LIQUOR DEPOT

LIQUOR WORLD

LIQUOR STORES INCOME FUND

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

For the First Quarter Ended March 31, 2006
As of May 12, 2006

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

This management's discussion and analysis ("MD&A") should be read in conjunction with the interim consolidated financial statements and accompanying notes ("Financial Statements") of Liquor Stores Income Fund (the "Fund") for the three months ended March 31, 2006. Results are reported in Canadian dollars unless otherwise stated and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Certain dollar amounts have been rounded to the nearest hundred thousand dollars or thousand dollars. References to notes are to the notes to the Financial Statements of the Fund unless otherwise stated.

Throughout this MD&A references are made to "EBITDA", "distributable cash", "operating margin", and other "Non-GAAP Measures". A description of these measures and their limitations are discussed below under "Non-GAAP Measures".

This MD&A is dated May 12, 2006.

OVERVIEW OF THE FUND

Issuance of Fund Units Development of the Business

The Fund is an unincorporated open ended, limited purpose trust established under the laws of the Province of Alberta pursuant to a Declaration of Trust dated August 10, 2004. The Units of the Fund trade on the Toronto Stock Exchange under the symbol LIQ.UN.

The Fund commenced business operations on September 28, 2004, when it completed an initial public offering (the "IPO") of 4,300,000 Fund Units, at a price of $10 per unit. Net proceeds of the issue after costs were $37,814,172.

On March 2, 2005, the Fund completed a private placement of 1,830,000 Fund Units at $16.40 per unit for proceeds, after the cost of the issue, of $28,679,064.

On March 15, 2006, the Fund and certain members of the Vendor Group (the "Selling Unitholders") completed a new issue and secondary offering of 2,427,132 Units. The Fund issued 1,600,000 Units from treasury for net proceeds of $30,549,275 and the Selling Unitholders sold 827,132 Exchangeable Units.

The Fund used the proceeds from the IPO to acquire a 50.6% indirect interest in Liquor Stores Limited Partnership ("Liquor Stores LP"). In turn, Liquor Stores LP used the proceeds, its credit facilities as well as Subordinated and Exchangeable LP Units to acquire the net assets of The Liquor Depot Corporation ("Liquor Depot") and Liquor World Group Inc. ("Liquor World") and other wholly owned subsidiaries or companies that were under common control (collectively, the "Vendors").

The proceeds of the March 2, 2005 private placement were used to increase the Fund's interest in Liquor Stores LP to 59.34%. Liquor Stores LP used the funds to temporarily repay bank indebtedness, acquire 22 retail liquor stores, open 3 new stores and for general corporate purposes.

From the net proceeds of the March 15, 2006 new issue the Fund indirectly repaid bank indebtedness of $28,352,939. The balance of the net proceeds, together with the Fund's credit facilities, is available to take advantage of acquisition opportunities to develop and open new stores and for general corporate purposes.

As a result of the foregoing issues of Fund Units the Fund, at March 31, 2006, had a 72.26% indirect interest in Liquor Stores LP while the Vendors retained a 27.74% interest in Liquor Stores LP. The following table summarizes the costs for acquisitions and development of stores since inception to March 31, 2006:

	Initial Acquisition September 28, 2004	Acquisitions and New Stores	Since Inception
Number of stores	50	26	76
Property and equipment	$12,319,558	$6,907,984	$19,227,542
Goodwill	66,943,639	15,732,478	82,676,117
Intangible assets	429,000	103,627	532,627
Other assets	121,975	-	121,975
Net working capital	17,631,534	6,958,823	24,590,357
	$97,445,706	$29,702,912	$127,148,618

In addition to expenditures of $579,539 related to new stores during the three months ended March 31, 2006, the Fund spent $108,013 on maintenance capital expenditures.

The geographic location of the Fund's liquor stores at March 31, 2006 is provided in the following table:

	Alberta			British Columbia		Total
	Edmonton	Calgary	Other	Lower Mainland	Other	
Number of stores	37	20	14	3	2	76

References to Edmonton and Calgary are to stores located in or near those urban centres.

Other communities served in Alberta include Red Deer, Lethbridge, Fort McMurray, Slave Lake, Banff and Grande Praire

In British Columbia other communities served include Victoria and Kamloops.

