

The Fund's definition of distributable cash includes reductions for capital expenditures for maintenance of existing productive capacity (see Non-GAAP Measures). Productive capacity is not

expected to diminish materially from production use, technological change, obsolescence or changes in information technology. Consequently, the Fund does not consider productive capacity maintenance to be a significant risk to the sustainability of future distributions. Similarly, the Fund has a strong balance sheet with a conservative debt level and the impact of current financial obligations is not considered a significant risk to future distribution levels.

Distributable cash for the three month period ending March 31, 2010 decreased to \$3.1 million compared to \$5.4 million for the same period in 2009. During the first quarter of 2010, the Fund declared regular cash distributions of \$6.8 million which is consistent with the amount declared in the same period of 2009. Lower net income and increased maintenance capital additions were the primary cause of the decline in distributable cash in respect of the same period in 2009.

Since the inception of the Fund on July 1, 2005, cumulative cash distributions have been \$154.7 million, representing a cumulative distribution ratio of 87.7% on distributable cash of \$176.4 million.

Statement of Cash Distributions Declared

For the periods ended March 31, 2010 and 2009

(Thousands of Canadian dollars except per unit amounts, unaudited)

Period	Record Date	Payment Date	Distribution Per Unit	Amount
			\$	\$
January 2010	January 29, 2010	February 22, 2010	0.13	2,263
February 2010	February 26, 2010	March 22, 2010	0.13	2,264
March 2010	March 31, 2010	April 20, 2010	0.13	2,264
2010 cash distributions declared			0.39	6,791
2009 cash distributions declared			0.39	6,794

Since the Fund's business is seasonal and cyclical in nature, cash flow and working capital requirements fluctuate with the seasonality of the business. Cash consumed by working capital generally occurs in the second and third quarters of the year as business activity increases. During the fourth quarter, as business slows due to colder weather, working capital will decline, generating positive cash flows.

In the early months of the year, the Fund expects to use its credit facility to support level monthly distributions during these lower cash flow periods. The Fund's credit facility can, and is expected to be, employed to support growing working capital needs and distributions. Over the course of a year, the Fund typically uses a combination of operating cash flow and funds drawn upon its credit facility to fund monthly distributions, seasonal working capital requirements and capital spending.

The Fund is obligated under the Fund Declaration of Trust to distribute all taxable income earned within a calendar year. Distributions declared may also include non-cash distributions necessary to ensure that the Fund will not be liable for income taxes and thus the income allocated to Unitholders may exceed the cash distributed. Any such non-cash distributions declared will be distributed to Unitholders in the form of additional Fund units on a pro rata basis and the value will be included in the Unitholders' taxable income in the year of declaration. Immediately after the pro rata distribution of Fund units, the outstanding Fund units will be consolidated such that each Unitholder will hold, following the consolidation, the same number of Fund units as before the non-cash distribution. No such distributions were declared in the first quarters of 2010 or 2009.

Reconciliation of Cash from Operating Activities to Distributable Cash

The Fund's management believes that cash provided by operating activities is a useful measure of the ability to fund distributions to Unitholders, while taking into account seasonal working capital requirements.

The following table reconciles cash provided by operating activities to distributable cash and is intended to assist investors and Unitholders in understanding the differences between the two measures:

(Thousands of Canadian dollars, unaudited)

	Three months ended	
	March 31,	
	2010	2009
	\$	\$
Cash provided by operating activities	607	4,993
Items not affecting distributable cash		
Accrued post employment benefits	(34)	111
Future income taxes	(13)	35
Unit based compensation	(38)	(122)
Net increase in non-cash working capital	3,631	761
Items not affecting operating cash flow		
Maintenance capital expenditures (see Non-GAAP measures)	(1,010)	(402)
Distributable cash	3,143	5,376

The reconciliation of cash from operating activities to distributable cash incorporates values extracted directly from the historical financial statements of the Fund. Future income taxes, which were not included in the determination of EBITDA (see Non-GAAP Measures), were not considered to be components of distributable cash. Capital expenditures were segregated in the reconciliation based on the Fund's evaluation of the expenditure; maintenance capital expenditures were those incurred to maintain the Fund's current production capacity. As noted above under "Distributable Cash," and given the level of expenditures required to maintain productive capacity, the Fund does not consider capacity maintenance to be a significant risk to the sustainability of future distributions.

