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June 15, 2017

## CONFIDENTIAL OFFERING MEMORANDUM



Class A Units, Class F Units, Class I Units, Class O Units,

Class USA Units, USF Units, Class USI Units and Class USO Units

of

## GOLDENWISE MULTI STRATEGY FUND

Goldenwise Multi Strategy Fund (the “Fund”) is an open-end investment fund established as a trust under the laws of the Province of Ontario on June 1, 2017. The investment objectives, strategy and restrictions of the Fund are described in this Offering Memorandum. An investment in the Fund is represented by trust units (the “Units”) with equal rights and privileges. The various classes of Units offered pursuant to this Offering Memorandum are subject to the same investment objectives, strategy and restrictions but differ in respect of one or more features such as management fees, sales commissions, minimum investment, currency denomination and service fees.

The Fund is offering an unlimited number of Units of each class issued in series on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “Offering”). The minimum initial investment in Units (other than Class F Units and Class USF Units for which the minimum is \$1,000 and USD \$1,000, respectively) for subscribers resident in any province or territory of Canada (the “Offering Jurisdictions”) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions*) is \$25,000 for Canadian dollar denominated classes and USD \$25,000 for U.S. dollar denominated classes. The Manager (as defined below) may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time. See “Details of the Offering”.

If there is a misrepresentation in this Offering Memorandum, purchasers resident in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and

Labrador, Yukon, Nunavut and the Northwest Territories may, in certain circumstances, be provided with a remedy for rescission or damages. See “Purchasers’ Rights of Action for Damages and Rescission”.

Spartan Fund Management Inc. will act as the trustee (in such capacity, the “**Trustee**”) and the investment fund manager and promoter (in such capacity, the “**Manager**”) of the Fund.

**All securities purchased pursuant to this Offering Memorandum are subject to restrictions on resale unless a further prospectus exemption is relied upon by the investor or an appropriate discretionary order is obtained pursuant to applicable securities laws. Therefore, all potential purchasers under the Offering should consult with their legal advisors. As there is no market for the Units, it may be difficult or even impossible for a holder of Units to sell them. However, Units may be redeemed in accordance with the provisions described in this Offering Memorandum. See “Redemption of Units”.**

**Potential purchasers should carefully review the Risk Factors outlined in this Offering Memorandum. See “Risk Factors”.**

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Fund believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the manager of the Fund based on information currently available to such persons. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Fund. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets, fluctuations in currency exchange rates and interest rates, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled “Risk Factors” in this Offering Memorandum. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Fund disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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## SUMMARY

*Prospective purchasers are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum. Capitalized terms not otherwise defined in this summary have the meanings ascribed to them in the Glossary. All references in this Offering Memorandum to “dollars” or “\$” are to Canadian dollars unless otherwise indicated.*

**The Fund:** Goldenwise Multi Strategy Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the declaration of trust dated as of June 1, 2017, as the same may be supplemented, amended or amended and restated from time to time (the “**Declaration of Trust**”). Spartan Fund Management Inc. is the trustee (in such capacity, the “**Trustee**”) and the investment fund manager and promoter (in such capacity, the “**Manager**”) of the Fund and is responsible for the management and administration of the Fund. See “The Fund”.

**Trustee and Manager of the Fund:** Spartan Fund Management Inc. (the “**Trustee**” or “**Manager**”) 100 Wellington Street West, Suite 2101 Toronto, Ontario Canada, M5K 1J3

**Investment Advisor of the Fund:** Goldenwise Capital Management Inc. (the “**Investment Advisor**”) 80 Bloor St West Suite 1203 Toronto, Ontario Canada M5S 2V1

**The Offering:** An unlimited number of Class A Units, Class F Units, Class I Units, Class O Units, Class USA Units, USF Units, Class USI Units and Class USO Units (the “**Units**”) issued in series pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “**Offering**”).

The minimum initial investment in Units for subscribers resident in any province or territory of Canada (the “**Offering Jurisdictions**”) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions*) is \$25,000 for Canadian dollar denominated classes and USD \$25,000 for U.S. dollar denominated classes (other than for an investment in Class F Units and Class USF Units for which the minimum initial investment is \$1,000 and USD \$1,000, respectively). The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time. The minimum initial investment in Class F Units or Class USF Units will increase to \$25,000 and USD \$25,000, respectively, upon the earlier of: (i) December 1, 2017 and (ii) the Fund reaching a Net Asset Value of \$10,000,000. See “Details of the Offering”.

A Unitholder may make an additional investment in Units of not less than \$1,000, provided that: (i) at such time the Unitholder is an accredited investor; or (ii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000. See “Details of the Offering”.

Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Units. The Fund is authorized to issue an unlimited number of Classes and Series of Units and an unlimited number of Units in each such Class or Series. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions,

liquidation and other events in connection with the Fund. See “Description of Units”.

**Units of the Fund:**

There are eight Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class F Units, Class I Units, Class O Units, Class USA Units, Class USF Units, Class USI Units and Class USO Units. Each Class is issued in Series. Each Class has the same investment objectives, strategy and restrictions but differ in respect to one or more of the following features: management fees, sales commissions, minimum investment, currency denomination and service fees, as set out herein. Class A Units and Class USA Units may carry a front-end sales commission at the time of purchase of up to 2.0%. Class F Units and Class USF Units of the Fund may be purchased by investors who are enrolled in fee-based programs through their broker, dealer or advisor and who are subject to an annual asset-based fee or who purchase directly through the Manager. Class I Units and Class USI Units are intended primarily for high net worth investors who purchase directly through the Manager. Class O Units and Class USO Units are intended primarily for employees of the Manager or the Investment Advisor. Class A Units, Class F Units, Class I Units, and Class O Units are denominated in Canadian dollars. Class USA Units, Class USF Units, Class USI Units and Class USO Units are denominated in United States Dollars. See “Details of the Offering”.

**Offering Price:**

Classes of Units are initially offered at \$10.00 per Unit, or, in the case of Units denominated in US dollars, at US \$10.00 per Unit, and thereafter on a continuous basis at the applicable Class Net Asset Value per Unit (as hereinafter defined) as of the last Business Day of each month (each a “**Valuation Date**”). Fractional Units will be issued up to a maximum of four decimal places. See “Purchase of Units”.

**Investment Objective of the Fund:**

The investment objective of the Fund is to provide Unitholders with absolute returns that have a low correlation with traditional asset classes such as securities that make up the S&P 500 Index. The Fund will seek to achieve its investment objective through: (i) exposure to the returns of the Hydra SP 068 (Goldenwise) (the “**Goldenwise Cell**”) within the Hydra Platform (Cayman), SPC (the “**Master Fund**”); and (ii) directly investing in, or selling short, equity and equity derivative securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Goldenwise Cell. See “Investment Objective of the Fund”.

**Investment Strategy of the Fund:**

The Fund may invest the net subscription proceeds from the sale of Units in non-voting redeemable participating shares (the “**Offshore Fund Shares**”) of the Offshore Fund, which, in turn, invests substantially all of the funds received from the issuance of the Offshore Fund Shares in non-voting redeemable Goldenwise Cell Participating Shares of the Master Fund (the “**Reference Shares**”).

To the extent the Fund invests in the Offshore Fund Shares, the return to the holders of Class A Units, Class F Units, Class I Units, Class O Units, Class USA Units, Class USF Units, Class USI Units and Class USO Units will be referable to participating shares of the Offshore Fund.

The return to holders of each Class of Units will be dependent upon the return of the Offshore Fund Shares, which, in turn, is dependent on the return of the Reference Shares. However, the Unitholders will not have any ownership interest in the Offshore Fund Shares or the Reference Shares. There is no guarantee or other form of principal protection for any amounts invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund will be different than the return of the Offshore Fund and the Goldenwise Cell. See “Investment Strategies of the Fund”.

**Use of Leverage:**

The Fund has the authority to borrow money to pay for redemptions and for cash management purposes. In addition, the Fund may also borrow for investment purposes. The Fund, to the extent it conducts its investment strategy directly, may

borrow funds from brokerage firms and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using notional trading, options, swaps and other derivative instruments. The exposure of the Fund to the returns of the Reference Shares issued by the Master Fund will also have the indirect effect of exposing the Fund to the use of leverage. The investment strategies utilized by the Goldenwise Cell may employ leverage when deemed appropriate by the Trading Advisor, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments. The investment program utilized by the Goldenwise Cell may employ leverage through the use of notional trading, options, swaps and other derivative instruments or through trading on margin. See “Investment Strategies of the Fund - Use of Leverage”, “Risk Factors - Leverage”.

**Currency Hedging:**

Class A Units, Class F Units, Class I Units and Class O Units are denominated in Canadian dollars. Class USA Units, Class USF Units, Class USI Units and Class USO Units are denominated in United States dollars. The Offshore Fund Shares issued by the Offshore Fund and the Reference Shares issued by the Master Fund are denominated in U.S. dollars. The exposure of the Canadian dollar-denominated Classes of Units to the Offshore Fund Shares is the same except that the returns to the Canadian dollar-denominated Classes of Units are subject to fluctuations in the Canadian to U.S. dollar exchange rate. It is anticipated that the U.S. currency exposure of the Canadian dollar-denominated Classes of Units to the Offshore Fund Shares will be substantially, but not fully, hedged.

The underlying investments held in the portfolio of the Fund and the Goldenwise Cell, as applicable, may be denominated in U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against the U.S. dollar and in the Canadian dollar or U.S. dollar (as the case maybe) against other foreign currencies could cause the value of the underlying investments to diminish or increase irrespective of performance. It is the intention of the Fund to hedge certain but not all of this risk through a program of currency risk management. Any costs and related liabilities and/or benefits relating to such hedging will be reflected in the Class Net Asset Value or the net asset value of the Reference Shares, as applicable, to which such hedging relates. There may be circumstances in which the Fund or the Goldenwise Cell, as applicable, may not be able to, or may determine that it is not advisable to, hedge its exposure to foreign currencies. There is no assurance that either the Fund or the Goldenwise Cell, as applicable, will hedge the foreign currency exposure of their respective underlying investments or that it will be possible to remove all currency risk exposure. See “Currency Hedging”.

**The Offshore Fund:**

HPGW (the “**Offshore Fund**”) is an open-ended investment company incorporated as an exempted company with limited liability under the *Companies Law* (as amended) of the Cayman Islands on May 23, 2017. The constitution of the Offshore Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the Offshore Fund provide that the Directors may appoint an administrator and investment manager of the Offshore Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as Directors (other than the power to make calls and to forfeit shares). Its registered office is located at c/o Stuarts Corporate Services Ltd., P.O. Box 2510, 4<sup>th</sup> Floor, Cayman Financial Centre, 36A Dr Roy’s Drive, Grand Cayman KY1-1104, Cayman Islands.

Substantially all of the capital of the Offshore Fund is invested in the Reference Shares issued by the Master Fund. The Offshore Fund is authorized to invest outside of the Reference Shares issued by the Master Fund, although it does not anticipate doing so unless a particular investment, if made by the Goldenwise Cell, would have unfavourable tax consequences for the Offshore Fund. See “The Offshore Fund”.

**The Master Fund:**

The Master Fund is an open-ended exempted company with limited liability incorporated and registered as a segregated portfolio company under the *Companies*

*Law* (as amended) of the Cayman Islands on January 2, 2015. The Master Fund is comprised of, and offers non-voting, participating, redeemable segregated portfolio shares in, one or more segregated portfolios (each, a “Cell” or “SP” and collectively, the “Cells”) established in accordance with its Memorandum and Articles. The shares may be issued in separate classes within a Cell. Each Cell constitutes a separate pool of assets, and the holders of shares in a particular Cell will have an interest in the net assets of that Cell only. Its registered office is c/o Stuarts Corporate Services Ltd., P.O. Box 2510, Grand Cayman, KY-1104, Cayman Islands. See “The Master Fund”.

**The Goldenwise Cell:**

The Goldenwise Cell has been formed as a segregated portfolio within the Master Fund. The Goldenwise Cell has offered non-voting, participating, redeemable segregated portfolio shares of three classes: I Class Shares, N-MF Class Shares and S-NF Class Shares. Additional classes of shares may be offered in the future with different terms by way of amended or special supplement, or via separate agreement with certain investors. The Goldenwise Cell features the Quantitative Multi-Strategy Managed Futures Program (the “QMS Program”) trading program of the Trading Advisor. See “The Goldenwise Cell”.

**Platform Operator of the Master Fund:**

Kettera Strategies, LLC, a limited liability company formed in the State of Florida, acts as the manager (the “Platform Operator”) of the Master Fund and the operator of each of its Cells, (the “Cell Operator”) overseeing the risk management and investment activities of each Cell. The Platform Operator is registered under the United States Commodity Exchange Act as a Commodity Pool Operator and is a Member in such capacity of the National Futures Association. See “The Master Fund - The Platform Operator”.

**Master Fund Administrator, Registrar, and Transfer Agent:**

The Master Fund has appointed NAV Consulting, Inc. of Oak Brook, Illinois, USA, as administrator (the “Master Fund Administrator”) of the Cells. The Master Fund Administrator has agreed to perform certain accounting, back-office, data processing and related professional services for the Cells. In addition, the Master Fund has appointed NAV Fund Services (Cayman) Ltd. to act as registrar and transfer agent of the Master Fund pursuant to the terms of an agreement for the provision of registrar and transfer agency agreement between the Master Fund, on behalf of each Cell, and NAV Fund Services (Cayman) Ltd. See “The Master Fund - The Administrator, Registrar, and Transfer Agent”.

**Trading Advisor to the Goldenwise Cell:**

The Platform Operator has appointed Goldenwise Capital Management Inc. to act as the sole trading advisor in respect of the Goldenwise Cell of the Master Fund (in its capacity as the “Trading Advisor”), and has delegated to the Trading Advisor trading authorization in the Goldenwise Cell. The Trading Advisor will manage the Goldenwise Cell’s assets using its QMS Program. See “The Goldenwise Cell - The Trading Advisor”.

**Investment Objective of the Offshore Fund and the Goldenwise Cell:**

The investment objective of the Offshore Fund, which invests in the Goldenwise Cell, is to generate consistent superior absolute returns that have a low correlation with traditional asset classes such as securities that make up the S&P 500 Index. The investment objective of the Offshore Fund is carried out through exposure to the returns of the Goldenwise Cell. The Goldenwise Cell has broad and flexible investment authority and may use margin, leverage and hedging in pursuing its investment objective.

**References in this Offering Memorandum to the investment objectives, strategies and restrictions of the Offshore Fund are intended to refer also to the investment objectives, strategy and restrictions of the Goldenwise Cell.**

There can be no assurance that the investment objectives will be achieved and investment results may vary substantially over time. See “The Goldenwise Cell - Investment Objective”.

**Investment Strategy of the Goldenwise Cell:**

The Goldenwise Cell, in which the Offshore Fund invests, utilizes quantitative trading strategies to capture short and mid-term market inefficiencies, mispricing and strong global macro trends wherever they exist to achieve superior absolute returns. The quantitative strategies include: Relative Value Long/Short, Volatility Arbitrage, Statistical Arbitrage, Spread Trading, Trend Following, Global Macro, etc. The Goldenwise Cell mainly utilizes quantitative and behavior analysis to identify trading opportunities in the markets. Since the futures market is not entirely efficient, to capture market inefficiencies, mispricing and strong trends, the Goldenwise Cell monitors and studies the correlation, spreads, divergence, trends and volatility matrix of various financial products to identify market conditions and then designs optimal trading strategies. The Goldenwise Cell’s core methodologies consist of Relative Value, Trend Following and Mean Reversion. The Goldenwise Cell always places risk control as a first priority and uses various risk management measures to achieve optimal risk reward. The Trading Advisor's investment philosophy consists of High Liquidity, Strict Risk Management and Alpha Strategy. See “The Goldenwise Cell - Investment Strategies”.

**Net Asset Value:**

The Administrator has been appointed by the Manager to calculate the net asset value (“**Net Asset Value**”) of the Fund. The Net Asset Value, the Net Asset Value per Unit, the Net Asset Value for each Class of Units (the “**Class Net Asset Value**”), the Class Net Asset Value per Unit, the Net Asset Value of each Series of each Class of Units, and the Net Asset Value per Unit of each Series of each Class of Units will be determined by the Administrator in accordance with the Fund’s valuation policy as of each a Valuation Date. See “Determination of Net Asset Value”.



**Suspension of Calculation of Net Asset Value:**

The Fund may suspend the calculation of Net Asset Value and Class Net Asset Value and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, the Offshore Fund Shares or the Reference Shares, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or (ii) during a period in which the calculation of the value of or redemption of the Offshore Fund Shares or Reference Shares has been suspended, or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws. See “Determination of Net Asset Value - Suspension of Calculation”.

Calculation of the valuation of the Offshore Fund Shares may be suspended upon the occurrence of certain events or during any period when, in the judgment of the Directors of the Offshore Fund, there exist any circumstances that render the calculation of the net asset value, acceptance of subscriptions for Offshore Fund Shares, redemptions, re-purchases or payment of the redemption price, impracticable or undesirable. See “Determination of Net Asset Value - Net Asset Value of the Offshore Fund Shares”.

**Purchase Procedure:**

Units of the Fund are offered and sold pursuant to available exemptions from the prospectus requirements under applicable securities legislation in the Offering Jurisdictions. Prospective investors must be Canadian residents, and must invest the minimum initial subscription amount of:

- (a) \$25,000 for Class A Units, Class F Units and Class I Units;
- (b) USD \$25,000 for Class USA Units, Class USF Class and Class USI Units;
- (c) \$1,000 for subscribers purchasing Class F Units; and
- (d) USD \$1,000 for subscribers purchasing Class USF Units.

The minimum initial investment in Class F Units or Class USF Units will increase to \$25,000 and USD \$25,000, respectively, upon the earlier of: (i) December 1, 2017 and (ii) the Fund reaching a Net Asset Value of \$10,000,000.

Class O Units and Class USO Units are intended primarily for employees of the Manager or the Investment Advisor.

A Unitholder may make an additional investment in Units of not less than \$1,000, provided that: (i) at such time the Unitholder is an accredited investor; or (ii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000.

At the discretion of the Manager, subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted. To initially subscribe for Units of the Fund, an investor must complete a subscription agreement (the “**Subscription Agreement**”). An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to the dealer. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

In order for a subscription request to be processed at the Class Net Asset Value per Unit determined on a particular Valuation Date, a completed Subscription Agreement must be received by the Administrator before 5:00 p.m. (ET) at least two business days before the relevant Valuation Date (provided that the Manager

reserves the right, but shall not be obligated, to accept subscriptions that are received prior to 4:00 p.m. (ET) on the relevant Valuation date). All subscription requests received after such time will be processed at the Class Net Asset Value per Unit determined as of the Valuation Date for the following month. Payment must be received with the completed Subscription Agreement or, in the case where a registered dealer (a “**Registered Dealer**”) acts as agent for an investor, subscription funds may be provided by the Subscriber directly from the Subscriber’s account at the Subscriber’s Registered Dealer within three (3) business days following the date the subscription request is received.

Units of the Fund are offered by the Manager directly and through registered dealers. No sales commission is charged by the Fund or the Manager for the purchase of Units of the Fund through the Manager.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days of receipt of the request. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction. See “Purchase of Units”.

**Redemption of Units:**

Upon receipt by the Administrator of a written request at least one month prior to a redemption, the Fund will redeem all or any part of the Units of a Class held by a Unitholder at the Class Net Asset Value per Unit determined by the Administrator as of the next Valuation Date following receipt of the redemption request. All redemption requests received before 4:00 p.m. (ET) on the date which is the last business day of the month prior to a Valuation Date (or such later date as the Manager may accept in its sole discretion) (“**Redemption Notice Deadline**”) will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the following month (the “**Redemption Date**”). All redemption requests received after the Redemption Notice Deadline will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the month following the Redemption Date. Redemption requests will be processed in the order in which they are received. The redemption proceeds (net of any Redemption Charge, as hereinafter defined) will be paid to the Unitholder on or about the 15<sup>th</sup> business day of the month following the redemption date.

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 3% short-term trading redemption charge (a “**Redemption Charge**”), based on the Class Net Asset Value of the redeemed Units, to any Unitholder who redeems Units within the six (6) months of the purchase of such Units.

The Manager may suspend, or continue a suspension of, the right of redemption of Units of the Fund in certain circumstances. See “Redemption of Units”.

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder’s investment below an amount established from time to time by the Manager may result in the Fund requiring a mandatory redemption of all Units held by such Unitholder or redesignating such Unitholder’s Units as Units of another Class with a lower minimum investment. The Manager may in its sole discretion also require the mandatory redemption of Units or redesignation of Units under other circumstances. See “Redemption of Units”.

**Eligibility for Investment:**

Provided that the Fund qualifies and continues to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, the Units will be “qualified investments” under the Tax Act for a trust governed by a tax-free savings account, registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan or registered disability savings plan. Holders of tax-free savings accounts or registered disability savings plans, annuitants under a registered retirement savings plan or a registered retirement

income fund and subscribers under a registered education savings plan should consult their own tax advisors as to the status of the Units as a “prohibited investment” for the purposes of the Tax Act. See “Eligibility for Investment”.