Business of the Fund

The Province of Alberta is the only province in Canada that has a fully privatized retail distribution system for adult beverages. With 71 liquor stores operating in Alberta, where there are approximately 1,050 liquor stores, the Fund is the largest liquor store operator by number of stores. We believe that, in Alberta, the Fund is the second largest liquor store operator by revenue.

The Fund also operates five stores in British Columbia. The Province of British Columbia's model for liquor distribution is a blend of private and government operated retail outlets.

Distributable Cash and Cash Distributions

The Fund's policy is to distribute annually to Unitholders available cash from operations after cash required for maintenance capital expenditures, working capital reserve, and other reserves considered advisable by the Trustees of the Fund. The policy allows the Fund to make stable monthly distributions to its Unitholders based on its estimate of distributable cash for the year. The Fund pays cash distributions on or about the 15th of each month to Unitholders of record on the last business day of the previous month.

The Fund reviews its historic and expected results on a regular basis. This review includes consideration of economic conditions, including labour market trends, and the competitive environment. Based on this review, cash distributions have been made as follows:

Payment Dates	Monthly	Annualized
November 15, 2004 to May 16, 2005	$0.08333	$1.000
June 16, 2005 to January 16, 2006	$0.08958	$1.075
Commencing February 15, 2006	$0.10000	$1.200

Distributions declared during the three months ended March 31, 2006 were $3,259,000 or $0.30 per unit. On a weighted average basis, distributable cash per unit was $0.14. Historically the Fund has distributed 87% of its distributable cash and expects to achieve a similar payout ratio for the year ended December 31, 2006. The seasonal outflow of cash for the first quarter reduced the balance of cash available for future distribution from $1,905,151 at December 31, 2005 to $96,231 at March 31, 2006. Unutilized credit facilities are available to cover seasonal variations in distributable cash. However, we used surplus undistributed funds to cover the seasonal shortfall.

For 2006, the tax deferred portion of distributions is expected to be in the range of 25% to 30%.

Distributable cash per unit (Fund Units, Exchangeable and Subordinated LP Units)

The following table summarizes the distributable cash of the Fund for the three months ended March 31, 2006 and 2005. The Fund views distributable cash as an operating performance measure. The Fund's purchases of property and equipment required to maintain its existing stores are minimal and the Fund distributes a significant portion of its earnings on an annual basis, once adjusted for non-cash items. Therefore, the Fund uses net earnings as the starting point for the calculation of distributable cash.

	January 1, 2006 to March 31, 2006	January 1, 2005 to March 31, 2005
Net earnings for the period	$684,125	$495,363
Add: Amortization	488,604	296,253
Add: Interest expense	310,400	206,109
Add: Future income taxes	(31,900)	1,100
EBITDA	1,451,229	998,825
Add: Non-controlling interest	417,264	414,829
Less: Interest paid	(310,400)	(54,163)
Less: Purchase of non-growth property & equipment	(108,013)	(52,041)
Distributable cash	$1,450,080	$1,307,450
Weighted average Units outstanding *	10,614,445	9,110,000
Distributable cash per weighted average Unit **	$0.14	$0.14
Distributions declared per unit	$0.30	$0.25
Basic earnings per Unit	$0.10	$0.10
Diluted earnings per unit	$0.10	$0.10

(*) Weighted average number of units x number of days outstanding / number of days in the period.

(**) In fiscal 2005 Easter fell in the first quarter. Easter was in the second quarter of 2006.

The following table provides a reconciliation of the purchase of property and equipment as reported on the Statement of Cash Flows to the purchase of non-growth property and equipment used to determine distributable cash:

	January 1, 2006 to March 31, 2006	January 1, 2005 to March 31, 2005
Purchase of property and equipment from the Statement of Cash Flows	$687,552	$678,788
Less: Growth expenditures including amounts relating to development and acquired stores	(579,539)	(626,747)
Purchase of non-growth property and equipment	$108,013	$52,041

Amounts relating to the development and acquisition of stores are considered growth expenditures. Growth expenditures are not included in the calculation of distributable cash.