Relationship between Cash Flows from Operating Activities, Net Income and Historical Distributed Cash

The Fund believes that it is important for Unitholders to understand the sources of the distributed cash they receive. The following table is intended to provide Unitholders with disclosure about the sources of funding relating to current and past distributions:

(Thousands of Canadian dollars, unaudited)

	Three months ended	
	March 31,	
	2010	2009
	\$	\$
Cash provided by operating activities	607	4,993
Net income	2,600	4,014
Cash distributions paid or payable in respect of the period	6,791	6,794
Shortfall of cash provided by operating activities over cash distributions	(6,184)	(1,801)
Shortfall of net income over cash distributions paid	(4,191)	(2,780)

As the Fund's business is seasonal and cyclical in nature, cash flow and working capital requirements fluctuate with the seasonality of the business. Over the course of a year, the Fund generally uses a combination of operating cash flow and funds drawn upon its credit facility to fund monthly distributions, seasonal working capital requirements and capital spending.

During the first quarter of 2010, the Fund's cash distributions exceeded cash provided by operating activities by \$6.2 million as compared to \$1.8 million in the first quarter of 2009. The first quarter of 2010 reported distributions in excess of net income of \$4.2 million compared to \$2.8 million in the first quarter of 2009.

These variations are indicative of the seasonal nature of the Fund's business operations. During the early part of the year, the Fund has historically used its credit facility to augment its operating cash flows as an additional source of funds for cash distributions. However, as the year progresses, operating cash flow and income generated typically begin to offset the earlier shortfalls. Although cash distributions may exceed net income and/or cash flow from operations during interim periods or over a full twelve month year, the Fund expects that over the long term cash flow from operating activities will be sufficient to fund cash distributions. The Fund currently does not anticipate a suspension of cash distributions (such expectations are subject to the risks and uncertainties disclosed herein under "Risks and Uncertainties").

During interim periods when there is a shortfall of operating cash flows over cash distributions, funds drawn on the credit facility will result in additional interest expense being incurred. The Fund's credit facility contemplates and allows seasonal funding of distributions and consequently no waivers or consents are required during such periods, nor do any other material contracts require amendment. The credit facility requires that the Fund maintain certain financial ratios linked to the operations of the Fund and imposes restrictions relating to distributions. The Fund remains within all of its financial covenants.

The Fund expects that all or substantially all of its 2010 distributions will represent taxable income to the Unitholders.

FINANCIAL CONDITION

As of March 31, 2010, total assets of the Fund were \$158.8 million compared to \$161.6 million at December 31, 2009. The decline in total assets during the quarter of \$2.8 million was the result of a decrease in cash on hand, partially offset by an increase in inventories and property, plant and equipment.

During the first quarter of 2010, total liabilities of the Fund increased \$0.4 million from \$91.8 million to \$92.2 million, resulting from a \$2.8 million increment in accounts payable due to the timing of raw material purchases and an increase in revolver debt of \$3.2 million.

Unitholders' equity declined \$4.2 million during the first quarter of 2010 representing the excess of distributions declared of \$6.8 million over net income of \$2.6 million.

OUTSTANDING UNIT DATA

Issued and authorized

On July 1, 2005, 19,555,935 common shares of Vicwest Corporation were exchanged for an equal number of units of the Fund. The capital contribution assigned to the Fund units consisted of the share capital of Vicwest Corporation immediately prior to the conversion into an income Fund.

An unlimited number of Fund units may be issued pursuant to the Fund Declaration of Trust. Each Fund unit is transferable and represents an equal undivided beneficial interest in any distribution from the Fund and in the net assets of the Fund. All Fund units are of the same class with equal rights and privileges. The units are not subject to future calls or assessments, and entitle the holder to one vote at all meetings of the Unitholders, for each unit held.

Fund units are redeemable at any time on demand by the holders at market prices at the time and subject to certain factors including a maximum aggregate redemption of \$50 thousand in any calendar month. Redemptions in excess of \$50 thousand may be settled with the issuance of notes.

As at May 12, 2010, the Fund had 17,413,201 units issued and outstanding.

Normal course issuer bids

On December 23, 2009, the Toronto Stock Exchange ("TSX") approved the Fund's Normal Course Issuer Bid application enabling the Fund to purchase up to 850,000 Fund Units, which represents approximately 4.9% of the outstanding Fund Units, during a 12-month period commencing December 29, 2009. Purchases will be made at market prices through the facilities of the TSX. The Fund intends to fund such purchases from its available cash and its credit facility. No units have been purchased under this application as of March 31, 2010.

SELECTED QUARTERLY INFORMATION

(Thousands of Canadian dollars except per unit amounts, unaudited)

Three Months Ended	Mar 31, 2010	Dec 31, 2009	Sept 30, 2009	June 30, 2009	Mar 31, 2009	Dec 31, 2008	Sept 30, 2008	June 30, 2008
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	76,140	94,705	110,439	102,332	84,300	105,180	126,374	103,651
Net Income	2,600	5,937	14,470	10,060	4,014	8,200	16,305	11,834
Net Income Per Unit- Basic and Diluted	0.15	0.34	0.83	0.58	0.23	0.47	0.94	0.64