**Distributions and Automatic Reinvestment of Distributions:**

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of Tax Act, after taking into account any loss carryforwards and capital gains refunds. All distributions will be made on a *pro rata* basis to each registered Unitholder determined as of the close of business on the record date of the distribution.

All distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units at the Net Asset Value per Unit next determined after the declaration of the distribution. No sales charge or commission shall be payable by a Unitholder in connection with any such reinvestment. Other than as set forth above, the Manager does not intend to make any distributions in respect of the Units.

**Canadian Federal Income Tax Considerations:**

A Unitholder who is resident in Canada for the purposes of the Tax Act will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Amounts payable to a Unitholder that holds Units as capital property, for purposes of the Tax Act, in excess of the Unitholder’s share of the Fund’s net income and net realized capital gains will reduce the adjusted cost base of the Unitholder’s Units. If the reductions to a Unitholder’s adjusted cost base would cause the adjusted cost base of a Unit held as capital property to be negative, the Unitholder will be deemed to realize a capital gain equal to such negative amount. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder’s income) exceed (or are exceeded by) the aggregate of the adjusted cost base of Units and any reasonable costs of disposition. See “Certain Canadian Federal Income Tax Considerations”

Each investor should satisfy her/himself as to the tax consequences of an investment in Units by obtaining advice from her/his tax advisor. For a detailed explanation of certain of the Canadian federal income tax considerations generally relevant to investors, see “Certain Canadian Federal Income Tax Considerations”.

**Risk Factors:**

An investment in the Units is subject to certain risks. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Units:

**Certain Risk Factors Applicable to the Fund**

- Reliance on Investment Advisor
- Limited ability to liquidate investment
- Possible effect of redemptions
- Taxation of the Fund
- Taxation of the Offshore Fund
- Charges to the Fund
- Leverage
- Illiquidity
- Past Performance
- Suspension of Trading
- Conflicts of interest
- Not a mutual fund offered by prospectus
- No operating history
- Class risk

- Unitholder liability

**Certain Risk Factors Applicable to the Investment Strategy of the Goldenwise Cell**

- Exchange-traded Futures and Options Contracts
- Foreign Exchange Interbank Instruments
- Hedging Contracts
- Short-Term Cash Investments
- Additional Instruments
- Reliance on Trading Models
- Reliance on Computer Systems
- Commodity Interest Trading is Speculative and Volatile
- Futures Markets June Be Illiquid
- Substantial Leverage
- Trading of Options
- Concentration Risk
- Possible Effects of Speculative Position Limits
- Foreign Futures Exchanges
- Failure of the Futures Commission Merchant
- Importance of Price Trends to Profitability
- Reliance on Principal(s)

**Certain Risk Factors Applicable to the Master Fund**

- General Investment Risk
- Commodity Prices are Volatile
- Lack of Liquidity
- Leverage
- Speculative Position Limits
- Clearing Broker/Counterparty Creditworthiness
- Trading on Commodity Exchange outside the U.S., Europe, and the Cayman Islands
- Currency and Exchange Rate Risks
- Uncertainty Surrounding Foreign Currency Trading on the OTC Interbank Markets
- Trading of Options
- Risks of Spreads, Hedged, and Arbitrage Strategies
- Limitations of Risk-Defined Strategies
- Day Trading
- Effectiveness of Stop Orders
- Trade Errors
- New Enterprise; Potential of Loss
- Reliance on Key Personnel
- Incentive Fees
- No Current Income
- Competition
- Concentration of Investments
- Illiquidity of Reference Shares
- Compulsory Withdrawals
- Distributions/Withdrawals in Cash or Kind
- Notice of Withdrawals Required
- Reserves
- Forced Liquidation
- Litigation and Claims
- Conflicts of Interest
- Need for Independent Advice
- Limited Regulatory Oversight and Legal Support

- Differences Between Different Share Classes and Segregated Portfolios of the Master Fund
- Segregated Portfolio Structure and Cross-Class Liability
- Variance in Class Performance
- Investor Loss
- Legal Requirements
- Substantial Expenses
- Master-feeder Fund Structure
- Volatility
- Possible Adverse Effects of Increasing the Assets Managed by the Platform Operator or the Trading Advisor strategies
- Wide Investment Discretion
- Effect of Performance on Leverage of the Cells
- Substantial Leverage; Need for Additional Margin
- Use of Multiple Clearing Brokers
- Risk of Fraud by Trading Advisors
- Counterparty Risk
- Valuation of Investments
- Revision to Net Asset Value
- Subscription Monies
- Technology Risks and Disclaimer
- Limited Ability to Liquidate Investment
- ERISA Risks
- The Master Fund and each Cell are not Regulated Investment Companies
- The Master Fund and each Cell is subject only to limited regulatory oversight
- General Uncertainty Concerning Future Regulatory Changes
- Withholding Risks Related to FATCA

See “Risk Factors”.

**Prime Broker for the Goldenwise Cell:**

ADM Investor Services, Inc. (“**Prime Broker**”) will serve as the initial prime broker for the Goldenwise Cell. Futures commission merchants may serve as the prime brokers for, and may receive commissions from, the Goldenwise Cell. The Platform Operator may appoint other prime brokers in respect of the Goldenwise Cell from to time.

**Administrator:**

SGGG Fund Services Inc.  
121 King Street West, Suite 300  
Toronto, Ontario,  
M5H 3T9  
(the “**Administrator**”)

**Auditors:**

Deloitte LLP  
Toronto, Ontario

**Legal Counsel:**

McMillan LLP  
Toronto, Ontario

**Year-end:**

December 31

**Statutory and Contractual Rights of Action:**

Purchasers of Units are entitled to the benefit of certain statutory or contractual rights of action. See “Purchasers’ Rights of Action for Damages and Rescission”.

## SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Fund and Unitholders. Unitholders may have to pay some of these fees and expenses directly. The fees and expenses payable by the Fund will reduce the value of your investment in the Fund. See “Fees and Expenses Relating to the Fund”.

### Type of Fee

### Description

Management Fees:

*Management Fees payable by the Fund*

The Fund shall pay the Manager a management fee (the “**Management Fee**”) based upon the Class Net Asset Value of each Class of Units (other than the Class O Units and the Class USO Units).

The Manager will receive a monthly fee equal to: (i) 1/12 of 2.5% of the aggregate Class Net Asset Value of the Class A Units and Class USA Units of the Fund (including an amount equal to a 1.0% annual service fee payable by the Manager to brokers, dealers and advisors); (ii) 1/12 of 1.5% of the aggregate Class Net Asset Value of the Class F Units and Class USF Units of the Fund; (iii) 1/12 of 2.0% of the aggregate Class Net Asset Value of the Class I Units and Class USI Units of the Fund.

The Management Fee is calculated and paid monthly as at the last calendar day of each month and as at any other day as the Manager may determine. For the purposes of calculating the Management Fee, the Manager shall make an adjustment to take into account any accrued Goldenwise Cell Performance Fees charged on the Reference Shares in which the Fund invests. The Manager will be responsible for paying any amounts owing to the Investment Advisor in its capacity as portfolio advisor of the Fund from the Management Fee.

*Management Fees payable by the Goldenwise Cell*

There are no management fees payable by the Goldenwise Cell in respect of the Reference Shares, and there are no management fees payable by the Offshore Fund in respect of the Offshore Fund Shares.

See “Fees and Expenses Relating to the Fund - Management Fees”.

Performance Fees:

*Performance Fees payable by the Fund*

The Fund, to the extent it conducts its investment strategy directly, will pay to the Investment Advisor a performance fee which shall be calculated and accrue monthly and be paid quarterly (the “**Performance Fee**”) (plus applicable taxes, if any). The Performance Fee is calculated on a series-by-series and class-by-class basis in respect of the Units. No Performance Fee is payable by the Fund to the Manager in respect of any portion of the Net Asset Value of the Fund that is invested in the Offshore Fund Shares. The Performance Fee for each quarterly performance period (the “**Performance Period**”) of the Fund shall be an amount equal to 20% of the Fund New Net Trading Profits generated over the Performance Period multiplied by the number of Units of that Series outstanding on the applicable determination date.

*Performance Fees payable by the Goldenwise Cell*

The Goldenwise Cell will compensate the Trading Advisor with performance-based compensation (the “**Goldenwise Cell Performance Fee**”) over each quarterly performance period (the “**Performance Period**”) in which the Goldenwise Cell achieves New Net Trading Profits in respect of the relevant participating shares of the Goldenwise Cell. The performance fee for the participating shares of the Goldenwise Cell will be equal to 20% of the New Net

Trading Profits with respect to such participating shares of the Goldenwise Cell calculated on a cumulative basis generated over each Performance Period. The Performance Fee will be calculated and payable at the end of each Performance Period and upon redemption of Reference Shares other than at Performance Period-end. There is no performance fee payable in respect of the Class S-NF participating shares of the Goldenwise Cell.

See “Fees and Expenses Relating to the Fund - Performance Fees”.

Establishment and Operating Expenses of the Fund:

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including but without limitation, the fees and expenses of legal counsel and the Fund’s auditors. The Fund intends to amortize these costs over a period of five years following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund’s bank accounts, custodial, prime broker and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund and all taxes, assessments or other regulatory and governmental charges levied against the Fund. The Fund is generally required to pay applicable sales taxes on the Management Fee, Performance Fee and on most administration expenses that it pays. Each class of units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes. See “Fees and Expenses Relating to the Fund”.

Operating Expenses of the Offshore Fund and Goldenwise Cell:

The fees and expenses relating to the Offshore Fund’s operations, including but not limited to director and administration fees, regulatory, accounting, record keeping, legal fees and expenses are attributable to the Offshore Fund Shares.

The fees and expenses relating to the ongoing operation of the Offshore Fund and the Goldenwise Cell are indirectly borne by the Fund and are expected to be approximately 0.40% of the net asset value of the Reference Shares in any given year. See “Fees and Expenses Relating to the Fund”.

Dealer Compensation:

A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units and Class USA Units. Such commission is typically negotiated between the investor and the Registered Dealer through whom the investor purchases the Units and is paid by the investor.

In respect of Class A Units and Class USA Units, the Manager will pay to Registered Dealers a service fee based on the aggregate market value of their clients’ investment in Class A Units and Class USA Units of the Fund, at an annualized rate of 1.0%. Service fees are calculated and paid on a quarterly basis in arrears, approximately 15 days after the determination of the Class Net Asset Value of the Class A Units and Class USA Units. A Registered Dealer is entitled to such fees in respect of Class A Units and Class USA Units for so long as its clients hold such Units.

There is no sales commission or service fee payable by the Manager in respect of an investor’s investment in Class F Units, Class USF Units, Class I Units, Class USI Units, Class O Units or Class USO Units of the Fund.

In respect of a purchase of Units, the Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept a commission. Commissions may be modified or discontinued by the Manager at any time. See “Dealer Compensation”.



## GLOSSARY

In this Offering Memorandum, the following terms have the meanings set forth below, unless otherwise indicated.

“**accredited investor exemption**” means the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 and, in Ontario, section 73.3 of the *Securities Act* (Ontario);

“**Account**” has the meaning given to such term in “The Goldenwise Cell”;

“**Administration Agreement**” means an administration agreement dated October 21, 2013 pursuant to which certain administrative functions were delegated by the Manager to the Administrator, as amended from time to time;

“**Administrator**” means SGGG Fund Services Inc., the record-keeper and fund administrator of the Fund;

“**Alberta Act**” means the *Securities Act* (Alberta), as amended;

“**applicable securities laws**” means, at any time, the securities laws, regulations and rules in the Offering Jurisdictions and the requirements, rules and policies of the Canadian securities regulatory authorities that are then applicable to the Fund in the circumstances;

“**Articles of Association**” mean the Articles of Association of the Offshore Fund as the same may be amended from time to time;

“**Business Day**” means any day (other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario) on which the Toronto Stock Exchange is open for trading;

“**Canadian IGA Legislation**” has the meaning given to such term in Certain Risk Factors Applicable to the Fund - Foreign Tax Reporting”;

“**Capital Account**” has the meaning given to such term in “Performance Fees - Accounting for each Class of Reference Shares”;

“**Capital Gains Refund**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations”;

“**Cell**” or “**Cells**” has the meaning given to such term in “The Master Fund”;

“**Cell Operator**” has the meaning given to such term in “The Master Fund - The Platform Operator”;

“**CFTC**” means the U.S. Commodities Futures Trading Commission;

“**Class**” means a particular class of Units;

“**Class Net Asset Value**” means the net asset value of any Class of Units calculated as described under “Determination of Net Asset Value”;

“**Class Net Asset Value per Unit**” means the Class Net Asset Value attributable to each Unit in such Class;

“**CRA**” means the Canada Revenue Agency;

“**CRS**” has the meaning given to such term in Certain Risk Factors Applicable to the Fund - Foreign Tax Reporting”;

“**Declaration of Trust**” has the meaning given to such term in “The Fund”;

“**Directors**” mean the Board of Directors of the Offshore Fund;

“**DPSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**FATCA Withholding Tax**” has the meaning given to the term in Certain Risk Factors Applicable to the Fund - Foreign Tax Reporting”;

“**FCM**” means a futures commission merchant;

“**Fund**” means the Goldenwise Multi Strategy Fund, an open-end investment trust established under the laws of the Province of Ontario on June 1, 2017 pursuant to the Declaration of Trust;

“**Fund High Water Mark**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Fund”;

“**Fund Net Profits**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Fund”;

“**Fund New Net Trading Profits**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Fund”;

“**Goldenwise Cell**” means the Hydra SP 068 formed as a segregated portfolio within the Hydra Platform (Cayman), SPC.

“**Goldenwise Cell Participating Shares**” means the Class I, Class N-MF and the Class S-NF participating shares of the Goldenwise Cell;

“**Goldenwise Cell Performance Fee**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Goldenwise Cell”;

“**High Water Mark**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Goldenwise Cell”;

“**IGA**” has the meaning given to the term in Certain Risk Factors Applicable to the Fund - Foreign Tax Reporting”;

“**Investment Advisor**” means Goldenwise Capital Management Inc., a company incorporated under the laws of the Province of Ontario;

“**Investment Assets**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Investment Management Agreement**” has the meaning given to the term in “The Investment Advisor”;

“**Investment Restrictions**” has the meaning given to such term in “Investment restrictions of the fund”;

“**Loss**” or “**Losses**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Management Fee**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Management Fees”;

“**Manager**” means Spartan Fund Management Inc., a company incorporated under the laws of the Province of Ontario and the manager of the Fund;

“**Manitoba Act**” means *Securities Act* (Manitoba), as amended;

“**Master Fund**” means Hydra Platform (Cayman), SPC., an exempted company incorporated under the laws of the Cayman Islands and registered as a segregated portfolio company;

“**Master Fund Administration Agreement**” has the meaning given to such term in “The Administrator, Registrar, and Transfer Agent”;

“**Master Fund Administrator**” means NAV Consulting, Inc.;

“**Master Fund Advisory Agreement**” has the meaning given to such term in “The Goldenwise Cell - The Trading Advisor”;

“**Master Fund Cash Fund**” has the meaning given to such term in “The Master Fund - Master Fund Cash Management”;

“**Master Fund Cash Manager**” has the meaning given to such term in “The Master Fund - Master Fund Cash Management”;

“**Master Fund Clearing Broker**” has the meaning given to such term in “The Goldenwise Cell - Clearing Brokers”;

“**Master Fund Memorandum**” means the confidential explanatory memorandum of the Master Fund dated as of August 2016;

“**Memorandum**” means the memorandum of the Offshore Fund as the same may be amended from time to time;

“**Misrepresentation**” has the meaning given to such term in “Purchasers’ Rights of Action for Damages and Rescission”;

“**Net Asset Value**” means the net asset value of the Fund calculated as described under “Determination of Net Asset Value”;

“**Net Asset Value per Unit**” means the Net Asset Value attributable to each Unit;

“**Net Profits**” has the meaning given to such term in “Performance Fees - Accounting for each Class of Reference Shares”;

“**Net Losses**” has the meaning given to such term in “Performance Fees - Accounting for each Class of Reference Shares”;

“**New Brunswick Act**” means the *Securities Act* (New Brunswick), as amended;

“**New Net Trading Profits**” has the meaning given to such term in “Performance Fees Payable by the Goldenwise Cell”;

“**Nova Scotia Act**” means the *Securities Act* (Nova Scotia), as amended;

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators;

“**Offering**” means the offering of an unlimited number of Units of the Fund on a continuous basis pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation;

“**Offering Jurisdictions**” means, collectively, the provinces and territories of Canada;

“**Offering Memorandum**” means this confidential offering memorandum of the Fund dated June 15, 2017, as the same may be further amended or amended and restated from time to time;

“**Offshore Fund**” means HPGW, an open-ended investment company incorporated as an exempted company with limited liability under the *Companies Law* (as amended) of the Cayman Islands on May 23, 2017;

“**Offshore Fund Shares**” has the meaning given to such term in “Investment Strategies of the Fund”;

“**Offshore IM Agreement**” means the agreement among the Platform Operator and the Investment Advisor, whereby the Investment Advisor will provide investment management and investment advisory services to the Offshore Fund;

“**Offshore Valuation Agent**” means NAV Consulting, Inc., together with any replacement or additional entities appointed by the Directors from time to time;

“**Ontario Act**” means the *Securities Act* (Ontario), as amended;

“**Ordinary Shares**” mean voting, non-participating management shares of the Offshore Fund with a nominal or par value of U.S.\$0.01 each;

“**Participating Shares**” mean non-voting redeemable participating shares of the Offshore Fund, issuable in classes and in series, with a nominal or par value of U.S.\$0.01;

“**PEI Act**” means *Securities Act* (Prince Edward Island), as amended;

“**Performance Fee**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Fund”;

“**Performance Period**” has the meaning given to such term in “Performance Fees - Performance Fees Payable by the Fund”;

“**Plan**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Platform Management Agreement**” has the meaning given to such term in “The Master Fund - The Platform Operator”;

“**Platform Operator**” means Kettera Strategies LLC, a limited liability company formed in the State of Florida, retained to provide certain administrative services for the Offshore Fund, the Master Fund and the segregated portfolios of the Master Fund;

“**Prime Broker**” means ADM Investor Services Inc., which has been appointed to provide custodial services, margin lending, reporting and trade execution on behalf of the Fund, the Master Fund, and the Goldenwise Cell, together with any replacement or additional entities appointed from time to time;

“**QMS Program**” has the meaning given to such term in “The Goldenwise Cell”;

“**RDSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Redemption Charge**” means the 3.0% short-term trading redemption charge relating to a redemption of Units within the first twelve (12) months of purchase;

“**Redemption Date**” has the meaning given to such term in “Redemption of Units”;

“**Redemption Notice Deadline**” has the meaning given to such term in “Redemption of Units”;

“**Reference Shares**” has the meaning given to such term in “Investment Strategies of the Fund”;

“**Registered Dealers**” means dealers or brokers that are registered under applicable securities laws of the Offering Jurisdictions to sell securities of investment funds and that are not restricted from selling the Units including, for greater certainty, dealers registered in the category of exempt market dealers;

“**Registered Plan**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Registrar**” means NAV Fund Services (Cayman) Ltd.;

“**RESP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**RRIF**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**RRSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Saskatchewan Act**” means *The Securities Act*, 1988 (Saskatchewan), as amended;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**Series**” means a particular series of a Class of Units;

“**Series Net Asset Value**” means the net asset value of any Series of a Class of Units calculated as described under “Determination of Net Asset Value”;

“**Series Net Asset Value per Unit**” means the Series Net Asset Value attributable to each Unit in such Series;

“**soft-dollars**” has the meaning given to such term in “Conflicts of Interest”;

“**SP**” means segregated portfolio;

“**SPC**” means a segregated portfolio company;

“**Subscriber**” means a person subscribing for Units of the Fund under a Subscription Agreement;

“**Subscription Agreement**” means the subscription agreement an investor must complete to initially subscribe for units of the Fund;

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time and all regulations promulgated thereunder;

“**Tax Proposals**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations”;

“**Termination Date**” has the meaning given to such term in “Termination of the Fund”;

“**TFSA**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations - Taxation of Registered Plans”;

“**Trading Advisor**” means Goldenwise Capital Management Inc., acting in its capacity as trading adviser to the Master Fund in respect of the Goldenwise Cell;

“**Trustee**” means Spartan Fund Management Inc., a company incorporated under the laws of the Province of Ontario and the Trustee of the Fund or, if applicable, its successor;

“**Units**” means the Units of the Fund, and each a “**Unit**”;

“**U.S.**” means United States of America;

“**USD**” means U.S. dollars;

“**Unitholders**” means the holders of Units, and each a “**Unitholder**”;

“**Valuation Date**” means the last Business Day of any month on which the Toronto Stock Exchange is open for business and December 31 or any such other day as determined from time to time by the Manager; and

“**Valuation Time**” means 4:00 p.m. (ET) or such other time as the Manager, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value.