Repairs and maintenance expensed in store operations for the quarters ended March 31, 2006 and 2005 were $71,240 and $43,631, respectively.

Unitholders' Equity and Non-controlling Interest

The following units were outstanding as of March 31, 2006:

	Units
Fund Units (see note 7 to the Financial Statements)	8,620,642
Liquor Stores LP Exchangeable LP Units (see note 8 to the Financial Statements)	1,184,358
Liquor Stores LP Subordinated LP Units (see note 8 to the Financial Statements)	2,125,000
	11,930,000

The Liquor Stores Subordinated and Exchangeable LP Units represent a non-controlling interest in the Fund.

During the three months ended March 31, 2006, 840,959 Liquor Stores LP Exchangeable LP Units were exchanged for Fund Units resulting in an increase in Unitholders' Equity of $8,314,531 and corresponding decrease in non-controlling interest.

SELECTED FINANCIAL INFORMATION AND RESULTS FROM OPERATIONS

Operating Results

The following table summarizes the operating results for the quarter ended March 31, 2006 with comparative figures for 2005.

	Three Months Ended March 31, 2006 (Unaudited)	Three Months Ended March 31, 2005 (Unaudited)
Sales	$38,020,724	$26,818,724
Cost of sales, administrative, operating, and store acquisition and development expenses	36,120,331	25,406,170
Operating margin *	$1,900,393	$1,412,554
Percent of Sales **	5.00%	5.27%

(*)Operating margin has been calculated as described under "Non-GAAP Measures".

(**) In fiscal 2005 Easter fell in the first quarter. Easter was in the second quarter of 2006.

Sales

Sales for the quarter ended March 31, 2006 increased to $38.0 million from $26.8 million in 2005. This increase is primarily due to an increase in the number of stores being operated to 76 at March 31, 2006 from 63 at March 31, 2005.

Of the current stores, 50 were in operation during entire first quarter of 2005. Sales for these stores increased to $25.0 million, or by 0.8%, from $24.8 million for the quarter ended March 31, 2005. Same store sales for the four months ended April 30, 2006 increased to $35.5 million from $34.2 million last year for an increase of 3.8% over the same four month period last year. Sales and earnings are affected by festive occasions. Easter was in April in 2006 and in March in 2005.

Combined Cost of Sales, Administrative, Operating and Acquisition and Store Development Expense

("Operating Expenses")

Operating expenses for the three months ended March 31, 2006 of $36.1 million compare to $25.4 million in 2005. The increase in operating cost was due primarily to the increase in the number of stores being operated in the first quarter of 2006 compared to the same period last year.

Anticipated increases in labour costs due to upward pressure on wage rates in Alberta and an increase in staffing levels at head office to accommodate growth added $0.5 million to first quarter expenses relative to the first quarter of 2005. These labour cost increases are consistent with our expectations.

Operating Margin

Operating margin (as defined under Non-GAAP Measures) increased to $1.9 million for the three months ended March 31, 2006 from $1.4 million in 2005 for an increase of $0.5

million. The increase in operating margin was due primarily to the increase in the number of retail stores being operated.

Operating margin as a percentage of sales was 5.00% for the three months ended March 31, 2006 compared to 5.27% in 2005 primarily due to the timing of Easter.

Operating margin is significantly affected by seasonal trends, the timing of acquisitions and festive occasions. Typically, sales in January and February are at a seasonal low. In the first quarter of 2005, 13 stores were acquired between February 18 and Easter, which fell in the first quarter. Operating margin for the first quarter of 2005 include the incremental earnings related to Easter week. For 2006, the effect of Easter will be realized in the second quarter.

Earnings Before Non-controlling Interest and Net Earnings

Earnings before non-controlling interest of $1,101,389 for the first quarter of 2006 compared to $910,192 for the first quarter of 2005.

Net earnings for the quarter, after the deduction of non-controlling interest and as determined in accordance with GAAP, increased to $684,125 for the three months ended March 31, 2006 from $495,363 for the first quarter of 2005.