The Fund's business is seasonal in nature with quarterly revenue fluctuating with agricultural growing and harvesting seasons and industrial, commercial, institutional and residential construction activity. Revenue and installation of the Fund's products will also be impacted by weather patterns, crop yields and petroleum exploration activities. The first quarter of the year is historically the slowest due to cold weather and reduced seasonal construction activity. Second quarter activity improves as both the pre-season market for storage products and construction activity increases. The third quarter is historically the Fund's strongest quarter as construction activity peaks and agricultural crops are harvested. During the fourth quarter, revenue typically drops off as the agricultural and construction activity winds down.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Unless otherwise specified in the discussion of the specific critical accounting estimates, the Fund is not aware of trends, commitments, events or uncertainties that it reasonably expects to materially affect the methodology or assumptions associated with the critical accounting estimates, subject to the items identified in the "Forward-Looking Statements" section of this MD&A.

In the normal course, changes are made to assumptions underlying all critical accounting estimates to reflect current economic conditions, updating of historical information used to develop the assumptions and on various other assumptions which are believed to be reasonable under the circumstances. It is expected that no material changes in overall financial performance and financial statement line items would arise either from reasonable likely changes in material assumptions underlying the estimate or from selection of a different estimate from within a valid range of estimates.

Significant areas requiring the use of management estimates include the allowance for credit losses, the net realizable value of inventories, the determination of obligations under employee future benefit plans, the provision for warranties, the valuation of acquired assets and liabilities, the valuation of stock options granted, the determination of future income tax assets, liabilities and expenses, the determination of fair value of financial instruments, the fair value of goodwill and the useful lives of long-lived assets as well as the determination of impairment thereon. Actual results could differ from those estimates.

DISCLOSURE CONTROLS AND PROCEDURES

The Fund is committed to providing timely and accurate disclosure of material transactions and events to its Unitholders and the capital markets in general.

The CEO and the CFO, together with management, have designed disclosure controls and procedures as at March 31, 2010 to provide reasonable assurance that material information relating to the Fund is made known to them and the information required to be disclosed by the Fund in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified under applicable securities legislation.

The Fund has implemented a program to ensure all operating and functional managers are aware of the Fund's obligations as a reporting issuer. Senior managers are required to certify on a quarterly basis that they are aware of all of the Fund's disclosure policies and procedures, that they are in compliance with such policies and that any information that could have a material effect on the results of the Fund's operations have been communicated to the CEO and CFO on a timely basis. The Fund has implemented a process whereby management will meet and otherwise communicate on a regular basis to ensure that continuous disclosure obligations are fulfilled on an ongoing basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO, with the participation of management, have designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with GAAP as at March 31, 2010. Management has reviewed the Fund's ICFR and concluded that there were no material weaknesses relating to the design of ICFR or limitations on scope of design or changes in the Fund's ICFR that have materially affected, or are reasonably likely to materially affect, the Fund's design of ICFR during the period which began on January 1, 2010 and ended on March 31, 2010.

The control framework used to design the Fund's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission.

Because of its inherent limitations, the Fund's ICFR may not prevent or detect all possible misstatements or frauds. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the CICA Accounting Standards Board confirmed the adoption of a strategic plan for the direction of accounting standards in Canada which will require public companies to converge to International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. The Fund has established a committee to evaluate the impact of implementing IFRS, including changes to accounting policies, information technology, internal controls, disclosure controls, debt covenants and compensation arrangements.

The committee has completed its initial scoping and assessment of the Fund's financial reporting policies and practices. This analysis has been completed in all segments of the Fund's business and has identified those areas of IFRS that may represent a departure from the Fund's current accounting policies. Management has begun to evaluate the accounting alternatives available under IFRS. The areas of most significance are:

Property, plant and equipment

The Fund's net book value for property, plant and equipment will decline under IFRS as compared to GAAP. The major difference is due to a change in the breakdown of recorded assets resulting in certain components being depreciated more rapidly under IFRS. Accordingly, depreciation expense will be higher under IFRS.

Leases

More leases will be capitalized in accordance with IFRS. This will result in an increase in property, plant and equipment, as well as an increase in capital lease obligations. Subsequent to adoption, the Fund will record future expenses associated with these leases as depreciation and interest expense as opposed to the existing lease payment charged to cost of goods sold.

Impairment of assets

IFRS requires the cash flows used for impairment testing to be discounted which is not a current requirement under GAAP. While the Fund is still assessing the impact of this change, the likelihood of recording an impairment will increase.

Business combinations

The Fund has elected not to restate acquisitions made prior to December 31, 2008; however, subsequent acquisitions will lead to an increase in expenses during the period due to the IFRS requirement to expense any costs associated with an acquisition.

Financial Instruments

Under IFRS, a financial instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless certain criteria are met to allow for classification as equity. The Fund is currently analyzing the impact of this section on the classification of its equity.