## THE FUND

Goldenwise Multi Strategy Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the declaration of trust dated as of June 1, 2017, as the same may be amended, supplemented, or amended and restated from time to time (the “**Declaration of Trust**”). Spartan Fund Management Inc. is the trustee (in such capacity, the “**Trustee**”) and the investment fund manager and promoter (in such capacity, the “**Manager**”) of the Fund and is responsible for the management and administration of the Fund. The principal office of the Fund and the head office of the Manager and principal distributor of the Fund are situated at 100 Wellington Street West, Suite 2101, Toronto, Ontario, M5K 1J3.

The only undertaking of the Fund is the investment of its funds. An investment in the Fund is represented by trust units (the “**Units**”). Subscribers whose subscriptions have been accepted will become unitholders of the Fund. Holders of Units are hereinafter referred to as “**Unitholders**”.

## THE TRUSTEE

Pursuant to the Declaration of Trust, the Trustee acts on behalf of all Unitholders in matters relating to the Fund. The principal office of the Trustee is located at 100 Wellington Street West, Suite 2101, Toronto, Ontario, M5K 1J3.

The Trustee, and any successor trustee, must be a resident of Canada for tax purposes. If the Trustee becomes a non-resident of Canada, it shall be automatically removed and replaced by the Manager. The Trustee may resign upon 90 days’ written notice to the Manager and may be removed by a two-thirds majority of the votes cast at a special meeting of the Unitholders. In addition, the Manager may remove the Trustee upon 90 days’ notice to the Trustee and the Unitholders and the appointment of a successor trustee. If the Trustee resigns, a successor trustee shall be appointed by the Manager to fill such vacancy and the replacement trustee, other than an affiliate or successor to the Trustee or a registered trust company, shall be elected by majority vote at a special meeting of the Unitholders called to approve such appointment. If the Manager fails to appoint a successor trustee within 30 days of the date of the resignation notice, the Unitholders may elect a successor trustee by majority vote at a meeting of Unitholders called for such purpose. If the Trustee is removed by Unitholders, a successor trustee shall be elected by a two-thirds majority of the votes cast at the meeting at which the Trustee’s removal was approved. If the Manager fails to appoint, or the Unitholders fail to elect, a successor trustee within 90 days of the notice of resignation, the Declaration of Trust and funds established thereunder shall terminate.

The Declaration of Trust provides that the Trustee shall not be liable to the Fund or to any Unitholder for any loss or damage relating to any matter regarding the Fund except in cases of willful misconduct, bad faith, gross negligence, reckless disregard of its duties or breach of its standard of care. In performing its obligations and duties, the Trustee must act honestly, in good faith and in the best interests of Unitholders and must exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in dealing with the property of another person. Furthermore, the Trustee shall not be liable for any acts or omissions based on reliance upon the instructions of the Administrator. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by any of them in carrying out the Trustee’s duties.

The Trustee will not receive fees from the Fund but is entitled to be reimbursed for all expenses which are properly incurred by the Trustee in connection with the performance of its duties.

Any provision of the Declaration of Trust may be amended, deleted, expanded or varied, if the amendment is: (a) not materially adverse to Unitholders in the opinion of the Manager; or (b) necessary or desirable to comply with applicable laws in the opinion of counsel and notice of the amendment is given to Unitholders forthwith.

Any other provision of the Declaration of Trust may be amended, deleted, expanded or varied by the Manager, provided such amendment, deletion, expansion or variation shall not take effect until after a Valuation Date specified in a notice sent by the Manager to the Unitholders and the Trustee at least 30 days prior thereto and provided that the Trustee must consent in writing to any amendment, deletion, expansion or variation which affects the rights, powers and duties of the Trustee. The notice shall either summarize the effect of the amendment or contain the full text of the amendment. No amendment shall operate, directly or indirectly, to impair or deprive any

Unitholder of the value of its participation in the Fund as of the Valuation Date coinciding with or next preceding the day the amendment is effective.

**THE MANAGER**

The Manager is responsible for the management of the Fund pursuant to the Declaration of Trust. The Manager’s responsibilities include general administrative and management services and the calculation and reporting of the Net Asset Value on a monthly basis. The Manager has delegated certain administrative functions to the Administrator pursuant to the Administration Agreement. As the principal distributor of the Fund, the Manager is also responsible for the offering and sale of Units of the Fund. Units of the Fund may also be purchased from a Registered Dealer.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent professional manager of an open-ended pooled trust in comparable circumstances. Among its other powers, the Manager may establish the Fund’s operating expense budget and authorize the payment of operating expenses. The Declaration of Trust will be terminated in certain circumstances, including if: (i) the Manager becomes bankrupt or is insolvent; (ii) the Manager’s assets otherwise become liable to seizure or confiscation by any public or government authority; or (iii) the Manager is in material default of its obligations under the Declaration of Trust and such default continues for a period of 120 days from the date the Manager receives notice of such material default from the Trustee. The Manager may resign as manager of the Fund at any time on 60 days’ written notice to the Trustee and the Unitholders. The Declaration of Trust contains provisions for the appointment of a successor fund manager in the event of the removal or resignation of the Manager. If no successor fund manager is appointed, the Fund will be terminated.

The Manager was established under the laws of the Province of Ontario. The Manager is registered as a portfolio manager under the laws of Ontario and Quebec, an investment fund manager under the laws of Ontario, Newfoundland and Labrador and Quebec, and an exempt market dealer under the Ontario Act, and under the securities laws of British Columbia, Alberta and Nova Scotia.

**Officers, Directors and Key Investment Personnel of the Manager**

The name and position with the Manager of its directors and officers are set out below:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Gary Ostoich Toronto, Ontario	Director, President, CEO and CCO	Executive of the Manager
Brent Channell Oakville, Ontario	Director and Managing Director	Executive of the Manager
John Ackler Millgrove, Ontario	Chief Investment Officer	Executive of the Manager

**THE INVESTMENT ADVISOR**

The Investment Advisor has been retained to provide investment advisory services to the Fund pursuant to an agreement dated June 7, 2017 between the Investment Advisor and the Fund (the “**Investment Management Agreement**”). The Investment Advisor is responsible for acquiring the securities comprising the portfolio of the Fund and maintaining the portfolio in accordance with the investment objectives of the Fund. The Investment Advisor’s responsibilities include investment management services, investment analysis, selection of dealers or brokers and the negotiation of commissions, recommendations and investment decision making. The Investment Advisor is located in Toronto, Ontario.

The services of the Investment Advisor are not exclusive to the Fund, and nothing in the Investment Management Agreement prevents the Investment Advisor or any affiliate thereof from providing similar services to other investment funds and other clients or from engaging in other activities so long as its services under the Investment Management Agreement are not impaired. Under the Investment Management Agreement, the Investment Advisor is solely responsible for all investment decisions of the Fund.

The Investment Advisor was formed on December 6, 2012 under the laws of the Province of Ontario. The Investment Advisor is registered under the laws of Ontario as a portfolio manager and as a commodity trading manager. The Investment Advisor is also registered in the United States as a commodity trading advisor and is a member of the National Futures Association. The Investment Advisor's head office is located at 80 Bloor St. West, Suite 1203, Toronto, M5S 2V1.

The Investment Advisor utilizes quantitative trading strategies to capture short and mid-term market inefficiencies, mispricing and strong global macro trends wherever they exist to achieve superior absolute returns. The Investment Advisor's quantitative strategies include: relative value long/short, volatility arbitrage, statistical arbitrage, spread trading, trend following, global macro, etc. The Investment Advisor mainly utilizes quantitative and behavior analysis to identify trading opportunities in the markets. Since the futures market is not entirely efficient, to capture market inefficiencies, mispricing and strong trends, the Investment Advisor monitors and studies the correlation, spreads, divergence, trends and volatility matrix of various financial products to identify market conditions and then designs optimal trading strategies.

#### **Management of the Investment Advisor**

The name and position with the Investment Advisor of its directors and officers are set out below:

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position with the Investment Advisor</u></b>	<b><u>Principal Occupation</u></b>
Huakun Ding Toronto, Ontario	Chief Investment Officer	Executive of the Investment Advisor
Ethan Yu Toronto, Ontario	Chief Compliance Officer	Executive of the Investment Advisor
Adam Cai Toronto, Ontario	Vice President & Director of Research	Executive of the Investment Advisor

#### *Huakun Ding - Chief Investment Officer.*

Mr. Ding has more than 7 years of experience in trading global financial markets using proprietary strategies that he has developed. Mr. Ding has a strong background in quantitative investment, quantitative strategy development and risk management, both in the theoretical and practical areas. Mr. Ding obtained his first Master's degree in Mathematics from Memorial University of Newfoundland and obtained a second Master's degree in Mathematical Finance from the University of British Columbia in Canada. Mr. Ding received his Bachelor of Science degree in Applied Mathematics from Nankai University, China, in 2004, having completed the program in three years, a year ahead of his cohort. In 2013, Mr. Ding started up Goldenwise Capital Management Inc. to provide quantitative investment management for qualified institutions, family offices and high net worth investors.

#### *Ethan Yu - Chief Compliance Officer*

Mr. Yu earned an MBA from Boston University Questrom School of Business and a B.Sc. of Management from Fudan University. Mr. Yu is currently a portfolio manager focusing on global macro research and equity portfolio management at Goldenwise Capital Management Inc. Prior to joining Goldenwise Capital Management Inc., he spent one year with Ping An Trust, where he served as Investment Director and oversaw group asset allocations. He also spent four years in Dalton Investments LLC as Head of Research (Greater China), covering Asia ex-Japan



equity markets. Earlier in his career, Ethan spent three years working as an analyst with China International Capital Corporation.

*Adam Cai - Vice President & Director of Research*

Mr. Adam Cai earned a Master of Science in Management from Ivey Business School, Western University and a Bachelor Degree in Economics from Shanghai Maritime University. Prior to joining Goldenwise Capital Management Inc., Mr. Cai worked at Bank of Montreal in the capital markets group. Mr. Cai has worked at other investment management firms and hedge funds in Canada, China and India.

### **The Investment Management Agreement**

Under the terms of the Investment Management Agreement, the Investment Advisor is responsible for providing or arranging for the provision of all necessary investment advisory services in respect of the Fund and for ensuring that the trading and investment activities of the Fund are in compliance with the Fund's investment objectives, strategy and restrictions. In connection with its services in respect of the Fund, the Investment Advisor identifies and makes all day-to-day investment decisions relating to the acquisition and disposition of investments, places trade orders and considers, from time to time, the appropriateness of the investment strategy and makes recommendations with respect to any modifications to such strategy. The Manager will be responsible for paying any amounts owing to the Investment Advisor in its capacity as portfolio advisor of the Fund from the Management Fee.

The Investment Advisor is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent investment advisor would exercise in similar circumstances. The Investment Management Agreement provides that, so long as the Investment Advisor has met its standard of care, it will not be liable for any loss sustained by the Fund. The Investment Advisor will, however, be liable for any losses stemming from bad faith, fraud or failure to comply with the standard of care set out in the Investment Management Agreement, applicable laws or the terms and conditions of the Investment Management Agreement.

The Investment Advisor and each of its directors, officers and employees will be indemnified by the Fund for all expenses, losses, damages, liabilities, demands, charges and claims of any kind or nature whatsoever including, without limitation, all legal expenses which are incurred by any of them in connection with or in relation to the fulfillment of the duties and responsibilities of the Investment Advisor pursuant to the Investment Management Agreement, except to the extent the Investment Advisor has acted in bad faith or fraudulently, or materially breached applicable laws, or failed to comply with the standard of care, or the terms and conditions set out in the Investment Management Agreement.

If the Investment Management Agreement is terminated or the Investment Advisor resigns, the Manager shall appoint a successor portfolio advisor to carry out the portfolio management activities in respect of the Fund. Any successor portfolio advisor may be a third party portfolio manager or it may be an affiliate or associate of the Manager or the Investment Advisor.

### **INVESTMENT OBJECTIVE OF THE FUND**

The investment objective of the Fund is to provide Unitholders with absolute returns that have a low correlation with traditional asset classes such as securities that make up the S&P 500 Index. The Fund will seek to achieve its investment objective through: (i) exposure to the returns of the Hydra Goldenwise Cell (I Class) (the “**Goldenwise Cell**”) within the Hydra Platform (Cayman), SPC (the “**Master Fund**”); and (ii) directly investing in, or selling short, equity and equity derivative securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Goldenwise Cell.

There is no guarantee or other form of principal protection for any amounts invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund will be different than the return of the Reference Shares.

## INVESTMENT STRATEGIES OF THE FUND

The Fund may invest the net subscription proceeds from the sale of Units in non-voting redeemable Class participating shares (the “**Offshore Fund Shares**”) of HPGW (the “**Offshore Fund**”), which, in turn, invests substantially all of the funds received from the issuance of the Offshore Fund Shares in a class of non-voting redeemable participating Shares of the Master Fund (the “**Reference Shares**”).

To the extent the Fund invests in the Offshore Fund Shares, the return to the holders of Class A Units, Class F Units, Class I Units, Class O Units, Class USA Units, Class USF Units, Class USI Units and Class USO Units will be referable to the participating shares of the Offshore Fund.

The return to holders of each Class of Units will be dependent upon the return of the Offshore Fund Shares, which in turn is dependent on the return of the Reference Shares. However, the Unitholders will not have any ownership interest in the Offshore Fund Shares or the Reference Shares. There is no guarantee or other form of principal protection for any amounts invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund will be different than the return of the Offshore Fund and the Goldenwise Cell.

### Use of Leverage

The Fund has the authority to borrow money to pay for redemptions and for cash management purposes. In addition, the Fund may also borrow for investment purposes. The Fund, to the extent it conducts its investment strategy directly, may borrow funds from brokerage firms and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using notional trading, options, swaps and other derivative instruments. The exposure of the Fund to the returns of the Reference Shares issued by the Master Fund will also have the indirect effect of exposing the Fund to the use of leverage. The investment strategies utilized by the Goldenwise Cell may employ leverage when deemed appropriate by the Trading Advisor, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments. The investment program utilized by the Goldenwise Cell may employ leverage through the use of notional trading, options, swaps and other derivative instruments or through trading on margin. Borrowing for investment purposes is known as “leverage”. Leverage is defined as the absolute market value of all long positions and short positions over net asset value. Leverage is defined as a factor (rather than an independent source of risk) that influences the rapidity with which changes in market risk, credit risk or liquidity risk change the value of an investment portfolio. Although leverage presents opportunities for increasing total investment return, it also has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Fund could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage, directly or indirectly could result in a loss that would be greater than if leverage were not employed. In addition, to the extent the Fund borrows funds, the rates at which it can borrow may affect its operating results.

See “Risk Factors - Leverage” and “The Goldenwise Cell - Investment Strategies”.

### Currency Hedging

Class A Units, Class F Units, Class I Units and Class O Units are denominated in Canadian dollars. Class USA Units, Class USF Units, Class USI Units and Class USO Units are denominated in United States dollars. The Offshore Fund Shares issued by the Offshore Fund and the Reference Shares issued by the Master Fund are denominated in U.S. dollars. The exposure of the Canadian dollar-denominated Classes of Units to the Offshore Fund Shares is the same except that the returns to the Canadian dollar-denominated Classes of Units are subject to fluctuations in the Canadian to U.S. dollar exchange rate. It is anticipated that the U.S. currency exposure of the Canadian dollar-denominated Classes of Units to the Offshore Fund Shares will be substantially, but not fully, hedged.

The underlying investments held in the portfolio of the Fund and the Goldenwise Cell, as applicable, may be denominated in U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against the U.S. dollar and in the Canadian dollar or U.S. dollar (as the case maybe) against other foreign currencies could cause the value of the underlying investments to diminish or increase irrespective of performance. It is the intention of the Fund to hedge certain but not all of this risk through a program of currency risk management. Any costs and related liabilities and/or benefits relating to such hedging will

be reflected in the Class Net Asset Value or the net asset value of the Reference Shares, as applicable, to which such hedging relates. There may be circumstances in which the Fund or the Goldenwise Cell, as applicable, may not be able to, or may determine that it is not advisable to, hedge its exposure to foreign currencies. There is no assurance that either the Fund or the Goldenwise Cell, as applicable, will hedge the foreign currency exposure of their respective underlying investments or that it will be possible to remove all currency risk exposure.

### INVESTMENT RESTRICTIONS OF THE FUND

The investment activities of the Fund are subject to the following investment restrictions:

- (a) **Purchasing Securities.** Other than the Offshore Fund Shares, the Fund will typically purchase securities through normal market facilities. Purchases of securities under other circumstances will only be permitted where the purchase price for such securities approximates the prevailing market price or is negotiated or established on an arm's length basis.
- (b) **"Mutual Fund Trust" Status.** The Fund will not make or hold any investment, undertake any activity or otherwise do (or fail to do) anything that would result in the Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act.

### THE OFFSHORE FUND

HPGW (the "**Offshore Fund**") is an open-ended investment company incorporated as an exempted company with limited liability under the *Companies Law* (as amended) of the Cayman Islands on May 23, 2017. The constitution of the Offshore Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the Offshore Fund provide that the Directors may appoint an administrator and investment manager of the Offshore Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as Directors (other than the power to make calls and to forfeit shares).

Substantially all of the capital of the Offshore Fund is invested in the Reference Shares issued by the Master Fund. The Offshore Fund is authorized to invest outside of the Reference Shares issued by the Master Fund, although it does not anticipate doing so unless a particular investment, if made by the Goldenwise Cell, would have unfavourable tax consequences for the Offshore Fund.

#### Directors of the Offshore Fund

The Offshore Fund is managed by its Directors, who are responsible for the overall management of the Offshore Fund. The Directors of the Offshore Fund serve in a non-executive capacity and have delegated the day-to-day operation of the fund to service providers including the Master Fund Administrator, the Platform Operator, and the Offshore Valuation Agent.

Directors will not be liable to the Offshore Fund for any acts or omissions in the performance of their duties, provided that they act honestly and in good faith in the interests of the Offshore Fund in the absence of wilful neglect or default and the Articles of Association of the Offshore Fund contain provisions for the indemnification of the Directors by the Offshore Fund, against liabilities to third parties arising in connection with the performance of their services.

#### Platform Operator

The Platform Operator provides management services to the cells of the Master Fund and the Offshore Fund. See "The Master Fund - The Platform Operator".

#### Offshore Valuation Agent

NAV Consulting, Inc. (the "**Offshore Valuation Agent**") has been appointed by the Offshore Fund as its valuation agent. The Offshore Valuation Agent is currently responsible for determining the net asset value of the Offshore Fund and the net asset value per Offshore Fund Share on each Valuation Date. The valuation agent for the Master

Fund is currently responsible for determining the net asset value of the segregated portfolios of the Master Fund on each Valuation Date. The Directors of the Offshore Fund and the directors of the Master Fund, as applicable, may at any time appoint one or more replacement or additional entities to provide such services. See “The Master Fund - The Administrator, Registrar, and Transfer Agent”.

### **Share Capital and Rights**

The authorized share capital of the Offshore Fund is U.S.\$50,000 divided into 4,999,900 redeemable, non-voting Participating Shares of par value U.S.\$0.01 each and 100 voting, non-participating Ordinary Shares of par value US\$0.01 each. All 100 of the Ordinary Shares in the capital of the Offshore Fund have been issued for cash at par and are held by the Platform Operator. The holders of the Ordinary Shares have the right to receive notice of, attend at and vote at general meetings of the Offshore Fund. The holder of each Ordinary Share shall, on a poll, have the right to one vote for each such share registered in his or her name. Holders of Participating Shares do not have the right to receive notice of, attend or vote at general meetings of the Offshore Fund.

The Offshore Fund is empowered under the laws of the Cayman Islands to issue and redeem its Participating Shares and such other classes of Participating Shares that the Offshore Fund may issue from time to time. The Offshore Fund may offer additional classes of Participating Shares in the future. Such additional classes of Participating Shares may differ in terms of functional currency, hedging of currency risk, types of investment strategies utilized, management and performance fees, permitted subscription and redemption dates and notice periods, minimum and maximum aggregate subscription amounts, investor eligibility requirements and in other respects.

### **Resale Restrictions**

The Articles of Association of the Offshore Fund provide that the Participating Shares may not be sold, assigned, transferred, conveyed or disposed of without the prior written consent of the Directors of the Offshore Fund, which consent may be given or withheld in its discretion. Any attempt to sell or transfer Participating Shares without prior approval by the Directors may subject such Participating Shares to a compulsory redemption. There is no independent market for the purchase or sale of Participating Shares, and none is expected to develop.

### **Dividend Policy**

The Directors have the ability from time to time to declare dividends in respect of the Participating Shares in their discretion and to pay interim dividends after consultation with the Platform Operator. Dividends when declared and paid will be debited to the Offshore Fund. The dividend policy for the Offshore Fund will be communicated to the shareholders holding Participating Shares from time to time. Shareholders will be given the opportunity of reinvesting dividend payments.