Condensed Annual and Quarterly Information

	Mar. 31, 2006	**Mar. 31, 2005**	**Jun. 30, 2005**	**Sept. 30, 2005**	**Dec. 31, 2005**	**Dec. 31, 2004**
	(1st quarter)	(1st quarter)	(2nd Quarter)	(3rd Quarter)	(4th Quarter)	(4th Quarter)
Balance Sheet						
Cash and cash equivalents	$2,935,221	$10,198,704	$265,785	$171,892	$2,047,400	$178,672
Total assets	141,510,594	126,039,848	118,425,028	127,114,352	140,806,211	102,080,855
Bank indebtedness	-	7,444,907	-	8,993,000	15,492,652	11,397,240
Total current liabilities	4,092,370	10,669,395	2,996,258	11,627,892	20,426,910	14,106,849
Long-term debt	-	7,481,439	7,500,000	7,358,800	11,352,466	7,397,917
Unitholders' equity	104,775,142	66,147,285	66,166,596	66,647,957	67,326,605	38,199,609
Non-controlling interest	32,643,082	41,741,729	41,762,174	41,470,603	41,700,230	42,376,840
Statement of Earnings						
Sales	$38,020,724	$26,818,724	$38,505,474	$41,434,078	$50,685,505	$35,542,909
Earnings before non-controlling interest	1,101,389	910,192	2,759,826	2,965,875	3,675,760	2,956,626
Net earnings for the period	684,125	495,363	1,637,049	1,763,798	2,201,738	1,495,705
Basic earnings per unit	$0.10	$0.10	$0.27	$0.29	$0.38	$0.35
Diluted earnings per unit	$0.10	$0.10	$0.27	$0.29	$0.37	$0.35
Distributable cash per Unit	$0.14	$0.14	$0.26	$0.29	$0.44	$0.38

The liquor retailing industry is subject to seasonal trends with approximately 20% of same store sales occurring in the first quarter. Sales and operating margin improve as the year progresses.

LIQUIDITY AND CAPITAL RESOURCES

Distributable Cash and Cash Distributions

The Fund's policy is to make stable monthly distributions to its Unitholders based on its estimate of distributable cash for the year.

On May 16, 2005, the Fund increased its monthly distribution by $0.00625 per unit from $0.08333 to $0.08958 (from $1.00 to $1.075 annually) commencing with the distribution that was paid to unitholders of record on May 31, 2005.

On January 9, 2006, a further increase in monthly distributions was announced. Commencing with the February 16, 2006 payment, distributions were increased by $0.01042 per unit from $0.08958 to $0.10 (from $1.075 to $1.20 annually).

Credit Facilities

The Fund has a $24 million demand operating loan that can be increased to $30 million to accommodate seasonal inventory highs, a $12.5 million committed non-revolving capital loan and a $10 million committed non-revolving acquisition loan with a Canadian chartered bank.

A portion of the proceeds of the March 15, 2006 new issue of Fund Units was used to temporarily repay amounts owing under the credit facilities. As a consequence, no amounts were outstanding under the credit facilities at March 31, 2006. At December 31, 2005, total indebtedness under all credit facilities was $26.8 million. As acquisitions occur and new stores are opened, credit facilities will be redrawn.

Capital Expenditures

During the three months ended March 31, 2006, the Fund developed and opened one new store in Grande Prairie, Alberta. Subsequent to March 31, 2006, three additional stores were developed, two in the Edmonton area and one in Slave Lake, Alberta. In addition, one store was acquired in Grande Prairie. Since December 31, 2005 the number of stores being operated by the Fund has increased from 75 to 80.

The Fund will continue to pursue acquisition opportunities and to open new stores in 2006. In addition the replacement of in-store information systems is anticipated for 2006. The improvements in marketing and administrative processes related to this replacement are intended to reduce overheads and enhance the management of retail operations. The preliminary estimate of the cost to replace in-store systems is $1.5 million. This cost will be treated as growth capital when incurred.

Interest Rate Risk and Sensitivity

The Fund's bank indebtedness and long-term debt bear interest at floating rates based on the bank's prime rate or at short term banker's acceptance rates, thus exposing the Fund to some interest rate fluctuations. As of March 31, 2006, the Fund had total credit facilities of $46.5 million none of which were utilized at March 31, 2006.