Income Tax

While IAS 12 is similar to the existing Canadian standard, any significant adjustments to balances resulting from the adoption of IFRS would have a corresponding effect on future income tax balances. Any impact will depend primarily on other adjustments made upon transition to IFRS.

Should the Fund undertake a reorganization in response to Canadian income tax regulations (see Section "Risks and Uncertainties") before January 1, 2011, this will impact the Fund's analysis of the effect of IAS 12.

At March 31, 2010, the Fund cannot reasonably determine the full impact that adopting IFRS will have on its financial statements, as the current status of the project reflects the Fund's most recent assumptions and expectations. Circumstances may subsequently arise, such as changes in existing IFRS, or changes in the regulatory or economic environment, which could alter these assumptions. These disclosures reflect the Fund's expectations based on information available at March 31, 2010. Changes in IFRS standards or circumstances relating to the Fund may cause the Fund to revise its expectations, its project plan, and its potential IFRS accounting policy choices prior to the conversion date.

These accounting changes are being made concurrently with the Fund's implementation of a new ERP system. Data collection for the new accounting policies began on January 1, 2010 to capture the comparative reporting information required for the IFRS conversion effective January 1, 2011.

Changes in the above mentioned accounting policies may also require changes to processes. As part of the Fund's commitment to ICFR, these new processes will be documented and evaluated as changes are made. Planning has begun to ensure these new processes incorporate adequate controls which will be tested and evaluated on an ongoing basis.

In order to develop IFRS expertise, staff from all levels of the organization, as well as trustees, commenced training in 2008 and will continue into 2011. Training occurs through the use of external course attendance as well as the use of consultants hired for on-site assistance.

In addition to a review of accounting policies, the committee has included in its scope the impact of IFRS on the Fund's business activities. Some incentive agreements are determined annually and will be adjusted to reflect the income changes associated with the conversion to IFRS.

Management is working to ensure the Fund remains well within its debt covenants in accordance with the new standards.

RISKS AND UNCERTAINTIES

The Fund is subject to various risks and uncertainties including: cyclical, steel supply and pricing, reduction in demand, seasonality and weather, competition, information management, foreign exchange, labour, income tax matters, customer concentration, relationships with suppliers, product liability, capital and liquidity risk, collections from customers, operating hazards, uninsured risks, supply and install contracts, interest rates, distribution agreements, lack of long term agreements, pension funding, risk of future legal proceedings, dependence on key personnel, growth challenges, environmental and climate change. These business risks are described in detail in the Fund's Annual Information Form and the Fund's Annual Report for the year ended December 31, 2009. All of these factors remain substantially unchanged since the December 31, 2009 year end.

Risks and Uncertainties Related to Units of the Fund

In addition to the business risks mentioned above, there are various risks and uncertainties related to Units of the Fund. These risks and uncertainties are included in the Fund's most recent Annual Information Form, which has been filed with applicable securities regulatory authorities and is available through the SEDAR website (www.sedar.com) under the Fund's publicly filed documents.

NON-GAAP MEASURES

"Distributable cash" is not a defined term under GAAP but is determined by the Fund as net income for the period adjusted to remove non-cash items, including amortization, and is reduced by capital expenditures for the maintenance of productive capacity, cash taxes and interest. The Fund's management believes that distributable cash is a useful measure of performance as it provides investors with an indication of the cash available for distribution to Unitholders. Investors are cautioned however that distributable cash should not be construed as an alternate to using net income or the statement of cash flows as measures of profitability and cash usage respectively. Furthermore, the Fund's definition of distributable cash may differ from that of other issuers.

"EBITDA" is earnings before interest, taxes (other than capital taxes), depreciation and amortization. The Fund's management believes that in addition to net earnings or loss, EBITDA is a useful supplemental measure of cash available for distribution prior to debt service, changes in working capital, capital expenditures and taxes. However EBITDA is not a recognized measure under GAAP. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with GAAP or as an indicator of the Fund's performance or as an alternative to cash flows from operating, investing and financing activities which measure the Fund's liquidity and cash flows. The Fund's method of calculating EBITDA may differ from the method used by other issuers and, accordingly, the Fund's EBITDA calculation may not be comparable to similarly titled measures used by other issuers.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made under the heading "Outlook and Capital Structure" and other statements concerning the Fund's 2010 and 2011 objectives, strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include the cyclical nature of the construction and agriculture industries, changes in general economic conditions and interest rates, adverse weather, cost and availability of materials used to manufacture the Fund's products, competitive developments, as well as other risk factors included in this MD&A under the heading "Risks and Uncertainties" and as described from time to time in the reports and disclosure documents filed by the Fund with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Fund's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Fund's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither

the Fund nor any other person assumes responsibility for the accuracy and completeness of these forward looking statements. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A. All forward-looking statements in this MD&A are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this MD&A and except as required by applicable law, the Fund undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.