### **Rights on Winding Up**

The Offshore Fund has perpetual succession and no fixed period is intended for its operation. Under Cayman Islands law the liquidation of the Offshore Fund may be commenced at any time by the Directors (or by the holders of at least a majority of the paid up capital of the shares which then carry the right to vote) convening an extraordinary general meeting at which a special resolution shall be passed, if the holders of a 66 ⅔% majority of the Ordinary Shares present in person or by proxy and so entitled, vote in favour of it.

Upon a liquidation of the Offshore Fund, the assets of the Offshore Fund available for distribution to shareholders and will be applied in repayment as follows:

1. First, in the payment to the shareholders holding Participating Shares of a sum equal to the nominal amount of the Participating Shares held by such shareholders respectively.
2. Secondly, in the payment to the holders of the Ordinary Shares of sums up to the nominal amount paid up thereon.

3. Thirdly, in the payment to the shareholders holding Participating Shares of any balance then remaining, such payment being made in proportion to the net asset value per Participating Share of the relevant class of Participating Shares held.

On the conclusion of the winding up, the liquidator will call a general meeting of the Offshore Fund in accordance with the *Companies Law* (as amended) of the Cayman Islands for the purpose of presenting the liquidation accounts, and thereafter will file a notice to that effect with the Registrar of Companies in the Cayman Islands.

### **Variation of Rights**

The rights attached to any separate class or series of shares may, subject to the laws of the Cayman Islands and unless otherwise provided by the terms of issue of the shares of that class, only be materially adversely varied or abrogated either while the Offshore Fund is operating or in contemplation of a winding up of the Offshore Fund with the consent in writing of the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the issued shares of the relevant class or series or with the sanction of a resolution passed at a separate meeting of the holders of the shares of the class or series by a majority of two-thirds ( $\frac{2}{3}$ ) of the votes cast at that meeting. For these purposes, the Directors may treat all the classes or any two or more classes as forming one if they consider that all such classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate classes. The rights attached to the Participating Shares of any class or series with preferred or other rights shall not unless expressly provided otherwise by their terms of issue, be deemed materially adversely varied or abrogated by the creation, allotment or issue of further Participating Shares ranking *pari passu* with or subsequent to them, the redemption or repurchase of any Participating Shares, by the passing of any Directors' resolution to change or vary any investment objective, investment technique and strategy and/or investment policy in relation to a class or series of Participating Shares or any modification of the fees payable to any service provider to the Offshore Fund.

### **Meetings of Shareholders**

As an exempted company under Cayman Islands law, the Offshore Fund is not required to hold an annual general shareholders meeting. Such a meeting may, however, be convened at the discretion of the Directors.

### **Registered Office in the Cayman Islands**

The registered office of the Offshore Fund in the Cayman Islands is located at c/o Stuarts Corporate Services Ltd., P.O. Box 2510, 4<sup>th</sup> Floor, Cayman Financial Centre, 36A Dr Roy's Drive, Grand Cayman KY1-1104, Cayman Islands. To the extent required by law, books and records of the Master Fund are maintained at its registered office in the Cayman Islands.

## **THE MASTER FUND**

The Master Fund is an open-ended exempted company with limited liability incorporated and registered as a segregated portfolio company under the *Companies Law* (as amended) of the Cayman Islands on January 2, 2015. The Master Fund is comprised of, and offers non-voting, participating, redeemable segregated portfolio shares in, one or more segregated portfolios (each, a "Cell" or "SP" and collectively, the "Cells") established in accordance with the Memorandum and Articles. The shares may be issued in separate classes within a Cell. Each Cell constitutes a separate pool of assets, and the holders of shares in a particular Cell will have an interest in the net assets of that Cell only.

Under its Memorandum and Articles and the *Companies Law* (as amended) of the Cayman Islands, the Master Fund is a limited liability entity. The authorized capital of the Master Fund is U.S. \$50,000 divided into 100 management shares of par value U.S.\$0.01 each and 4,999,900 non-voting, participating, redeemable segregated portfolio shares with a par value of US\$0.01 each, €50,000 divided into 5,000,000 non-voting, participating, redeemable segregated portfolio shares of a nominal or par value of €0.01 each, and ¥5,000,000 divided into 5,000,000 non-voting, participating, redeemable segregated portfolio shares of a nominal or par value of ¥0.01 each. All of the management shares are held by the Platform Operator.

The constitution of the Master Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the Master Fund provide that the directors of the Master Fund may appoint an administrator and

investment manager to act for and on behalf of the segregated portfolios of the Master Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as directors of the Master Fund (other than the power to make calls and to forfeit shares).

Each Cell of the Master Fund is authorized to issue shares in one or more different classes, as determined from time to time by the directors of the Master Fund in consultation with the Platform Operator, which may differ in terms of, among other things, the fees charged, redemption rights, the functional currency of the shares and minimum and additional subscription amounts. In addition, the directors of the Master Fund may also establish additional Cells, after consultation with the Platform Operator.

The objects of the Master Fund, which are set out in its Memorandum of Association, are unrestricted and the Master Fund has full power and authority to carry out any object not prohibited by any law. The Master Fund is an exempted company with limited liability and registered as a segregated portfolio company (“SPC”) under the *Companies Law* (as amended) of the Cayman Islands. As an SPC, the Master Fund can operate segregated portfolios with the benefit of statutory segregation under Cayman Islands law, of assets and liabilities between each Cell. Although not judicially tested, the principal advantage of an SPC is that it protects the assets of one Cell from the liabilities of other Cells under the law of the Cayman Islands.

The proceeds from the issue of each share shall be applied in the books of the Master Fund to the Cell selected by the relevant shareholder. The assets and liabilities and income and expenditures attributable to that Cell shall be applied to such Cell and to no other Cell. Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Master Fund to the same Cell as the asset from which it is derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same Cell and to no other Cell. The directors of the Master Fund may establish new Cells or discontinue existing Cells, from time to time, in its sole discretion.

The assets held in each Cell shall be applied solely in respect of the liabilities of such Cell. Any surplus in such Cell shall be held, subject to the provisions of the Master Fund’s Articles of Association, for the benefits of the holders of the shares of such Cell. In the case of any asset or liability of the Master Fund which the directors of the Master Fund do not consider is attributable to a particular Cell or Cells, the directors of the Master Fund shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among Cells and shall have power at any time and from time to time to vary such basis.

In a winding up, each holder of a share and the management shares has a right to return of the paid up par value and the holder of a Share has a right to share in surplus assets of the relevant class and Cell.

### **The Cells**

Each Cell is authorized to issue shares in one or more different share classes, as determined from time to time by the directors of the Master Fund in consultation with the Platform Operator, which may differ in terms of, among other things, levels of exposure to the underlying index of the Cell relative to the invested capital, i.e., the fees charged, redemption rights, the functional currency of the shares and minimum and additional subscription amounts. The base currency of the shares is the U.S. dollar.

The Cell is not a separate legal entity and references to the Cell’s acting, e.g. entering into agreements or purchasing investments, should be read as the Master Fund’s acting (or actions by the Platform Operator, the investment advisor designated for a particular Cell, the Master Fund Administrator, the Master Fund Clearing Broker, or the Master Fund Cash Manager to whom the Master Fund has delegated investment management, advisory, administrative or cash management and custody functions) on behalf of the Cell entering into such agreements or purchasing such investments.

### **Classes of Shares**

Separate sub-accounts will be established in the books of account of the Master Fund with respect to proceeds from the sale of each share class of a Cell. Each share class of a Cell will participate ratably in the assets of such Cell in proportion to the respective net asset value of such Class.

## **The Directors**

The directors of the Master Fund are responsible for the overall management of the affairs of the Master Fund. Day-to-day administration of the Master Fund and the Cells is delegated to the Administrator and Registrar and the management of their assets to the Platform Operator and the investment advisor designated for a particular Cell.

The Articles provide that every Director, agent or officer of the Master Fund shall be indemnified out of the general assets and/or the segregated portfolio assets of the Master Fund against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own wilful default, gross negligence, misconduct or reckless disregard of his duties. No such director, agent or officer shall be liable to the Master Fund for any loss or damage in carrying out his functions unless that liability arises through the wilful neglect or default of such director, agent or officer.

In discharging their duties to the Master Fund, the Directors may rely on the expertise, honesty and professional integrity of the Fund's service providers to whom certain day-to-day operating responsibilities of the Master Fund have been delegated, including and the investment advisor designated for a particular Cell, Master Fund Administrator, auditors and other external professional advisors.

## **The Platform Operator**

Kettera Strategies, LLC, a limited liability company formed in the State of Florida, acts as the manager (the "**Platform Operator**") of the Master Fund and the operator of each of its Cells, (the "**Cell Operator**") overseeing the risk management and investment activities of each Cell pursuant to the terms of a platform management agreement (the "**Platform Management Agreement**") and, unless otherwise stated, of each Cell under a cell management agreement.

The Platform Operator is registered under the United States Commodity Exchange Act as a Commodity Pool Operator and is a Member in such capacity of the National Futures Association. The Platform Operator will devote as much time to the investment activities of the Company as it shall determine to be necessary for the efficient operation of the Company.

The Platform Management Agreement with the Platform Operator has a term of three years, although it may be terminated by either party at any time for either cause or a material, ongoing breach of such agreement upon written notice to the Master Fund. In the event that the Platform Operator resigns or is terminated as the platform manager of the Master Fund, the Management Shares held by the Platform Operator shall be redeemed at their paid up capital as of such date. In the event of the termination of the Platform Management Agreement, the Platform Operator shall be entitled to payment of any unpaid remuneration that was earned prior to such termination.

## **The Administrator, Registrar, and Transfer Agent**

The Master Fund has appointed NAV Consulting, Inc. of Oak Brook, Illinois, USA, as administrator (the "**Master Fund Administrator**") of the Cells. The Master Fund Administrator has agreed to perform certain accounting, back-office, data processing and related professional services for the Cells. Pursuant to an agreement (the "**Master Fund Administration Agreement**") entered into between the Master Fund Administrator and each Cell, the Master Fund Administrator will be responsible, under the ultimate supervision of the directors of the Master Fund, for certain matters pertaining to the Cells.

In addition, the Master Fund has appointed NAV Fund Services (Cayman) Ltd. to act as registrar and transfer agent of the Master Fund pursuant to the terms of an agreement for the provision of registrar and transfer agency agreement between the Master Fund, on behalf of each Cell, and NAV Fund Services (Cayman) Ltd.

The Master Fund Administration Agreement provides that in the absence of professional negligence (as defined in the Master Fund Administration Agreement) or wilful malfeasance the Master Fund Administrator will not be liable to each Cell or its shareholders, and will be indemnified by the Master Fund against liabilities to third parties in connection with the performance of its services. The Master Fund Administrator will not be responsible for any tax basis reporting to shareholders. The Master Fund Administrator will have no responsibility with respect to trading activities of a Cell (or the monitoring thereof), the activities of the Platform Operator, the investment advisor

designated for a particular Cell or the Master Fund Cash Manager, the management of a Cell or the accuracy or adequacy of the offering documents. The Master Fund Administrator does not act as an offeror of the classes of shares of a Cell or a guarantor of the value thereof.

Pursuant to the Master Fund Administration Agreement, the Master Fund and Cells agree to indemnify, defend and hold harmless the Master Fund Administrator, its officers, directors, shareholders, employees, agents and affiliates (“NAV parties”) and their respective successors and assigns from and against any liability, loss, cost or expense (including, without limitation, reasonable legal fees and expenses) (collectively, “Losses”) of the NAV parties arising from, related to, or in connection with, the Master Fund Administrator’s services, unless such Losses are the direct result of the professional negligence or wilful malfeasance of NAV parties. In no event shall NAV parties have any liability under the agreement for any amount in excess of \$1 Million dollars in the aggregate.

### **Master Fund Cash Management**

#### *The Master Fund Cash Manager*

The Master Fund has appointed Blackrock, Inc. (the “**Master Fund Cash Manager**”) to manage the investments of the Master Fund’s cash balances in the Master Fund Cash Manager’s cash fund (“**Master Fund Cash Fund**”) which invests in a broad range of U.S. dollar-denominated money market instruments, including government, U.S. and foreign bank and commercial obligations and repurchase agreements. In addition, the Master Fund Cash Fund may invest in mortgage- and asset-backed securities, obligations issued by or on behalf of states, territories and possessions of the United States, the District of Columbia and their respective authorities, agencies, instrumentalities and political subdivisions and derivative securities such as beneficial interests in municipal trust certificates and partnership trusts.

Master Fund cash balances which are not deposited in a Cell’s bank account that is held with an affiliate of the Registrar and Transfer Agent or the custodian and which are surplus to the Cell’s margin requirements are generally held in a separate segregated account with the Custodian (as defined below), as described below, and are invested at the direction of the Master Fund Cash Manager in U.S. Treasury and U.S. Government Agencies’ issues and other high quality securities anticipated to earn interest, even after pertinent management fees, comparable to or greater than can be obtained on the Cell’s other cash balances.

#### *The Master Fund Cash Investments*

The Master Fund Cash Manager will invest the Company’s cash balances in the Master Fund Cash Manager’s cash fund (“**Master Fund Cash Fund**”) which invests in a broad range of U.S. dollar-denominated money market instruments, including government, U.S. and foreign bank and commercial obligations and repurchase agreements. In addition, the Master Fund Cash Fund may invest in mortgage- and asset-backed securities, obligations issued by or on behalf of states, territories and possessions of the United States, the District of Columbia and their respective authorities, agencies, instrumentalities and political subdivisions and derivative securities such as beneficial interests in municipal trust certificates and partnership trusts.

The Master Fund Cash Fund may invest in variable and floating rate instruments and when-issued and delayed delivery securities. The Master Fund Cash Fund will concentrate its investments in the financial services industry. Therefore, under normal conditions, the Master Fund Cash Fund will invest more than 25% of its assets in securities issued by companies in the financial services industry and repurchase agreements secured by such obligations. The Master Fund Cash Fund may, however, invest less than 25% of its assets in this industry as a temporary defensive measure.

#### *Standards and Constraints*

Securities purchased by the Master Fund Cash Fund (or the issuers of such securities) will carry a rating in the highest two rating categories, A-2, P-2 or F2 or better by Standard & Poor’s Ratings Services, Moody’s Investors Service, Inc., or Fitch Ratings Inc., respectively, or the equivalent by another nationally recognized statistical rating organization, or if such investments are unrated, determined to be of comparable quality by the Master Fund Cash Manager (e.g. BlackRock), at the time of investment. The Master Fund Cash Fund invests in a portfolio of securities



maturing in 397 days or less from the date of purchase (with certain exceptions) and will maintain a dollar-weighted average maturity of ninety (90) days or less.

### **Registered Office in the Cayman Islands**

The registered office of the Master Fund in the Cayman Islands is located at c/o Stuarts Corporate Services Ltd., P.O. Box 2510, Grand Cayman, KY-1104, Cayman Islands. To the extent required by law, books and records of the Master Fund are maintained at its registered office in the Cayman Islands.

## **THE GOLDENWISE CELL**

Hydra Platform (Cayman), SPC – Hydra SP 068 (Goldenwise), referred to herein as the "Goldenwise Cell" has been formed as a segregated portfolio within the Master Fund. The Goldenwise Cell has offered non-voting, participating, redeemable segregated portfolio shares of three classes: I Class Shares, N-MF Class Shares and S-NF Class Shares. Additional classes of shares may be offered in the future with different terms by way of amended or special supplement, or via separate agreement with certain investors.

The Goldenwise Cell features the Quantitative Multi-Strategy Managed Futures Program (the "**QMS Program**") trading program of Goldenwise Capital Management Inc. (the "**Trading Advisor**"). The Platform Operator will direct a substantial portion of the Cell's assets to an account custodied by the Clearing Brokers (the "**Account**"). The Trading Advisor will trade the Account as though it were approximately two (2x) times larger than it actually is, thereby increasing the leverage inherent in its trading systems. Thus, by allocating approximately 50% of a predetermined amount to the Account (leaving the remainder in the custody of the Master Fund Cash Manager in an account comprised of cash, cash equivalents and highly liquid investments), the Goldenwise Cell effectively creates an investment in which its assets are traded to approximate the returns that would be generated on the predetermined amount. Because of the leverage inherent in futures and foreign currency positions, the Goldenwise Cell will nonetheless be exposed to substantially leveraged risk positions.

### **Investment Objective**

The investment objective of the Offshore Fund, which invests in the Goldenwise Cell, is to generate consistent superior absolute returns that have a low correlation with traditional asset classes such as securities that make up the S&P 500 Index. The investment objective of the Offshore Fund is carried out through exposure to the returns of the Goldenwise Cell. The Goldenwise Cell has broad and flexible investment authority and may use margin, leverage and hedging in pursuing its investment objective.

**References in this Offering Memorandum to the investment objectives, strategies and restrictions of the Offshore Fund are intended to refer also to the investment objectives, strategy and restrictions of the Goldenwise Cell.**

There can be no assurance that the investment objectives will be achieved and investment results may vary substantially over time.

### **Investment Strategies**

The Goldenwise Cell utilizes quantitative trading strategies to capture short and mid-term market inefficiencies, mispricing and strong global macro trends wherever they exist to achieve superior absolute returns. The quantitative strategies include: Relative Value Long/Short, Volatility Arbitrage, Statistical Arbitrage, Spread Trading, Trend Following, Global Macro, etc. The Goldenwise Cell mainly utilizes quantitative and behavior analysis to identify trading opportunities in the markets. Since the futures market is not entirely efficient, to capture market inefficiencies, mispricing and strong trends, the Goldenwise Cell monitors and studies the correlation, spreads, divergence, trends and volatility matrix of various financial products to identify market conditions and then designs optimal trading strategies. The Goldenwise Cell's core methodologies consist of Relative Value, Trend Following and Mean Reversion always places risk control as a first priority and uses various risk management measures to achieve optimal risk reward. The Goldenwise Cell's investment philosophy consists of High Liquidity, Strict Risk Management and Alpha Strategy.

## **Description of Commodity Interests Traded**

The Goldenwise Cell mainly trades the following futures and their options: Global Equity Indices (for example, S&P 500, DAX, STOXX 50, Hang Seng Index, etc.), Volatility Indices (for example, VIX) and several liquid commodities such as Gold and Crude Oil. However, other derivative contracts will be permitted to trade. Such other investments may include forex, futures and option contracts on interest rates, currencies, metals, agriculture, and energies, among others. Goldenwise focuses on the U.S. markets, but also looks for opportunities in the European (mainly Germany and England) and Asian markets (mainly Hong Kong, Singapore, Japan and Australia).

## **The Trading Advisor**

The Platform Operator has appointed Goldenwise Capital Management Inc. to act as the sole trading advisor in respect of the Goldenwise Cell of the Master Fund (in its capacity as the “**Trading Advisor**”), and has delegated to the Trading Advisor trading authorization in the Goldenwise Cell pursuant to an advisory agreement (“**Master Fund Advisory Agreement**”) by and among the Goldenwise Cell, the Platform Operator and the Trading Advisor dated as of November 29, 2016. The Trading Advisor will manage the Goldenwise Cell’s assets using its QMS Program. See “The Investment Advisor”.

The Trading Advisor is appointed by the Platform Operator to effect investments on behalf of the Goldenwise Cell and will direct the Goldenwise Cell’s investment activities on a day-to-day basis in accordance with the investment objective of the Goldenwise Cell, pursuant to the terms of the Master Fund Advisory Agreement.

The Goldenwise Cell pays the Trading Advisor a monthly management fee and a quarterly performance fee at the rates designated in the Master Fund Advisory Agreement. However, there are no management fees payable by the Goldenwise Cell in respect of the Reference Shares, and there are no management fees payable by the Offshore Fund in respect of the Offshore Fund Shares. See “Fees and Expenses Relating to the Fund”.

## **Conflicts of Interest**

The Trading Advisor and its principals, employees and affiliated research providers may trade commodity interest contracts for their own accounts. In such proprietary trading, the Trading Advisor or such persons may trade their own accounts more aggressively and, thus, may assume more risks than the Trading Advisor will normally assume on behalf of the client accounts which it manages. Such trading may be conducted in accordance with the same approach as is used in trading accounts managed by the Trading Advisor or pursuant to different approaches or strategies and may be done at brokerage rates which are substantially lower than the rate which clients pay. Because trading for such accounts may be conducted pursuant to different trading, approaches or strategies from those employed for clients, trades for such accounts may occur before trades for client accounts or may be opposite to those for client accounts. Accordingly, such proprietary accounts may experience trading results, which are substantially different from those experienced by client accounts. The records of such proprietary trading including any written policies relating to such trading will not be available to clients for inspection.

The Trading Advisor will in the future manage and trade additional accounts. The Trading Advisor will not, however, knowingly or deliberately employ a trading method on behalf of any account which it manages or trades which it knows to be inferior to any trading method which is employed for other accounts or knowingly or deliberately favor one account over any other such account.