No amounts are currently outstanding under the Fund's credit facilities. Based on a normal outstanding debt balance a 1.0% increase in interest rates would reduce distributable cash for the year by approximately $260,000.

Contractual Obligations

The table below sets forth, as of March 31, 2006, the contractual obligations of the Fund, due in the years indicated, related to various premises operating leases.

	2006	2007	2008	2009	2010	2011 and thereafter
Operating leases	$ 4,082,230	$ 5,174,258	$ 4,885,409	$ 3,850,063	$ 2,969,942	$ 8,798,254

OFF BALANCE SHEET ARRANGEMENTS

The Fund has not entered into any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

Goodwill

Goodwill is not amortized and is assessed for impairment at the reporting unit level. The impairment test is done annually unless circumstances arise that would potentially impair the carrying value of goodwill. Any potential goodwill impairment is identified by comparing the fair value of a reporting unit to its carrying value. If the fair value of the reporting unit exceeds its carrying value, goodwill is considered not to be impaired. If the carrying value of the reporting unit exceeds its fair value, potential goodwill impairment has been identified and must be quantified by comparing the estimate fair value of the reporting unit's goodwill to its carrying value. Any goodwill impairment will result in a reduction in the carrying value of goodwill on the consolidated balance sheet and in the recognition of a non-cash impairment charge in operating income.

Amortization Policies and Useful Lives

The Fund amortizes property, equipment and intangible assets over the estimated useful service lives of the assets. In determining the estimated useful life of these assets, significant judgment by management is required. In determining these estimates, the Fund takes into account industry trends and Fund-specific factors, including changing technologies and expectation for the in-service period of these assets. The Fund assesses the estimated useful life of these assets on an annual basis to ensure they match the anticipated life of the asset from a revenue producing perspective. If the Fund determines that the useful life of an asset is different from the original assessment, changes to amortization will be applied prospectively.

Purchase Price Allocations

The allocations of the purchases price for acquisitions involve determining the fair values assigned to the tangible and intangible assets acquired. The Fund uses independent valuators to determine the fair value of the tangible assets and certain intangible assets of the acquired stores. Other intangible assets are allocated based on a calculation of fair values by management. A discounted cash flow analysis is prepared to determine these fair values. Goodwill is calculated based on the purchase price less the fair value of the tangible and intangible assets stated above.

CHANGES IN ACCOUNTING POLICIES

Management is not aware of any recent accounting pronouncements or developments that will affect the Fund's financial statements. Management will continue to monitor and assess the impact of accounting pronouncements on the financial statements of the Fund as they become available.

FINANCIAL INSTRUMENTS

Due to the nature of its business, the Fund does not engage in activities or hold assets that would require the Fund to acquire financial instruments for hedging or speculative purposes. The financial instruments that are held by the Fund consist of accounts receivable, bank indebtedness, advances to equity investment, accounts payable and accrued liabilities, distributions payable and long-term debt. The financial instruments are held in the normal course of operations and as a result no significant accounting policies need to be adopted or assumptions made in reporting the Fund's financial instruments.

TRANSACTIONS WITH RELATED PARTIES

The Fund has a conflict of interest policy that requires the disclosure of potential conflicts and excludes persons with a material conflict of interest from any related decisions.

During the first quarter of 2006, the Fund incurred professional fees of $55,581 to a law firm where one of the partners is a director of a subsidiary of the Fund. Rent paid to companies controlled by directors of a subsidiary of the Fund amounted to $19,856. During the first quarter of 2006, the Fund paid fees and expenses to a company controlled by the President of Liquor Stores GP Inc.(the “GP”), relating to supervision of the construction of developed stores and lease administration, in the amount $20,738. Included in accounts payable and accrued liabilities is $59,719 relating to these transactions (see note 5 to the Financial Statements).

OUTLOOK

For 2006 and beyond the Fund will continue to follow the same acquisition and store development strategy that led to an increase in the number of stores from 50 to 75 in 2005.

We believe there will continue to be a consolidation trend in the industry and that the Fund is well positioned to benefit from this. On February 17, 2006 we announced that the Fund had commitments to develop and open 8 new stores in 2006. To date, 4 of these stores have been opened and 4 are under construction. We have also acquired or waived conditions on 5 additional stores. With these 13 stores and the potential for further acquisitions, our objective is to achieve similar growth in store numbers to that experienced in 2005.