Notwithstanding the foregoing, for those advisors that trade futures, speculative position limits allow a trading advisor to control only a limited number of contracts in any one commodity interest. Therefore, the Trading Advisor is potentially subject to conflicts of interests among the accounts it advises which are competing for a limited number of contracts. Thus, there is a potential conflict of interest between the Goldenwise Cell’s interest in maintaining a larger position in a specific commodity interest contract, and the Investment Advisor’s interest in maintaining a smaller position in an individual client’s account in order to provide positions in the specific contract to other accounts under management. In addition, the Trading Advisor may have a conflict of interest in rendering advice because its compensation for managing some other accounts may exceed its compensation for managing a particular client account, and therefore may provide an incentive to favor such other accounts.

In the event that the Goldenwise Cell features fees payable to the Platform Operator that are higher than that of other cells, the Platform Operator may have an incentive for the Platform Operator to favor the Goldenwise Cell over other cells of the Master Fund.

The Trading Advisor has discretion regarding the selection of the investment dealers and other intermediaries with and through which the Goldenwise Cell executes and clears portfolio transactions, the commissions and fees payable and the prices at which investments are bought and sold. Some allocations may be based in part on the provision of or payment for other products or services (including but not limited to investment research) to the Goldenwise Cell, the Trading Advisor or affiliated persons (“soft-dollars”). Such services may not be used for the direct or exclusive benefit of the Goldenwise Cell and may reduce the overhead and administrative expenses otherwise payable.

### **Clearing Brokers**

ADM Investor Services, Inc. (the “**Master Fund Clearing Broker**”) will serve as the initial prime broker for the Goldenwise Cell. Futures commission merchants may serve as the prime brokers for, and may receive commissions from, the Goldenwise Cell. The Platform Operator may appoint other prime-brokers in respect of the Goldenwise Cell from time to time.

## **DETAILS OF THE OFFERING**

An unlimited number of Class A Units, Class F Units, Class I Units, Class O Units, Class USA Units, Class USF Units, Class USI Units and Class USO Units (the “**Units**”) will be issued in series pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “**Offering**”).

The minimum initial investment in Units for subscribers resident in any province or territory of Canada (the “**Offering Jurisdictions**”) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions*) is \$25,000 for Canadian dollar denominated classes and USD \$25,000 for U.S. dollar denominated classes (other than for an investment in Class F Units and Class USF Units for which the minimum initial investment is \$1,000 and USD \$1,000, respectively). The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time. The minimum initial investment in Class F Units or Class USF Units will increase to \$25,000 and USD \$25,000, respectively, upon the earlier of: (i) December 1, 2017 and (ii) the Fund reaching a Net Asset Value of \$10,000,000.

A Unitholder may make an additional investment in Units of not less than \$1,000, provided that at such time the Unitholder is an accredited investor. Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Units. The Fund is authorized to issue an unlimited number of Classes and Series of Units and an unlimited number of Units in each such Class or Series. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions, liquidation and other events in connection with the Fund.

There are eight Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class F Units, Class I Units and Class O Units along with Class USA Units, Class USF Units, Class USI Units and Class USO Units. Each Class is issued in Series. Each Class has the same investment objectives, strategy and restrictions but differ in respect to one or more of the following features: management fees, sales commissions, minimum investment, currency denomination and service fees, as set out herein. Class A Units and Class USA Units of the Fund may carry a front-end sales commission at the time of purchase of up to 2.0%. Class F Units and Class USF Units of the Fund may be purchased by investors who are enrolled in fee-based programs through their broker, dealer or advisor and who are subject to an annual asset-based fee or who purchase directly from the Manager. Class I Units and Class USI Units are intended primarily for high net worth investors who purchase directly from the Manager. Class O Units and Class USO Units are intended primarily for employees of the Manager or the Investment Advisor. Class A Units, Class F Units, Class I Units and Class O Units are denominated in Canadian dollars. Class USA Units, Class USF Units, Class USI Units and Class USO Units are denominated in United States Dollars.

At the discretion of the Manager, subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted. Each subscriber must satisfy applicable regulatory requirements.

## **FEES AND EXPENSES RELATING TO THE FUND**

### **Establishment and Operating Expenses of the Fund**

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including, but without limitation, the fees and expenses of legal counsel and the Fund's auditors. The Fund intends to amortize these costs over a period of five years following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund's bank accounts, custodial, prime broker and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund's existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund and all taxes, assessments or other regulatory and governmental charges levied against the Fund. The Fund is generally required to pay applicable sales taxes on the management fee, performance fee and on most administration expenses that it pays. Each class of units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes.

#### *Operating Expenses of the Offshore Fund and Goldenwise Cells*

The fees and expenses relating to the Offshore Fund's operations, including but not limited to director and administration fees, regulatory, accounting, record keeping, legal fees and expenses are attributable to the Offshore Fund Shares.

The fees and expenses relating to the ongoing operation of the Offshore Fund and the Goldenwise Cell are indirectly borne by the Fund and are expected to be approximately 0.40% of the net asset value of the Reference Shares in any given year.

### **Management Fees**

#### *Management Fees payable by the Fund*

The Fund shall pay the Manager a management fee (the "**Management Fee**") based upon the Class Net Asset Value of each Class of Units (other than the Class O Units and the Class USO Units). The Manager will receive a monthly fee equal to: (i) 1/12 of 2.5% of the aggregate Class Net Asset Value of the Class A Units and Class USA Units of the Fund (including an amount equal to a 1.0% annual service fee payable by the Manager to brokers, dealers and advisors); (ii) 1/12 of 1.5% of the aggregate Class Net Asset Value of the Class F Units and Class USF Units of the Fund; and (iii) 1/12 of 2.0% of the aggregate Class Net Asset Value of the Class I Units and Class USI Units of the Fund.

No service fees are payable in respect of Class F Units, Class USF Units, Class O Units, Class USO Units, Class I Units and Class USI Units of the Fund. The Management Fee is calculated and paid monthly as at the last calendar day of each month and as at any other day as the Manager may determine. For the purposes of calculating the Management Fee, the Manager shall make an adjustment to take into account any accrued Goldenwise Cell Performance Fees charged on the Reference Shares in which the Fund invests. The Manager will be responsible for paying any amounts owing to the Investment Advisor in its capacity as portfolio advisor of the Fund from the Management Fee.

#### *Management Fees payable by the Goldenwise Cell*

There are no management fees payable by the Goldenwise Cell in respect of the Reference Shares, and there are no management fees payable by the Offshore Fund in respect of the Offshore Fund Shares.

## Performance Fees

### *Performance Fees Payable by the Fund*

The Fund, to the extent it conducts its investment strategy directly, will pay to the Investment Advisor a performance fee which shall be calculated and accrue monthly and be paid quarterly (the “**Performance Fee**”) (plus applicable taxes, if any). The Performance Fee is calculated on a series-by-series and class-by-class basis in respect of the Units. No Performance Fee is payable by the Fund to the Manager in respect of any portion of the Net Asset Value of the Fund that is invested in the Offshore Fund Shares. The Performance Fee for each quarterly performance period (the “**Performance Period**”) of the Fund shall be an amount equal to 20% of the Fund New Net Trading Profits generated over the Performance Period multiplied by the number of Units of that Series outstanding on the applicable determination date.

“Fund New Net Trading Profits” means the amount by which cumulative Fund Net Profits exceeds the highest level of cumulative Fund Net Profits as of the end of any prior calendar quarter, or \$0, if higher (the “**Fund High Water Mark**”) for each Class. Fund New Net Trading Profits are calculated separately, with respect to each Class of Units. Consequently, the Units in different classes will have different Fund High Water Marks and a different aggregate net asset value as compared to other Classes of Units issued by the Fund.

“Fund Net Profits” and “Fund Net Losses” are determined generally in accordance with generally accepted accounting principles and reflect with all open positions marked to fair market value in accordance with the valuation principles of the Fund, and taking into account gains or losses on all positions that were open at the beginning of an accounting period and are closed during the accounting period on the basis of the fair market value of the position at the close of the immediately preceding accounting period. Fees and performance fee allocations are allocated separately.

### *Performance Fees Payable by the Goldenwise Cell*

The Goldenwise Cell will compensate the Trading Advisor with performance-based compensation (the “**Goldenwise Cell Performance Fee**”) over each quarterly performance period (the “**Performance Period**”) in which the Goldenwise Cell achieves New Net Trading Profits in respect of the relevant participating shares of the Goldenwise Cell. The performance fee for the participating shares of the Goldenwise Cell will be equal to 20% of the New Net Trading Profits with respect to such participating shares of the Goldenwise Cell calculated on a cumulative basis generated over each Performance Period. The Performance Fee will be calculated and payable at the end of each Performance Period and upon redemption of Reference Shares other than at Performance Period-end. There is no performance fee payable in respect of the Class S-NF participating shares of the Goldenwise Cell.

The Trading Advisor will be paid directly by the Goldenwise Cell. Once the Goldenwise Cell Performance Fee has been paid from a class of Reference Shares, the Platform Operator (or the Trading Advisor, as the case may be) will not refund the allocation if the class of Reference Shares has subsequent losses.

“New Net Trading Profits” means the amount by which cumulative Net Profits exceeds the highest level of cumulative Net Profits as of the end of any prior calendar quarter, or \$0, if higher (the “**High Water Mark**”) for each class of Reference Shares. New Net Trading Profits are calculated separately, with respect to each class of Reference Shares. Consequently, the Reference Shares in different classes will have different High Water Marks and a different aggregate net asset value as compared to other classes of class of Reference Shares issued by the Goldenwise Cell.

Withdrawals of assets from the Goldenwise Cell, whether by redemption or other means, will result in a proportionate decrease, as of the date of such withdrawal, in any cumulative “Trading Loss Carryforward” (the dollar amount by which the aggregate Net Profits of such class of Reference Shares is below its previous High Water Mark) for purposes of calculating subsequent Goldenwise Cell Performance Fee attributable to that class.

### *Accounting for each Class of Reference Shares*

A capital account (the “**Capital Account**”) will be established on the books of the Goldenwise Cell for each shareholder of Reference Shares. The initial value of a Capital Account will be the purchase price of the Reference Shares. The Capital Account value will be adjusted as follows, as of the end of each month (or on at the redemption date): the Capital Account net asset value will be increased by the Capital Account’s pro rata share of the class’ “Net

Profits” for the month. The Capital Account value will be decreased by (a) the Capital Account’s pro rata share of the Goldenwise Cell’s “Net Losses” for the month, (b) any capital withdrawn from the Capital Account as of the month-end (i.e. Reference Shares redeemed), (c) any fees charged to the Capital Account as of the month-end, (d) any distributions from the Capital Account during the month, (e) the Capital Account’s pro rata share of the Master Fund’s operating expenses, and (f) the Goldenwise Cell Performance Fee allocable to the Capital Account.

A Capital Account’s pro rata share of Goldenwise Cell items will be the proportion that, at the start of the month, such Capital Account value bears to the sum of all Capital Account values for the specific class of Reference Shares in which the Capital Account invests.

The Goldenwise Cell Performance Fee is payable in U.S. dollars not later than ten (10) business days following the reporting by the Master Fund Administrator of the last of the net asset values for the month of the classes of Reference Shares then in issue solely out of the assets of the Goldenwise Cell referable to the Reference Shares.

“Net Profits” and “Net Losses” are determined generally in accordance with generally accepted accounting principles and reflect with all open positions marked to fair market value in accordance with the valuation principles of the Master Fund, and taking into account gains or losses on all positions that were open at the beginning of an accounting period and are closed during the accounting period on the basis of the fair market value of the position at the close of the immediately preceding accounting period. Fees and performance fee allocations are allocated separately.

“Net New Profits” for an accounting period are the excess, if any, of the total Net Profits allocated to a Capital Account during the accounting period minus the sum of (a) the total fees allocated to the Capital Account during the accounting period, and (b) the total Net Losses allocated to the Capital Account during previous accounting periods that have not been offset by Net Profits allocated to the Capital Account in those accounting periods. Under this formula, all Net Losses allocated to a Capital Account will in effect be carried forward and must be offset by Net Profits in order for the Platform Operator (of a Trading Advisor, as the case may be) to receive a performance allocation with respect to a Capital Account.

If a Shareholder redeems Shares and thereby withdraws capital from a Capital Account when it has a loss “carry-forward,” the carry-forward will be reduced in proportion to the amount of the withdrawal. A Capital Account will have a loss carry-forward if, at the date of the withdrawal, the total Net Losses allocated to a Capital Account exceed the total Net Profits allocated to the Capital Account. The amount of that excess is the carry-forward. It will be reduced by the fraction whose numerator is the amount of the withdrawal and whose denominator is the Capital Account value immediately before the withdrawal. If a Shareholder has more than one Capital Account, the redeemed Shares (i.e. capital withdrawal) will be presumed to come from the oldest-established Capital Account, for purposes of the carry-forward loss adjustment.

#### **DETERMINATION OF NET ASSET VALUE**

The Administrator has been appointed by the Manager to calculate the net asset value (“**Net Asset Value**”) of the Fund. The Net Asset Value, the Net Asset Value per Unit, the Net Asset Value for each Class of Units (the “**Class Net Asset Value**”) and the Class Net Asset Value per Unit will be determined by the Administrator in accordance with the Fund’s valuation policy as of each a Valuation Date.

The Net Asset Value of the Fund and of each Series of each Class of Units is determined by the Administrator in accordance with an Administration Agreement. A separate Series Net Asset Value is calculated for each Series of each Class of Units. The Net Asset Value and the Class Net Asset Value, as at the relevant Valuation Date, will be calculated by the Administrator on or about the 15<sup>th</sup> day following the relevant Valuation Date. For these purposes, “**Valuation Time**” means 4:00 p.m. (ET) or such other time as the Administrator, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value and “**Valuation Date**” shall mean the last Business Day of each month in each month on which the Toronto Stock Exchange is open for business, and in any event, December 31<sup>st</sup> of each year or any such other day as determined from time to time by the Manager.

The Net Asset Value as of any date shall equal the fair market value of the assets of the Fund as of such date, less an amount equal to the total Fund liabilities as of such date, determined in accordance with NI 81-106 or any exemptions therefrom and otherwise in accordance with International Financial Reporting Standards.

The Manager may provide or make available estimates of the Net Asset Value or the Series Net Asset Value of any Series of Units of the Fund from time to time. Such estimates, if provided or made available, are for informational purposes only and should not be relied upon or used for any other purpose as they may differ materially from the actual Net Asset Value or Series Net Asset Value calculated by the Fund Administrator in accordance with the procedures described herein.

### **Valuation Principles**

The value of the assets and, if applicable, liabilities of the Fund are determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager has determined that any of the foregoing is not worth the full amount, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value;
- (b) short-term investments including notes and money market instruments shall be valued at cost plus accrued interest (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of such an investment at the time of its acquisition);
- (c) the value of any security which is listed or traded upon a stock exchange shall be determined by taking the last sale price, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest offer price or bid price should be used), as at the date of valuation all as reported by any means in common use;
- (d) any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the Administrator, on the date of valuation;
- (e) the value of a forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the forward contract on the date of valuation unless daily limits are in effect, in which case fair market value may be based on the current value of the underlying interest;
- (f) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis;
- (g) the value of any security or property to which, in the opinion of the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the Manager from time to time adopts; and
- (h) the value of any security or other asset for which no published market exists, including securities of private issuers, will be determined by the Manager in accordance with the following:
  - a. such securities or other assets will normally be carried at cost unless:
    - i. there is an arm's length transaction which in the Manager's reasonable opinion establishes a different value, or
    - ii. a material change in the value of an issuer occurs, including as a result of a write-down of its assets on its audited balance sheet or the preparation of a valuation of the issuer or of a substantial portion of its assets by a qualified independent person, in which event the value will be increased or decreased, as appropriate, to the resulting fair value; and

- b. if there is an arm's length bona fide enforceable offer to purchase all or a substantial portion of an issuer's outstanding securities or its assets, the Fund's securities will be valued based upon the proposed transaction price.

### **Series Net Asset Value per Unit**

The "Series Net Asset Value" of a Series of Units, as of any date, shall equal the fair market value of the assets of the Fund as of such date attributable to the Series, less an amount equal to the total Series liabilities as of such date. The "Series Net Asset Value per Unit" shall be computed by the Administrator as at each Valuation Date by dividing the applicable Series Net Asset Value by the total number of Units of such Series then outstanding on such Valuation Date, prior to any issuance or redemption of Units of such Series to be processed by the Manager immediately following such calculation.

### **Suspension of Calculation**

The Fund may suspend the calculation of Net Asset Value and Class Net Asset Value and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, the Offshore Fund Shares or the Reference Shares, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or (ii) during a period in which the calculation of the value of or redemption of the Offshore Fund Shares or Reference Shares has been suspended, or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws.

### **Net Asset Value of the Offshore Fund Shares**

The Net Asset Value will generally be equal to the net asset value of the Offshore Fund Shares purchased by the Fund. The net value of the applicable Offshore Fund Shares, in turn, will generally be equal to the net asset value of the Reference Shares purchased by the Offshore Fund relating to such Offshore Fund Shares. The net asset values may differ, for example, as a result of the expenses of each respective fund or cash that is held by the Fund or the Offshore Fund.

The net asset value of the Offshore Fund and the net asset value per Offshore Fund Share shall be calculated, in U.S. dollars, as at close of business on the relevant Valuation Date or at such other times as the Directors or may determine. The net asset value of the Offshore Fund is equivalent to all the assets less all the liabilities of the Offshore Fund as at the Valuation Date as determined under U.S. generally accepted accounting principles except where otherwise noted.

The net asset value per Offshore Fund Share of any class or series is determined by dividing the value of the assets of the Offshore Fund attributable to the Offshore Fund Share of the relevant class or series less all liabilities attributable to the Offshore Fund Share of such class or series by the number of such Offshore Fund Share as at the relevant Valuation Date, the result being round up or down to the nearest cent.

Offshore Fund Shares within the same series, if applicable, will have the same net asset value per Offshore Fund Share.

The assets of the Offshore Fund shall be deemed to include:

- (a) all securities owned or contracted to be acquired and all unrealized gains (or losses) on such securities;
- (b) all non-voting, redeemable, participating shares of the Master Fund owned by the Offshore Fund;
- (c) all cash on hand, on loan or on deposit including accrued interest thereon;



- (d) all bills and demand notes and amounts receivable (including proceeds of securities sold but not delivered);
- (e) all interest on any interest-bearing securities owned by the Offshore Fund, except to the extent that the same is included or reflected in the principal amount of such securities; and
- (f) all other assets of every kind and nature, including, without limitation, prepaid expenses.

The liabilities of the Offshore Fund shall be deemed to include:

- (a) all loans, bills and accounts payable;
- (b) accrued management fees and performance fees (if applicable);
- (c) all accrued and payable administrative expenses (including all fees payable to any service provider and any agent), and any allowance for estimated annual audit fees, Directors' fees, legal fees and other fees;
- (d) the Offshore Fund's indirect pro-rata share of all accrued and payable fees and expenses of the Master Fund;
- (e) all known liabilities, present and future, including, without limitation, all matured contractual obligations for payments of money or property;
- (f) an appropriate provision for taxes due and future taxes to be assessed; and
- (g) all other liabilities of the Offshore Fund of whatsoever kind and nature for which reserves are determined to be required by the Directors.

The Directors may suspend the determination of the net asset value of the Offshore Fund and the Offshore Fund Shares, the redemption of Offshore Fund Shares including the right to receive redemption proceeds and/or the issuance of additional Offshore Fund Shares, upon the occurrence of any of the following circumstances (and in each case for the whole or any part of a period): (a) when any stock exchange on which securities held by the Offshore Fund and/or the Master Fund are quoted is closed except for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended; (b) during the existence of any state of affairs as a result of which in the opinion of the Directors, the disposal of investments held by the Offshore Fund and/or the Master Fund would not be reasonably practicable or might seriously prejudice the non redeeming shareholders of the Offshore Fund; (c) during any breakdown in the means of communication normally employed in determining the price or value of any securities held by the Offshore Fund and/or the Master Fund or of current prices in any stock market on which securities held by the Offshore Fund and/or the Master Fund are quoted, or when for any other reason the prices or values of any securities held by the Offshore Fund and/or the Master Fund cannot reasonably be promptly and accurately ascertained; (d) when the transfer of funds involved in the realization or acquisition of any securities held by the Offshore Fund and/or the Master Fund cannot, in the opinion of the Directors, be effected at normal rates of exchange; (e) where the Directors determine in good faith that there exist any circumstances that render the calculation of the net asset value, acceptance of subscriptions for Participating Shares, redemptions, re-purchases or payment of the redemption price, impracticable or undesirable.

The Offshore Fund may withhold payment to any person whose Offshore Fund Shares have been tendered for redemption until after any suspension has been lifted. If a redemption request is not withdrawn by a shareholder following declaration of a suspension, the redemption will be completed as of the Valuation Date next following the month in which such suspension is ended, unless the Directors determine otherwise, on the basis of the net asset value per Offshore Fund Shares as at the last Valuation Date.

#### **Valuation Policies of the Master Fund**

The assets of the Goldenwise Cell will be valued in accordance with the following valuation methods based on generally accepted accounting principles which provide (inter alia) that:

- (a) the value of any cash on hand or on deposit, bills, demand notes, account receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors (in consultation with the Platform Operator) shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value therefore shall be deemed to be cash value as the Directors (in consultation with the Platform Operator) shall deem to be the reasonable value thereof;
- (b) subject as provided in paragraphs (c) and (d) and (e) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, or futures exchange or over the counter market shall be made by reference to the last bid price for securities held or at the last asking price for securities to be purchased (or where no last bid price or last asking price is available on the relevant market, by reference to the last traded price for the securities held or to be purchased, as the case may be) on the principal stock exchange for such investments as at the close of business on the day as of which such calculation is to be made; and where there is no stock exchange, commodities exchange, futures exchange or over the counter market, all calculations based on the value of the investment quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such market maker as the Directors in consultation with the Platform Operator and/or the Investment Advisor may designate) shall be made by reference to the mean of the latest bid price (for securities held) and the mean of the latest asking price (for securities to be purchased) quoted thereon; provided always that if the Directors in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all circumstances a fairer criterion of value in relation to any such investments, they may adopt such prices;
- (c) each open forward contract shall be valued at the value specified by the bank counterparty and each over the counter derivative contract entered into by the Company in respect of the Cell shall be valued at the mark-to-market value provided by the officially appointed calculation agent or in the absence of a named calculation agent at the mark-to-market value provided by the over the counter counterparty (however, should a current mark-to-market value not be available within the cut-off time implemented by the Administrator to prepare the Net Asset Value report for a particular Valuation Day the Administrator may, at its discretion, value the swap itself based on information provided to it by the Platform Operator, Investment Advisors and Swap Counterparties to best approximate fair value at the close of such Valuation Day);
- (d) each open futures contract traded on a US exchange shall be valued at its settlement price on the applicable US exchange on the Valuation Day; provided that, if a futures contract traded on a US exchange cannot be liquidated on that day due to the operation of daily limits or other rules of the exchange upon which that position is traded or otherwise, the settlement price on the most recent previous day on which the position could have been liquidated shall be the market value of that position on that day;
- (e) the Company on behalf of the Cell (or any person to whom it shall have delegated responsibility for calculating the Net Asset Value of the Cell) shall be entitled to rely on any electronic price feed and the price provided by any such electronic price feed shall be deemed to be the bid price (for securities held) and offer price (for securities to be purchased);
- (f) the amount of any redemption proceeds due but not yet payable, shall be treated as a liability from the day when the related redemption is effective, as applicable, until it is paid;
- (g) Organizational Fees, consisting of legal costs and other relevant expenses incurred during the formation of the Company shall be apportioned amongst the Cells in issue in the first instance, and with respect to a Cell and the Classes of the Cell so that the portion of the Organizational Fees so allocated to the Cell may be amortized using the straight-line method over a period of thirty-six (36) months) and the Organization Fees specific to the launch of the U.S dollar Classes of Shares of the Cell shall be amortised using the same policy;
- (h) securities and other assets for which recent market quotations are not readily available, or which are not or cannot be valued by an independent third party, shall be valued at fair value as determined in good faith by

the Platform Operator (in consultation with the Investment Advisor, if necessary) to determine a “best estimate” basis; and

- (i) notwithstanding the foregoing, the Directors of the Company may at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value.

### PURCHASE OF UNITS

Units of the Fund are offered and sold pursuant to available exemptions from the prospectus requirements under applicable securities legislation in the Offering Jurisdictions. Prospective investors must be Canadian residents, and must invest the minimum initial subscription amount of:

- (a) \$25,000 for Class A Units and Class I Units;
- (b) USD \$25,000 for Class USA Units and Class USI Units;
- (c) \$1,000 for subscribers purchasing Class F Units; and
- (d) USD \$1,000 for subscribers purchasing Class USF Units.

The minimum initial investment in Class F Units or Class USF Units will increase to \$25,000 and USD \$25,000, respectively, upon the earlier of: (i) December 1, 2017 and (ii) the Fund reaching a Net Asset Value of \$10,000,000.

Class O Units and Class USO Units are intended primarily for employees of the Manager or the Investment Advisor.

A Unitholder may make an additional investment in Units of not less than \$5,000, provided that: (i) at such time the Unitholder is an accredited investor; or (ii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000.

At the discretion of the Manager, subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted. To initially subscribe for units of the Fund, an investor must complete a subscription agreement (the “**Subscription Agreement**”). An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to the dealer. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

In order for a subscription request to be processed at the Class Net Asset Value per Unit determined on a particular Valuation Date, a completed Subscription Agreement must be received by the Administrator before 5:00 p.m. (ET) at least two business days before the relevant Valuation Date (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received prior to 4:00 p.m. (ET) on the relevant Valuation date). All subscription requests received after such time will be processed at the Class Net Asset Value per Unit determined as of the Valuation Date for the following month. Payment must be received with the completed Subscription Agreement or, in the case where a registered dealer (a “**Registered Dealer**”) acts as agent for an investor, subscription funds may be provided by the Subscriber directly from the Subscriber’s account at the Subscriber’s Registered Dealer within three (3) business days following the date the subscription request is received.

Units of the Fund are offered by the Manager directly and through registered dealers. No sales commission is charged by the Fund or the Manager for the purchase of Units of the Fund through the Manager.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days of receipt of the request. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

### REDEMPTION OF UNITS

Upon receipt by the Administrator of a written request at least one month prior to a redemption, the Fund will redeem all or any part of the Units of a Class held by a Unitholder at the Class Net Asset Value per Unit determined

by the Administrator as of the next Valuation Date following receipt of the redemption request. All redemption requests received before 4:00 p.m. (ET) on the date which is the last business day of the month prior to a Valuation Date (or such later date as the Manager may accept in its sole discretion) (“**Redemption Notice Deadline**”) will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the following month (the “**Redemption Date**”). All redemption requests received after the Redemption Notice Deadline will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the month following the Redemption Date. Redemption requests will be processed in the order in which they are received. The redemption proceeds (net of any Redemption Charge, as hereinafter defined) will be paid to the Unitholder on or about the 15<sup>th</sup> business day of the month following the redemption date.

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 3% short-term trading redemption charge (a “**Redemption Charge**”), based on the Class Net Asset Value of the redeemed Units, to any Unitholder who redeems Units within the six (6) months of the purchase of such Units.

### **Suspension of Redemption**

The Manager may suspend, or continue a suspension of, the right of redemption of Units of the Fund during any period where there has been a suspension in the calculation of the Net Asset Value. See “Determination of Net Asset Value - Suspension of Calculation”.

If the Manager suspends the right of redemption of Units, a Unitholder may either withdraw his redemption application or receive payment based on the Net Asset Value per Unit next determined after the termination of the suspension.

The Fund may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption shall be made *pro rata* according to the aggregate number of Units tendered for redemption by each such Unitholder.

### **Mandatory Redemptions or Resignations**

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder’s investment below an amount established from time to time by the Manager may result in the Manager requiring a mandatory redemption of all Units held by such Unitholder or redesignating such Unitholder’s Units as Units of another Class (denominated in the same currency) with a lower minimum investment. The Manager may in its sole discretion also require the mandatory redemption of Units or redesignation of Units under other circumstances. Any such mandatory redemption will be made at the applicable redemption price per Unit on the next redemption date following the issuance of not less than 10 days’ prior written notice of the mandatory redemption to the affected Unitholder, and any redesignation will be made at the applicable Net Asset value per Unit on the next Valuation Date following the issuance of not less than 30 days’ prior written notice of the redesignation to the affected Unitholder.

## **DEALER COMPENSATION**

A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units and Class USA Units. Such commission is typically negotiated between the investor and the Registered Dealer through whom the investor purchases the Units and is paid by the investor.

In respect of Class A Units and Class USA Units, the Manager will pay to Registered Dealers a service fee based on the aggregate market value of their clients’ investment in Class A Units and Class USA Units of the Fund, at an annualized rate of 1.0%. Service fees are calculated and paid on a quarterly basis in arrears approximately 15 days after the determination of the Class Net Asset Value of the Class A Units and Class USA Units. A Registered Dealer is entitled to such fees in respect of Class A Units and Class USA Units for so long as its clients hold such Units.

There is no sales commission or service fee payable in respect of an investor’s investment in Class F Units, Class USF Units, Class I Units, Class USI Units, Class O Units or Class USO Units of the Fund.

In respect of a purchase of Units, the Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept a commission. Commissions may be modified or discontinued by the Manager at any time.

### **DESCRIPTION OF UNITS**

Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Unit. The Fund is authorized to issue an unlimited number of Classes and/or Series of Units and an unlimited number of Units in each such Class or Series, subject to any determination to the contrary made by the Manager in its sole discretion. All Classes and/or Series of Units have the same investment objective, strategy and restrictions but differ in respect of one or more of their features, such as management fees, sales commissions and service fees. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. Units will have no preference, conversion, exchange or pre-emptive rights over any other Unit of the same Class or Series. Each whole Unit of a particular Class entitles the holder thereof to one vote at meetings of Unitholders where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders votes separately as a Class. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or vote at, meetings of Unitholders or of a Class of Unitholders, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Units may only be issued as fully-paid and non-assessable upon receipt of the full consideration for which they are to be issued and are not subject to further call or assessment and no pre-emptive rights attach to them. The Fund Manager may, at any time, sub-divide or consolidate any Units. No certificates representing Units shall be issued by the Fund Manager or Trustee. The rights of Unitholders of the Fund are contained in the Declaration of Trust and may be modified, amended or varied only in accordance with the provisions contained in the Declaration of Trust. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with applicable securities laws. Unitholders are entitled to redeem their Units, subject to the Fund Manager's right to suspend the right of redemption. See "Redemption of Units".

Although the money invested by investors to purchase Units of any Class of the Fund is tracked on a Class by Class basis in the Fund's administration records, the assets of all Classes of Units will be combined into a single pool to create one portfolio for investment purposes

Each Series of Units is entitled to participate equally in the distributions made by the Fund and, on liquidation, in its assets remaining after satisfaction of outstanding liabilities.

Units of the Fund may be subdivided or consolidated at the discretion of the Manager upon the Manager giving notice to each Unitholder.

The provisions or rights attaching to units of the Fund and other terms of the Declaration of Trust may only be modified, amended or varied in accordance with the provisions contained in the Declaration of Trust. See "Amendments to the Declaration of Trust".

### **DISTRIBUTION POLICY**

The Fund intends to distribute to Unitholders sufficient income and capital gains (net of applicable losses) in each taxation year so that it generally will not pay any Canadian federal income tax under Part I of the Tax Act. Distributions, if any, are paid as of the last Business Day of the calendar year, and at such other times as may be determined by the Manager. Subject to the Manager's discretion to make distributions of cash, including to those Unitholders who have redeemed their Units during the applicable calendar year, distributions will automatically be reinvested in additional Units. Following such distributions, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. All distributions payable in respect of a Class of Units will be made on a *pro rata* basis to

Unitholders of that Class. Distributions will be paid in the same currency as the currency denomination of the applicable Unit.

### **REPORTING TO UNITHOLDERS**

Each Unitholder will receive from the Manager or the Administrator or from the Unitholder's Registered Dealer, as the case may be, an annual statement showing the Units held and any transactions for the preceding period. Such statements will contain any amounts reinvested for the Unitholder during the preceding period, the number of additional Units purchased or redeemed on behalf of the Unitholder and the Net Asset Value of the Units determined on the Valuation Date immediately preceding the date of the statement.

The Fund will deliver to Unitholders financial statements of the Fund in accordance with the provisions of NI 81-106. The Fund is relying on the exemption pursuant to section 2.11 of NI 81-106, from filing its financial statements with the Canadian securities regulatory authorities.

Pursuant to NI 81-106, Unitholders will be sent audited annual financial statements within 90 days of the Fund's year-end and unaudited semi-annual financial statements within 60 days after June 30<sup>th</sup> in accordance with their instructions. Under NI 81-106, Unitholders are given the option to receive or not receive annual and interim financial statements and have the ability to change their selection at any time by contacting the Manager.

### **MEETINGS OF UNITHOLDERS**

The Fund will not hold regular meetings; however, the Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 30% of the outstanding Units of the Fund (or of a Class with respect to a Class meeting) in accordance with the Declaration of Trust, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Trustee shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

Units of a Class shall vote separately as a Class if a Class is affected by any matter requiring the approval of Unitholders in a manner that is different from Units of another Class or if the notice calling the meeting so provides.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more Unitholders present in person or by proxy representing not less than 10% of the Units, or Units of a Class, as applicable, then outstanding. If no quorum is present at such meeting when called, the meeting will be adjourned by the Manager to a date and time determined by the Manager, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any consent of Unitholders under the Declaration of Trust must be given by not less than 50% of the Units or Units of a Class, as applicable, represented and voted at a meeting or by written resolution.

### **AMENDMENTS TO THE DECLARATION OF TRUST**

Any provision of the Declaration of Trust may be amended by the Manager (except in the circumstances set out below), with the approval of the Trustee, upon notice to Unitholders, but no such amendment may be made which adversely affects the pecuniary value of the interest of any Unitholder in the Fund or restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Declaration of Trust. The notice to be provided to Unitholders must be given in writing not less than 30 days in advance of the effective date of the amendment unless the Manager and Trustee agree to an earlier effective date.

Any provision of the Declaration of Trust may be amended by the Manager (except in the circumstances set out below), with the approval of the Trustee, without any prior notice to, or approval of, Unitholders if the amendment is necessary to comply with applicable laws or regulatory authorities, to maintain the Fund's status as a "mutual fund

trust” for purposes of the Tax Act, to correct any ambiguity, mistake or manifest error contained in the Declaration of Trust, or to provide additional protection to Unitholders or enhance the rights of Unitholders, provided that Unitholders are given notice of the amendments as soon as reasonably possible following the effective date of the amendments.

Any provision of the Declaration of Trust may be amended, deleted, expanded or varied with the consent of the Unitholders, for any of the following purposes:

- (a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund;
- (b) the Trustee of the Fund is changed, other than to an affiliate or successor to the current Trustee or a registered trust company;
- (c) the fundamental investment objective of the Fund is changed, which for greater certainty is to provide Unitholders with long-term capital appreciation through: (i) exposure to the returns, of the Offshore Fund, which in turn provides exposure to the returns of the Master Fund; and (ii) directly investing in, or selling short, equity and equity derivative securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Master Fund;
- (d) the Fund decreases the frequency of the calculation of the Net Asset Value;
- (e) other than the annual reclassification of Series of Units, the redesignation of Series or classes of Units which have been issued as Units of any other Series or class; or
- (f) the Fund undertakes a reorganization with, or transfers its assets to, another fund, if
  - i. the Fund ceases to continue after the reorganization or transfer of assets, and
  - ii. the transaction results in the Unitholders of the Fund becoming unitholders in the other fund; and
  - iii. there is, in the opinion of the Manager, a material difference in the fundamental investment objective of the Fund and the other fund.

In addition, the consent of the Trustee is also required to any amendment if it restricts any protection provided to the Trustee or impacts the responsibilities of the Trustee under the Declaration of Trust.

No change or amendment to the redemption rights attaching to a Class or Series of Units may be made without the prior written consent of a majority of Unitholders of such Class or Series, including changes to the frequency of redemptions, any minimum holding period before which Units may be redeemed, minimum redemption amounts, the implementation of any redemption charges, deferral of payment of redemption proceeds, suspension of redemptions, or any other matter that could limit, penalize or impair the redemption of such Units, where any such change would result in the Fund ceasing to qualify as a “mutual fund trust” for purposes of the Tax Act.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is, as of June 15, 2017, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm’s length and is not affiliated with the Fund, and holds Units as capital property.

Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have

their Units, and all other “Canadian securities” owned or subsequently owned by such Unitholders, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable under their circumstances.

This summary is based on the current provisions of the Tax Act as at June 15, 2017, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to June 15, 2017 (the “**Tax Proposals**”), and the current published administrative policies and assessing practices of the CRA. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is based on the following additional assumptions:

- a) No Unitholder has entered or will enter into a “derivative forward agreement”, as defined in the Tax Act, with respect to the Units;
- b) at all times, the Offshore Fund and the Master Fund will not be, and will not be deemed to be, a “controlled foreign affiliate” of the Fund and that any Offshore Fund Shares held by the Fund will be capital property of the Fund, each for the purposes of the Tax Act;
- c) the Fund was not established and has and will not be maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition); and
- d) the Fund qualifies, and will continue to qualify at all times, as a “mutual fund trust” within the meaning of the Tax Act

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor’s particular circumstances, including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisers for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances and review of tax-related risk factors.**

#### **Status of the Fund**

This summary is based on the assumption that the Fund qualifies, and will continue to qualify at all times, as a “mutual fund trust” within the meaning of the Tax Act.

To qualify as a mutual fund trust, (i) the Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), (iii) either the Fund must comply with certain investment conditions or its Units must be redeemable on demand, and (iv) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units.

An additional condition to qualify as a mutual fund trust for the purposes of the Tax Act is that the Fund may not be established or maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).



If the Fund were not to qualify or continue to qualify as a “mutual fund trust” at all times, the income tax considerations described below would in some respects be materially and adversely different.

The Fund Manager intends to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust no later than 90 days following the end of the taxation year of the Fund in which the Fund is established and at all times thereafter and that the Fund will elect to be deemed to be a mutual fund trust from the date it was established.

This summary is also based on the assumption that the Fund will at no time be a “SIFT trust” as defined in the rules in the Tax Act relating to SIFT trusts and SIFT partnerships. This, in turn, is based on the assumption that the Units will at no time be listed or traded on a stock exchange or other public market.

The Offshore Fund and the Master Fund will be “foreign affiliates” of the Fund within the meaning of the Tax Act. As a result, the Fund will be required to file an annual information return and provide detailed information relating to these corporations and the Fund’s holdings in them.

### **Taxation of the Fund**

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains and dividends received in the year on shares of corporations, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year that may arise on the disposition of Offshore Fund Shares in connection with the redemption of Units and Fund distributions.

A disposition (including a redemption) or deemed disposition of an Offshore Fund Share will generally give rise to a capital gain (or a capital loss) for purposes of the Tax Act to the extent that the Fund’s proceeds of disposition exceed (or are exceeded by) the total of the Fund’s adjusted cost base of the Offshore Fund Shares and reasonable costs of disposition.

The Fund’s portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Fund in a taxation year must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Fund in a taxation year may be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be deducted against taxable capital gains realized by the Fund in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income and such other expenses as permitted by the Tax Act. The Fund may generally deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders

but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Tax Act contains rules which may require a taxpayer, including the Fund, to include in income in each taxation year an amount in respect of the holding of an “offshore investment fund property” (“**OIF Property**”). The OIF Property rules may apply to the Fund in respect of the acquisition and holding of the Offshore Fund Shares if, but only if: (a) the value of such Offshore Fund Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (“**Investment Assets**”); and (b) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding or having an interest in the Offshore Fund Shares was to derive a benefit from portfolio investments in any Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Fund.

If applicable, these rules would generally require the Fund to include in its income for each taxation year in which the Fund owns Offshore Fund Shares the amount, if any, by which (i) an imputed return from the taxation year computed on a monthly basis and calculated as the product obtained when the Fund’s “designated cost” (within the meaning of the Tax Act) of such shares at the end of a month, is multiplied by 1/12th of the sum of the applicable prescribed rate plus two percent, exceeds (ii) the Fund’s income for the year (other than a capital gain) in respect of such shares determined without reference to these rules. The prescribed rate for this purpose is a quarterly rate based on the average equivalent yield of Government of Canada 90-day treasury bills sold during the first month of the immediately preceding quarter. Any amount required to be included in computing the Fund’s income in respect of an OIF Property would be added to the adjusted cost base to the Fund of the Offshore Fund Shares.

### **Taxation of Unitholders**

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year, including any portions of amounts paid on redemption treated as distributions of income or gains by the Fund. The non-taxable portion of the Fund’s net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder’s income for the year.

Any other amount in excess of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund and the taxable dividends, if any, received or deemed to be received by the Fund on shares of taxable Canadian corporations as is paid or payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. Amounts designated as taxable dividends from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules, including the enhanced gross-up and tax credit applicable to eligible dividends, under the Tax Act.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder’s income. However, the adjusted cost base of the Unitholder’s Units will be reduced by such amount (other than the non-taxable portion of the Fund’s net realized capital gains paid or payable to the Unitholders, the taxable portion of which was designated to the Unitholder in a year).

On the disposition or deemed disposition of a Unit, including on a redemption, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all identical Units owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units.

For Unitholders who hold Units denominated in U.S. dollars, the cost and proceeds of disposition of Units, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, such Unitholders may realize gains or losses by virtue of the fluctuation in the value of U.S. dollars relative to Canadian dollars.