ADDITIONAL INFORMATION

Additional information relating to the Fund, including the Fund’s Annual Information Form and other public filings is available on SEDAR (www.sedar.com) and on the Fund’s website at www.liquorstoresincomefund.com.

RISK FACTORS

The Fund’s results of operations, business prospects, financial condition, cash distributions to Unitholders and the trading price of the Fund’s units are subject to a number of risks. These risk factors include: risks relating to government regulation; competition; the Company's ability to locate and secure acceptable store sites and to adapt to changing market conditions; risks relating to future acquisitions and development of new stores; failure to successfully integrate acquisitions; dependence on key personnel; the Company’s ability to hire and retain staff at current wage levels, risks related to future unionization, supply interruption; reliance on information and control systems; dependence on capital markets to fund the Company's growth strategy beyond its available credit facilities; dependence of the Fund on the Company; leverage and restrictive covenants in agreements relating to current and future indebtedness of the Company; restrictions on the potential growth of the Company as a consequence of the payment by the Company of a substantial amount of its operating cash flow; income tax related risks; and the Vendors' right to approve certain material transactions.

For a discussion of these risks and other risks associated with an investment in Fund Units, see “Risk Factors” detailed the Fund’s Annual Information Form, which is available at www.sedar.com.

NON-GAAP MEASURES

References to “EBITDA” are to earnings before interest, income taxes, depreciation and amortization and references to ‘‘distributable cash’’ are to cash available for distribution to Unitholders in accordance with the distribution policies of the Fund. Management believes that, in addition to income or loss, EBITDA and cash available for distribution before debt service, changes in working capital, capital expenditures and income taxes are useful supplemental measures of performance. Specifically, management believes that EBITDA is the appropriate measure from which to make adjustments to determine the distributable cash of the Fund. Distributable cash of the Fund is a measure generally used by Canadian open-ended trusts as an indicator of financial performance. As one of the factors that may be considered relevant by prospective investors is the cash distributed by the Fund relative to the price of the Fund Units, management believes that distributable cash of the Fund is a useful supplemental measure that may assist prospective investors in assessing an investment in the Fund.

EBITDA and distributable cash are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors are cautioned that EBITDA and distributable cash should not replace net income or loss (as determined in accordance with GAAP) as an indicator of the Fund's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Fund's methods of calculating EBITDA and distributable cash may differ from the methods used by other issuers. Therefore, the Fund's EBITDA and distributable cash may not be comparable to similar measures presented by other issuers.

Operating margin for purposes of disclosure under “Operating Results” have been derived by adding interest expense, income tax expense, amortization of property and equipment, intangibles and pre-opening costs and non-controlling interest to net earnings for the period.

Operating margin as so calculated is not a measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Investors are cautioned that operating margin as so calculated should not replace net income or loss (as determined in accordance with GAAP) as an indicator of the Fund's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Fund's method of calculating operating margin as so calculated may differ from the methods used by other issuers. Therefore, the Fund's operating margin as so calculated may not be comparable to similar measures presented by other issuers.

FORWARD LOOKING STATEMENTS

This management’s discussion and analysis contains forward-looking statements. All statements other than statements of historical fact contained in this management’s discussion and analysis are forward-looking statements, including, without limitation, statements regarding the future financial position, cash distributions, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Fund or Liquor Stores LP. You can identify many of these statements by looking for words such as ‘‘believes’’, ‘‘expects’’, ‘‘will’’, ‘‘intends’’, ‘‘projects’’, ‘‘anticipates’’, ‘‘estimates’’, ‘‘continues’’ or similar words or the negative thereof. These forward-looking statements include statements with respect to the amount and timing of the payment of the distributions of the Fund. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this management's discussion and analysis. There can be no assurance that such expectations will prove to be correct.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to, those discussed under 'Risk Factors".

The information contained in this management's discussion and analysis, including the information set forth under ''Risk Factors'', identifies additional factors that could affect the operating results and performance of the Fund and Liquor Stores LP.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this management's discussion and analysis is made as of the date of this management's discussion and analysis and the Fund assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.