One-half of any capital gain realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act. In general terms, taxable capital gains realized on the disposition of Units as well as net income of the Fund paid or payable to the Unitholder that is designated as net realized taxable capital gains or as taxable dividends from taxable Canadian corporations may increase the Unitholder's liability for alternative minimum tax.

The Class Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units.

Based on the current published administrative policies and assessing practices of the CRA, a redesignation of Units denominated in U.S. dollars into units denominated in Canadian dollars, and vice versa, will likely be considered to constitute a disposition of such Units for the purposes of the Tax Act.

### **Taxation of Registered Plans**

Amounts of income and capital gains included in the income of a trust governed by a tax-free savings account ("TFSA"), a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan ("DPSP"), a registered education savings plan ("RESP"), or a registered disability savings plan ("RDSP") (each, a "Plan") are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Plan. See "Eligibility for Investment". Unitholders should consult their own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments", as defined in the Tax Act, for a TFSA, RRSP, RRIF, or pursuant to Tax Proposals released on March 22, 2017, an RDSP, or RESP (each a "**Registered Plan**"), the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP (each, a "**Controlling Individual**"), as the case may be, will be subject to a penalty tax as set out in the Tax Act. A Unit will generally be a "prohibited investment" for a Registered Plan if the Controlling Individual (i) does not deal at "arm's length" with the Fund (for purposes of the Tax Act), or (ii) has a "significant interest" in the Fund (within the meaning of the Tax Act). A Controlling Individual will generally have a significant interest in the Fund if he or she, either alone or together with one or more persons with whom he or she does not deal at arm's length, holds interests representing 10% or more of the fair market value of all interests in the Fund. A Unit will generally not be a "prohibited investment" if the Unit is "excluded property" for Registered Plans.

Controlling Individuals of Registered Plans should consult with their own tax advisors regarding the "prohibited investment" rules based on their own particular circumstances.

## ELIGIBILITY FOR INVESTMENT

Provided that the Fund qualifies and continues to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, the Units will be “qualified investments” under the Tax Act for a trust governed by a Plan.

## RISK FACTORS

An investment in the Fund involves significant risks. An investment in Units should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in the Fund is speculative and is not intended as a complete investment program. Only investors who can reasonably afford the risk of loss of their entire investment should consider the purchase of Units. **The following does not purport to be a complete summary of all the risks associated with an investment in the Fund.**

### **Certain Risk Factors Applicable to the Fund**

#### *Reliance on Investment Advisor*

All investment and trading decisions for the Fund and the Goldenwise Cell will be made by the Investment Advisor and its judgment and ability will determine the success of the Fund and the Goldenwise Cell. No assurance can be given that the investment strategies of the Fund and the Goldenwise Cell will prove successful under any or all market conditions.

#### *Limited ability to liquidate investment*

There is no market for the Units and one is not expected to develop. Accordingly, it is possible that Unitholders may not be able to dispose of their Units other than by way of redemption at the end of any month. This Offering of Units is not qualified by way of prospectus and, consequently, the resale of Units is subject to restrictions under applicable securities laws. Unitholders are advised to seek legal advice prior to any resale of the Units.

#### *Possible effect of redemptions*

Substantial redemptions of Units could require the Fund to redeem a substantial portion of its investment in the Offshore Fund Shares. This, in turn, could require the Goldenwise Cell to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of Reference Shares held by the Offshore Fund and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

#### *Taxation of the Fund*

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

#### *Taxation of the Offshore Fund*

The Offshore Fund intends to conduct its affairs such that it will not be, or be deemed to be, resident in, or engaged in a trade or business in, any country other than the Cayman Islands for taxation purposes. If the Offshore Fund were, or were deemed to be, resident in, or if any of its activities were, or were deemed, to constitute a trade or business in, a country other than the Cayman Islands, then that country’s taxes may apply, and may adversely affect the return to Unitholders by reducing amounts payable to the Fund pursuant to its investment in the Offshore Fund.

#### *Foreign Tax Reporting*

Unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to U.S. tax authorities, in order to avoid a 30% U.S. withholding tax (“**FATCA Withholding**”).

**Tax**) being imposed on certain U.S. source income and on sale proceeds received by the Fund. In certain circumstances, the Fund may be required to withhold a 30% tax from distributions it pays to Unitholders who have not provided the required information.

However, the governments of Canada and the United States have entered into an Intergovernmental Agreement (“**IGA**”) which establishes a framework for cooperation and information sharing between the two countries and may provide relief from FATCA Withholding Tax provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA (the “**Canadian IGA Legislation**”) and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavor to comply with the requirements imposed under the IGA and the Canadian IGA Legislation. Accordingly, Unitholders may be required to provide identity, residency and other information which (in the case of specified U.S. persons or specified U.S.-owned non-U.S. persons) will be provided to the CRA and from the CRA to the IRS. However, the Fund may be subject to FATCA Withholding Tax if it cannot satisfy the applicable requirements under the IGA or the Canadian IGA Legislation or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with the relevant US legislation. Any such tax would reduce the Fund’s distributable cash flow and Net Asset Value.

In addition, starting in 2017, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (“**CRS**”), the Manager or the Fund will be required under Canadian legislation to identify and report to the CRA certain information relating to unitholders who are resident in a CRS-participating country other than Canada.

#### *Charges to the Fund*

The Fund will pay management fees, performance fees, legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Goldenwise Cell will accrue and pay a performance fee to the Investment Advisor in respect of each quarterly Performance Period in which there are New Net Trading Profits generated by the Goldenwise Cell over the Performance Period. The fees and expenses payable on the Reference Shares, other than the Goldenwise Cell Performance Fees, shall not exceed 0.35% of the net asset value of the Reference Shares per annum.

#### *Leverage*

The Fund may borrow money to pay redemptions and for cash management purposes, and may also borrow for investment purposes. Leverage may be utilized by the Goldenwise Cell as part of the investment program of the Goldenwise Cell and the amount of leverage may be substantial. The Fund, to the extent it conducts its investment strategy directly, may directly or indirectly borrow funds from brokerage firms and banks. The Fund may also utilize a form of “leverage” by using options, swaps and other derivative instruments. Although leverage presents opportunities for increasing total investment return, it also has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Fund could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a greater loss than if the investments were not levered.

In addition, if the Fund purchases securities on margin and the value of those securities falls, the Fund may be obligated to pay down the margin loans to avoid liquidation of the securities. If such loans are collateralized with portfolio securities that decrease in value, the Fund may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of the Fund, in their sole discretion, may change the leverage limits that they extend to the Fund.

#### *Illiquidity*

There can be no assurance that any of the Fund, the Offshore Fund or the Goldenwise Cell will be able to dispose of its investments in order to honour requests to redeem Units.

### *Past Performance*

There can be no assurance that either the Fund or the Goldenwise Cell will achieve their respective investment objectives. Past investment performance of the Fund or the Goldenwise Cell or other funds managed by the Investment Advisor should not be construed as an indication of the future results of an investment in the Fund or the Goldenwise Cell.

### *Suspension of Trading*

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension of trading of securities held by the Fund or the Goldenwise Cell would render it impossible to liquidate positions and could thereby expose the Fund or the Goldenwise Cell to losses.

### *Conflicts of interest*

The Fund, the Offshore Fund, the Master Fund, Goldenwise Cell, the Manager, the Investment Advisor and the Portfolio Operator may be subject to various conflicts of interest. See “Conflicts of Interest”.

### *Not a mutual fund offered by prospectus*

The Fund is not a mutual fund offered by prospectus. In addition, the Fund will not invest in a manner similar to the investments made by a mutual fund offered by prospectus. Investors should note that as the Fund is not a mutual fund offered by prospectus, the rules designed to protect investors who purchase securities of a mutual fund offered by prospectus will not apply to the Units.

### *No operating history*

Although all persons involved in the management and administration of the Fund, including the service providers to the Fund, have significant experience in their respective fields of specialization, the Fund has a limited operating or performance history upon which prospective investors can evaluate the Fund’s likely performance.

### *Class risk*

Each Class of Units has its own fees and expenses which are tracked separately. If for any reason, the Fund is unable to pay the expenses of one Class of Units using that Class’ proportionate share of the Fund’s assets, the Fund will be required to pay those expenses out of the other Classes’ proportionate share of the Fund’s assets. This could effectively lower the investment returns of the other Class or Classes of Units even though the value of the investments of the Fund might have increased.

### *Unitholder liability*

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Fund and all such persons shall look solely to the Fund’s assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Fund Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Declaration of Trust, for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Fund will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

## **Certain Risk Factors Applicable to the Investment Strategy of the Goldenwise Cell**

### *Exchange-Traded Futures and Options Contracts*

The Goldenwise Cell may transact in futures contracts or options-on-futures contracts traded on an exchange. Such contracts are subject to daily price limitations which mean that the exchanges have prohibited the trading of futures contracts if the price fluctuates by a certain amount. If this occurs, it may be impossible to liquidate a position in

such contracts. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading.

#### *Foreign Exchange Interbank Instruments*

The Goldenwise Cell and the Fund may buy and sell spot or forward contracts, futures contracts, options on futures contracts, listed options, over-the-counter options and swaps related to foreign exchange. Spot and forward transactions are contractual obligations to purchase and sell a specific currency for a fixed price at a stated time. A spot contract is one in which delivery is required currently or within two days; a forward contract is one in which delivery is required at a stated time in the future. Spot and forward contracts are not traded on regulated exchanges. They are entered into directly between two counterparties acting as principals, rather than through an exchange clearing house as in the case of futures contracts, discussed below. Participants in the forward market typically establish internal requirements regarding the creditworthiness of their counterparties and might not be willing to trade with those counterparties that do not satisfy such standards. Such participants also may impose limits on the maximum sizes of the positions they will maintain with particular counterparties and may require certain counterparties to provide margin, collateral, letters of credit or other credit enhancement before agreeing to trade with such counterparties.

#### *Hedging Contracts*

The Goldenwise Cell and the Fund may also enter into currency swap agreements, options and foreign currency forwards, or any combination thereof, for the purpose of hedging against exchange rate fluctuations. The Cell may, but is in no way obliged to, enter into foreign currency forwards, and options thereon, as a risk management tool in an attempt to hedge against adverse market movements to conserve capital or profits as it deems appropriate in its discretion. There is no guarantee that any of the Goldenwise Cell's or the Fund's efforts on behalf of the Goldenwise Cell or the Fund, respectively, to hedge in such manner will be successful.

#### *Short-Term Cash Investments*

The Goldenwise Cell and the Fund may invest excess cash balances in short-term U.S. government securities or instruments rated investment grade or better by Standard & Poor's or Moody's Investors Service, Inc., respectively. The Goldenwise Cell and the Fund may also invest the excess cash in a non-U.S. money market fund with daily liquidity. The Goldenwise Cell and the Fund may engage a short term specialist cash manager. Such investments would be managed through a separate account with the Cash Manager.

#### *Additional Instruments*

From time to time, the Goldenwise Cell and the Fund may, at the discretion of the Platform Operator and the Manager, respectively, invest in additional types of financial instruments or employ investment strategies different than, or in lieu of, those set forth above, to the extent consistent with the Goldenwise Cell's and the Fund's investment objective.

#### *Reliance on Trading Models*

The QMS Program utilized by the Investment Advisor relies primarily on proprietary models and analyses. All models are inherently reliant upon assumptions, historical trends and/or other unpredictable variables. To the extent that the models relied upon are incorrect (as a result of incorrect assumptions or other factors), certain model outputs may vary (potentially materially).

#### *Reliance on Computer Systems*

The Goldenwise Cell depends on the Investment Advisor to develop and implement appropriate systems for its trading programs and related trading activities. The Investment Advisor relies extensively on computer programs and systems to implement the Goldenwise Cell's investment strategies, to trade, clear, and settle investment transactions, to evaluate and monitor its portfolio and net capital, and to generate risk management and other reports that are critical to the oversight of its trading and operating activities. The ability of the Investment Advisor's

systems to accommodate an increasing volume, variety, and complexity of transactions also could constrain the Investment Advisor's ability to manage the Goldenwise Cell's portfolio and the Fund's portfolio. In addition, certain of the Goldenwise Cell's and the Investment Advisor's operations interface with or depend on systems operated by third parties, including data providers, clearing brokers, custodians, and other service providers, and the Investment Advisor may not be in a position to verify the risks or reliability of such third party systems. Any of the foregoing programs or systems may be subject to certain defects, failures, or interruptions, including, but not limited to, those caused by programming errors and defects, viruses, and power failures. Any such defect or failure could have a material adverse effect on the Goldenwise Cell and the Fund. For example, such failures could cause orders to be entered incorrectly or settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Investment Advisor's ability to monitor the Goldenwise Cell's and the Fund's investment portfolio and their respective risks.

#### *Commodity Interest Trading is Speculative and Volatile*

Commodity interest prices are highly volatile. Price movements of commodity interest contracts are influenced by, among other things, changing supply and demand relationships, climate, government, agricultural, trade fiscal, monetary and exchange control programs and policies, national and international political and economic events, crop disease, the purchasing and marketing programs of different nations, and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest-rates. Such intervention is often intended to influence prices directly. None of these factors can be controlled by the Investment Advisor and no assurances can be given that its advice will result in profitable trades for a client or that a client will not incur substantial losses.

#### *Futures Markets June Be Illiquid*

Many United States futures exchanges impose "daily limits" on the amount by which the price of most commodity interest contracts traded on such exchanges may vary during a single day. Daily limits prevent trades from being executed during a given trading day at price above or below the daily limit. Once the price of a commodity interest contract has been moved to the limit price, it may be difficult, costly or impossible to liquidate a position. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Such limits could prevent the Investment Advisor from promptly liquidating unfavorable positions and, therefore could subject clients to substantial losses, including losses in excess of their account equity. In addition, even if futures prices have not moved the daily limit, the Investment Advisor may be unable to execute trades at favorable prices if the liquidity of the market is not adequate. It is also possible for an exchange or the CFTC to suspend trading in a particular contract, order immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. The Investment Advisor trades on certain non-U.S. markets, which may be substantially more prone to periods of illiquidity than the United States markets due to a variety of factors.

#### *Substantial Leverage*

Low margin deposits are normally required in commodity interest contract trading, and therefore, permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses in excess of the amount invested. For example, if at the time of purchase 10% of the price of a contract were deposited as margin, a 10% decrease in the price of the contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% would result in a total loss of the margin deposit, and result in a margin call, requiring the client to produce and pay over additional funds to the Clearing Brokers.

#### *Trading of Options*

The risks involved in trading options are somewhat different from trading futures. If you purchase a commodity option, you may sustain a total loss of the premium and of all transaction costs. If you purchase or sell a commodity future or sell a commodity option, you may sustain a total loss of the initial margin funds and additional funds that you deposit with your broker to establish or maintain your position. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the prescribed time, your position



may be liquidated at a loss, and you will be liable for any resulting deficit in your account. The risk of selling options is unlimited.

#### *Concentration Risk*

The program focuses on trading equity index futures, volatility index futures, commodity futures and their options and may have a market concentration risk. Trading a limited portfolio may result in larger account volatility and higher risk of loss than would be experienced by a more diversified portfolio.

#### *Possible Effects of Speculative Position Limits*

The CFTC and the United States commodities exchanges have established limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. All accounts owned or managed by the Investment Advisor will be combined for speculative position limit purposes. The Investment Advisor could be required to liquidate positions held for its accounts in order to comply with such limits. Any such liquidation could result in substantial losses to clients.

#### *Foreign Futures Exchanges*

Trading on commodity exchanges outside the United States is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United States exchanges. For example, some foreign exchanges, in contrast to United States exchanges, are actually “principals” markets in which performance is the responsibility only of the individual member with whom the trader has entered into a futures contract and not of an exchange or clearing corporation. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, and investment controls or political or diplomatic events, which might adversely affect the Investment Advisor’s trading activities. Trading on foreign exchanges is also subject to the risk of changes in the exchange rate between United States dollars and the currencies in which contracts traded on such exchanges are settled.

#### *Failure of the Futures Commission Merchant*

Under CFTC regulations, the Goldenwise Cell’s Clearing Brokers that are registered as FCMs are required to maintain a client’s assets in a segregated account; such broker will be used to trade the Goldenwise Cell’s exchange-listed futures contracts. If one or more of the FCMs used by the Goldenwise Cell fails to do so, the Goldenwise Cell may be subject to a risk of loss of those funds on deposit with such FCM in the event of such FCM’s bankruptcy. In addition, under certain circumstances, such as the inability of another client of the FCM or the FCM itself to satisfy substantial deficiencies in such other client’s account, a client may be subject to a risk of loss of his funds on deposit with his FCM, even if such funds are property segregated. In case of any such bankruptcy or client loss, a client might recover, even in respect of property specifically traceable to the client, only a pro rata share of all property available for distribution to all of the FCM’s clients.

The financial failure of the parties with whom the Goldenwise Cell trades in the forward markets could also result in substantial losses, as clients, through the Goldenwise Cell, will be dealing with such persons as principals, and, furthermore, there is no requirement that such forward market participants segregate customer funds held by them in respect of such trading.

In addition, some of the derivatives traded by the Investment Advisor may be over-the-counter contracts between the Goldenwise Cell and third parties. The risk of counterparty nonperformance can be significantly greater in the case of these over-the-counter contracts as opposed to exchange-traded derivative instruments. Furthermore, “bid-ask” spreads may be unusually wide in the substantially unregulated over-the-counter markets.

#### *Importance of Price Trends to Profitability*

Trend-following trading techniques seek to identify significant price trends soon after they begin and participate in such trends until soon after they have begun to reverse. The profitability of any trend-following strategy depends upon the occurrence of major price moves in some futures contracts traded. There is no guarantee that there will actually be such trends in the future. The best trend-following strategy, whatever elements it may contain, is unlikely to be profitable if there are no trends of the kind it seeks to identify. Furthermore, a strategy which is successful in the case of upward price trends may not be successful in downward trends and vice versa. Any factor which may lessen the prospect of major trends in the future (such as increased government control of, or participation in, the markets) may reduce the prospect that any trend-following strategy will be profitable.

#### *Reliance on Principal(s)*

The Investment Advisor, acting through its principals, has full discretionary authority to identify, structure, execute, administer, monitor and liquidate positions in client accounts. In exercising that authority, the Investment Advisor has no responsibility to consult with the Goldenwise Cell, the Fund or any other person. Accordingly, no person should open a commodity interest account managed by the Investment Advisor unless such person is willing to entrust all aspects of the management and all investment decisions of the account to the Investment Advisor, Thomas Rollinger and any other officers, employees and agents designated by the Investment Advisor in the future.

### **Certain Risk Factors Applicable to the Master Fund**

#### **General Investment Risks**

##### *General Investment Risk*

All investments in commodity interests and other financial instruments involve substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of the Trading Advisor strategies, such as: changing market sentiment; changes in agricultural, meteorological, or industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected volatility or illiquidity in the markets in which the Master Fund directly or indirectly holds positions could impair its ability to achieve its objective and cause it to incur losses.

For instance, the tragic events of September 11, 2001 had an immediate material and adverse effect on the financial markets in general and investment in futures and securities in particular. If there are further such events, there are numerous ways in which they could have a substantial negative impact on any fund, including sharp, adverse changes in volatility and liquidity.

Although the Platform Operator believes that the Master Fund's investment program should mitigate the risk of loss through a careful selection and monitoring of a Cell's investments, an investment in the shares of a Cell is nevertheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that the Cell's investment strategies will be successful, and investment results may vary substantially over time.

#### **Market Risks**

##### *Commodity Prices are Volatile*

The purchase and sale of commodity futures contracts and other commodity interests is generally subject to high risk. Price movements of commodities are caused by many unpredictable factors such as general economic and financial conditions, agricultural or meteorological occurrences, governmental policies, national and international political and economic events, and technical trading factors. The foregoing factors may cause commodity prices to be highly volatile which can increase the risk of loss.

##### *Lack of Liquidity*

Many futures contracts are subject to daily price limitations which mean that the exchanges have prohibited the trading of futures contracts if the price fluctuates by a certain amount. If this occurs, it may be impossible to liquidate a position in such contracts. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences in markets in which the Master Fund may hold positions at that time could prevent the Master Fund from promptly liquidating unfavourable positions and subject the Master Fund and its investors to substantial losses.

#### *Leverage*

A futures position can be established with margin that is typically about 5% of the total value of the futures contract. Thus, a small movement in the price of the underlying commodity can result in a substantial price movement relative to the margin deposit. While it is this leverage that the trading advisor of a Cell seeks to utilize in generating profits for the Cell, it is also possible that the Cell could lose most or all of its capital because of this leverage combined with price volatility. The Platform Operator also intends to use leverage in an effort to enhance the Cell's return by notionally funding the Cell's account(s) and allowing the trading advisor to trade the Cell's assets at a level higher than the actual funds placed in the account(s). Such leverage will increase the Cell's risk of loss. If initial losses are large enough, the Cell may have to terminate its activities, making it impossible for investors to recoup their losses in the Cell.

#### *Speculative Position Limits*

The CFTC and the commodity exchanges have established limits on the maximum net long or net short futures positions which any person or group of persons acting together may hold or control. Pursuant to amendments to the CEA under the Dodd-Frank Act, which was enacted on July 21, 2011, the CFTC adopted new position limits rules that apply to aggregate positions in futures and other types of economically equivalent contracts on certain agricultural, energy and metals commodities, where had a compliance date of October 12, 2012. However, on September 28, 2012, the US District Court for the District of Columbia vacated and remanded those rules. The CFTC has proposed new position limit rules (in the form of extensive amendments to its Part 150 Regulations). Until such time as the CFTC adopts a new set of position limit rules, the CFTC's current Part 150 Regulations will continue to apply. Those rules impose CFTC position limits on exchange-listed futures and options on contracts on certain agricultural commodities. The exchanges can also impose their position limits and/or position accountability levels for the contracts they list. Certain swaps listed for trading on exempt commercial markets are also subject to position limits imposed by those markets, but that is also an area where requirements may be changing. Any commodity accounts owned or managed by the Platform Operator or its principals (including the Master Fund's account) may have to be combined for position limit purposes, unless such persons qualify for disaggregation relief provided by the CFTC, such as the independent account controller exemption. The Platform Operator believes that the current limits will not adversely affect the Cell's trading. However, it is possible that trading decisions may have to be modified and positions held by the Cell may have to be liquidated in order to avoid exceeding such limits or any more restrictive limits the CFTC or a commodity exchange may adopt in the future.

#### *Clearing Broker/Counterparty Creditworthiness*

The Master Fund could be unable to recover Cell assets held at the Master Fund's clearing brokers or any other brokers through which the Cell may trade, even assets directly traceable to the Master Fund from the broker in the event of a bankruptcy of the broker. Although FCMs are required to segregate customer funds pursuant to the CEA, in the unlikely event of a broker's bankruptcy, there is no equivalent of the Securities Investors Protection Corporation insurance as applicable in the case of securities broker dealers' bankruptcies.

#### *Trading on Commodity Exchange outside the U.S., Europe, and the Cayman Islands*

The Platform Operator anticipates that the Cells may engage in trading on commodity exchanges outside the United States, European Union, or the Cayman Islands. Trading on such exchanges is not necessarily regulated by any governmental agency of those jurisdictions and may involve certain risks not applicable on trading on the exchanges in more familiar jurisdictions. (If a foreign exchange provides direct access to its electronic trading platform to persons located in the U.S., it may be subject to certain CFTC regulatory requirements under the terms of a CFTC no-action letter or, under CFTC rules which recently came into effect, pursuant to registration with the CFTC as a foreign board of trade.)

### *Currency and Exchange Rate Risks*

The Master Fund may invest in commodities denominated or quoted in currencies other than the U.S. Dollar. Changes in currency exchange rates therefore may affect the value of the Master Fund's portfolio and the unrealized appreciation or depreciation of its investments. Further, the Master Fund may incur higher brokerage commissions in connection with conversions between currencies as brokers are subject to risks during the conversion process. The Master Fund may enter into forward contracts on currencies as well as purchase put and call options on currencies. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Master Fund wishes to use them or that, even if available, the Master Fund will elect to utilize a hedging strategy.

### *Uncertainty Surrounding Foreign Currency Trading on the OTC Interbank Markets*

The price terms and characteristics of spot or forward transactions, unlike exchange future contracts, are privately negotiated, accordingly, there is no centralized price source and the transactions are not cleared through a clearinghouse. In general, the over-the-counter ("OTC") foreign exchange market is (i) unregulated, (ii) there are no limitations on daily price movements (unless imposed by a government or central bank authority), (iii) no rules to regulate valuation or settlement procedures, and (iv) no minimum financial requirements for market participants. On the defined settlement dates for spot and forward contracts you may be obligated to pay or receive payment through either the physical delivery of currency or cash settlement. The means of settlement are governed by the terms of the specified contract. The size of the cash settlement payment or deficit is dependent on the type of position a Cell has and the direction of the market movement in the time since the position was established. The Cell will be exposed to the movement in the price of the market unless it has an underlying currency position that the forward contract is hedging. Regulations, legislators and the courts have focused considerable attention recently on foreign currency trading in the OTC markets. In the event that the Master Fund were to become unable to trade certain contracts as a result of regulations, legislative or judicial developments, the Master Fund's or a Cell's ability to achieve its investment objectives could be materially adversely affected.

### *Trading of Options*

The Platform Operator and the trading advisors may trade and invest in options on futures contracts or on physical commodities on behalf of a Cell. Each option on a commodity futures contract or physical commodity is a right, purchased for a certain price, to either buy or sell a commodity futures contract or physical commodity during a certain period of time for a fixed price. Although successful commodity options trading requires many of the same skills as does successful commodity futures trading, the risks involved are somewhat different. For example, if the Cell buys an option (either to sell or purchase a futures contract or commodity), it will pay a "premium" representing the market value of that option. Unless the price of the futures contract or commodity underlying the options changes and it becomes profitable to exercise or offset the option before it expires, the Cell's account may lose the entire amount of the premium. Conversely, if the Cell sells an option (either to sell or purchase a futures contract or commodity) it will be credited with the premium but will have to deposit margin due to its contingent liability to take or deliver the futures contract or commodity underlying the option in the event the option is exercised. Sellers of options are subject to the entire loss which occurs in the underlying futures position or underlying commodity (less any premium received). The ability to trade in or exercise options may be restricted in the event that trading on U.S. commodity exchanges is restricted by the CFTC. Under the Dodd-Frank Act amendments to the CEA, the CFTC has the authority to regulate commodity options in the same manner that swaps will be regulated once the amendments take effect.

### *Risks of Spreads, Hedged, and Arbitrage Strategies*

The use of spread, hedged, and arbitrage strategies does not necessarily mean these strategies are relatively low risk. Substantial losses may be recognized on spread, hedge or arbitrage positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every spread, hedge, or arbitrage strategy involves exposure to some second order risk of the markets, such as the spread between different duration fed funds futures. Further, there are few examples of "pure" hedge or arbitrage opportunities. The Platform Operator or Trading Advisor strategies may employ limited directional strategies which expose the Master Fund to market risk. Among the risks of arbitrage transactions are that two or more buy or sell orders may not be able to execute simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade arbitrage transaction. Also, the transaction costs of arbitrage transactions can be especially significant because

separate costs are incurred on each component of the combination. Consequently, a substantial favourable price movement may be required before a profit can be realized.

#### *Limitations of Risk-Defined Strategies*

The risk of leveraged trading and the requirement to make additional margin deposits are generally within defined limits, but requirements may vary across types of commodity interests, between cleared and uncleared transactions and, for uncleared transactions, by counterparty. In addition, the Master Fund Clearing Broker may impose margin requirements for cleared commodity interest positions that are greater than it is required to collect by the applicable clearing house or exchange. However, these risks can never be eliminated entirely. Moreover, one side of a “balanced” position may decline in value, requiring additional margin deposits in connection with the financing of a position prior to a market move in the offsetting position. Although the Platform Operator believes that it would be unusual for a situation of this type to persist for any prolonged length of time, the markets in which the Master Fund will acquire (or dispose of) its positions could move in such fashion for extended periods of time or to a significant degree. Should this occur, the Cell could incur substantial losses.

#### *Day Trading*

The Platform Operator or the Trading Advisor strategies may actively trade the Cell’s accounts, and may engage in “day trading,” which involves initiating and exiting a position on the same trading day. In addition, several positions may be initiated and exited on the same trading day. Because the Cell will be charged brokerage commissions each time a trade is placed, substantial brokerage commissions may be incurred.

#### *Effectiveness of Stop Orders*

The Platform Operator or the Trading Advisor strategies may place “stop-loss” or “stop-limit” orders in an attempt to limit losses on adverse positions. However, orders of this type may not necessarily limit the Cell’s losses to the intended amounts as adverse market conditions or a lack of liquidity may make it impossible to execute such orders.

#### *Trade Errors*

Sometimes, trades may not be executed correctly by brokers, FCMs, or the managers of the Trading Advisor strategies. While the Platform Operator will attempt to correct any trading errors as soon as they are discovered, they will not be responsible for poor executions or trading errors committed by any party.

### **Master Fund and Trading Advisor Related Risks**

#### *New Enterprise; Potential of Loss*

The Master Fund is an enterprise with no operating history. The Platform Operator has limited operating experience. Accordingly, an investment in the Master Fund entails a high degree of risk. There can be no assurance that the Master Fund will achieve its investment objective or that the Trading Advisor strategies described herein will be successful. Given the factors that are described below, there exists a possibility that an investor could suffer a substantial or even a complete loss of his investment in the Master Fund.

#### *Reliance on Key Personnel*

All decisions with respect to the investment of the Master Fund’s capital will be made by the Platform Operator, which relies on the utilization of the Trading Advisor strategies. The Master Fund will rely upon the Trading Advisor strategies and that its techniques and strategies lead to profitable trading. Investors will have no right or power to take part in the management of the Master Fund. As a result, the success of the Master Fund for the foreseeable future will depend largely upon the ability of the Trading Advisor strategies to generate positive returns and manage risk successfully. Should any key employees of the Platform Operator die, become otherwise incapacitated for any period of time, or terminate his or her relationship with the Platform Operator, and should the replacement (if any) of any of them not equal his or her predecessor’s performance, the profitability of the Master Fund’s investments may suffer. In addition, should the Platform Operator withdraw from the Master Fund, the profitability of the Master Fund’s investments may suffer. There can be no assurance that the Platform Operator will be successful in managing the Master Fund’s assets or that its decisions will produce profits.

### *Incentive Fees*

The Trading Advisors' Incentive Fee, or other performance-based compensation, may create an incentive for each Trading Advisor to make investments that are riskier or more speculative than would be the case in the absence of such a fee. The Incentive Fee is paid to the Trading Advisors will be determined on the basis of the value of the Master Fund's assets, including value attributable to unrealized appreciation, and therefore may be made based on positions that were profitable at the time such fees were assessed but unprofitable when eventually liquidated.

### *No Current Income*

In view of the fact that the Master Fund will likely not pay dividends, an investment in the Master Fund is not suitable for investors seeking current income for financial or tax planning purposes.

### *Competition*

The Master Fund will engage in investment and trading activities that are highly competitive with other investment and trading programs. The Master Fund will compete for trades with mutual funds, investment banks, broker/dealers, commercial banks, insurance companies, pension funds and other financial institutions, all of which may have investment objectives similar to the Master Fund's and substantially greater resources or experience than the Master Fund.

### *Concentration of Investments*

Essentially all of each Cell's assets set aside for material risk-taking activities (i.e. assets not reserved in cash management activities) are invested in the Trading Advisor strategies. Accordingly, a loss in any single position within the Trading Advisor strategies could materially reduce a Cell's assets.

### *Illiquidity of Reference Shares*

Transfers of the Reference Shares are restricted. There is no market for the Reference Shares and, accordingly, the Reference Shares may be disposed of only through specific withdrawal procedures. Withdrawals may, under certain circumstances, be suspended, and/or the payment of withdrawal proceeds may be substantially delayed.

### *Compulsory Withdrawals*

In the event the Platform Operator decides to exercise its power of compulsory withdrawal of all or some of the Reference Shares held by an investor, adverse tax and/or economic consequences could result for such investor.

### *Distributions/Withdrawals in Cash or Kind*

The Master Fund is not required to distribute cash to the investors, and the Master Fund does not intend to make any such distributions.

### *Notice of Withdrawals Required*

An investor must give prior written notice to the Master Fund Administrator in order to make a partial or total withdrawal of its Reference Shares. Such notice period involves a risk for the investor as their investment may decrease in value from the date the notice of withdrawal is first given to the Master Fund Administrator until the effective date of withdrawal.

### *Reserves*

Under certain circumstances, the Master Fund may find it necessary to establish a reserve for contingent liabilities or withhold a portion of the investor's settlement proceeds at the time of withdrawal. In such a case, the reserved portion would remain at the risk of the Master Fund's activities.

### *Forced Liquidation*

Substantial redemptions by investors within a short period of time could require the Platform Operator to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Master Fund's capital. The resulting reduction in the Master Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial withdrawals may increase the interest of the Master Fund's fees and expenses payable by the remaining investors.

#### *Litigation and Claims*

The Master Fund and the Platform Operator, as independent legal entities, may be subject to lawsuits or proceedings initiated by government entities or private parties. Except for lawsuits or proceedings arising from gross negligence, fraud or intentional dereliction of duties on the part of a Trading Advisor or the Platform Operator, any expenses and/or liabilities shall be borne by the Master Fund.

#### *Conflicts of Interest*

The Master Fund and the Platform Operator are subject to various conflicts of interest as set out in "The Goldenwise Cell - Conflicts of Interest"

#### *Need for Independent Advice*

The Platform Operator has consulted with counsel, accountants and other experts regarding the formation of the Master Fund. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Master Fund.

#### *Limited Regulatory Oversight and Legal Support*

The Master Fund is not registered as an investment company under the U.S. Investment Company Act of 1940, as a UCITS fund within the European Union, or any similar registration regimes. Investors, therefore, will not be accorded the protective measures provided by such regimes. Although the Platform Operator is registered as a commodity pool operator with the CFTC under the CEA, it is operating the Master Fund pursuant to an exemption from many of the requirements that otherwise would apply under the CFTC's Part 4 regulations. It is currently not registered in any other jurisdiction. A panoply of commodities, securities and banking laws, rules and regulations applies to the operation of the Master Fund. It is possible, in this environment, that legal requirements might be overlooked or otherwise violated in the course of the Master Fund's business, with material adverse consequences for the Cell investors. The Master Fund is registered in the Cayman Islands pursuant to section 4(3) of the Mutual Funds Law (2015 Revision), but such registration does not involve a detailed examination of the merits of the Master Fund or substantive supervision of the investment performance of the Master Fund by the Cayman Islands government or the Cayman Islands Monetary Authority. There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of or available to the investors in the Master Fund.

The fact that the Master Fund is registered as a mutual fund in the Cayman Islands does not mean or imply that the activities of the Master Fund are guaranteed by the Cayman Islands Monetary Authority or by the Cayman Islands government or that any regulatory authority in the Cayman Islands has passed on the merits of this offering or reviewed this Offering Memorandum.

#### *Differences Between Different Share Classes and Segregated Portfolios of the Master Fund*

The performance of one Class may be inferior to the performance of other Classes within the same Cell because, inter alia, each Class may have different fees or expenses that impact their exposure to strategy offered in the Cell. The performance of one Class of Shares within a Cell may also be inferior to the performance of other Classes within any other Cell of the Master Fund. Shareholders in any Class of Shares in a Cell of the Master Fund will only be entitled to share in the net gains of the underlying investments attributable to that particular Cell's Class of Shares.

#### *Segregated Portfolio Structure and Cross-Class Liability*

The Master Fund is established as a segregated portfolio company. As a matter of Cayman Islands law, the assets of one Cell will not be available to meet the liabilities of another Cell of the Master Fund. However, the Master Fund is

a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognize such segregation. There is no guarantee that the courts of any jurisdiction outside the Cayman Islands will respect the limitations on liability associated with segregated portfolio companies or Cells are referred to herein this Offering Memorandum. The inability of the auditors of the Master Fund to complete an audit of any of the segregated portfolios may affect the good-standing of the Master Fund with the Cayman Islands Monetary Authority. The Cayman Islands Monetary Authority may impose restrictions on the Master Fund which is unable to file an unqualified audit due to the activities of any one segregated portfolio.

If the Master Fund were to acquire tax residence in another jurisdiction or establish a branch there, it may become subject to the jurisdiction of a foreign tax or regulatory authority. Whilst the tax or regulatory authorities in the Cayman Islands would be expected to respect the segregation of assets and liabilities in a segregated portfolio structure, there is no guarantee that a foreign authority would.

Further, neither a Cell nor any Class of Shares issued within a Cell are separate legal entities, and as such if the assets attributable to any Class of Shares of the Cell were completely depleted by trading losses and a trading deficit remained, a creditor could enforce a claim against the assets of the other Classes of the Cell. Further, if Classes are issued with functional currencies other than U.S. dollars then any losses attributable to currency hedging for such classes could adversely affect the assets of other Classes of the Cell.

#### *Variance in Class Performance*

A particular Class within a Cell may experience returns that differ from other Classes due to, among other factors: (a) regulatory or tax constraints that limit exposure to certain markets; (b) the selection of clearing broker, which affects access to markets and exchanges (and, accordingly, instruments); (c) the effect of intra-month adjustments to the trading level of the Class (d) the manner and currency in which the Class's cash reserves are invested due to liquidity constraints and hedging of Master Fund assets to attempt to reduce currency risk; (e) differences in fee structures; and (f) the number of Shares held by the investors. Additionally, certain markets may not be liquid enough to be traded for a particular Class.

#### *Investor Loss*

No Investor will be liable for losses or debts of the Master Fund beyond that Investor's investment nor may any Investor be assessed or otherwise required to invest more than its initial investment.

#### *Legal Requirements*

The Master Fund must comply with various legal requirements, including requirements imposed by applicable securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Master Fund, the legal requirements to which the Master Fund and the Investors may be subject could differ materially from current requirements.

#### *Substantial Expenses*

The Master Fund will be subject to substantial expenses, principally, the monthly fee to the Platform Operator and the management fee and incentive fee to the Trading Advisor, as well as transaction expenses (mainly interest and brokerage commissions) and on-going operating costs, regardless of whether it realises any profits. In addition, the Trading Advisor strategies' are expected to involve substantial portfolio turnover and correspondingly high transactional costs, a pro rata portion of which will be borne by the Master Fund. Accordingly, the Master Fund must earn substantial investment profits to avoid depletion of its assets from these expenses.

#### *Master-feeder Fund Structure*

The Master Fund serves as a "master fund" for a U.S.-based feeder fund structure and as the initial "non-U.S. feeder fund" for non-United States and U.S. tax-exempt investors. At some point in the future, the Master Fund may also serve as the master fund for a European-based feeder structure. A "master-feeder" fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in the master fund may be materially affected by the actions of larger



investment vehicles investing in the master fund. For example, if a larger investment vehicle withdraws from the master fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Substantial withdrawals of capital from the master fund made by the “feeder” funds, over a short time period could necessitate the liquidation of positions at a time and in a manner which does not provide the most economic advantage to the master fund, and which therefore could adversely affect the value of the Master Fund’s assets.

#### *Volatility*

Given the volatile nature of commodity prices, each Cell’s Net Asset Value may also be volatile. Since the Master Fund Administrator requires prior written notice in order to affect a withdrawal, the Cell’s Net Asset Value on the Valuation Date already defined may substantially differ from the Cell’s Net Asset Value on the date of the withdrawal notice.

#### *Possible Adverse Effects of Increasing the Assets Managed by the Platform Operator or the Trading Advisor strategies*

The Platform Operator and the Trading Advisor strategies are limited in the amount of assets they can successfully manage by (i) the difficulty of executing substantially larger trades in order to reflect larger equity under management, (ii) the restrictive effects of speculative position limits and (iii) the potential market illiquidity. The rates of return recognised on the trading of a limited amount of assets may have little relationship to those the Platform Operator and the Trading Advisor strategies can reasonably expect to achieve trading larger amounts of funds. The Platform Operator has not agreed to limit the amount of additional equity it manages. There can be no assurance that the Trading Advisor strategies will not be adversely affected by the additional equity represented by additions made by the Master Fund or other clients of the Platform Operator.

#### *Wide Investment Discretion*

The Platform Operator and the Trading Advisor strategies are permitted to invest and trade in a broad range of investments. As a result, the Trading Advisor strategies used by the Master Fund may from time to time modify its investment strategies in response to changing market conditions. Any such modification could involve changes in the types of instruments the Platform Operator or the Trading Advisor strategies uses to implement its strategy, as well as changes in the markets in which such other instruments trade. There can be no assurance that any such modification would be successful or not result in losses to the Master Fund.

#### *Effect of Performance on Leverage of the Cells*

A principal risk in futures and foreign exchange trading is the traditional volatility (rapid fluctuation) in markets and, therefore, a Trading Advisor’s performance. This is particularly true with respect to an investment in the Master Fund because the assets in the Master Fund’s Cells are traded at an NTS that is substantially more than their net assets (often multiples more). This will substantially increase (or decrease) the leverage inherent in the holdings of a Cell’s positions, and cause the Cell’s actual exposure ratio to be different than the targeted ratio for the Cell. This also will introduce tracking error between the Trading Advisor’s performance in the Cell versus that in its other accounts trading the same strategy. The Platform Operator may take measures to reduce this effect on the leverage and, in turn, the tracking error.

#### *Substantial Leverage; Need for Additional Margin*

Futures contracts and other foreign exchange instruments are traded on margins which typically range from about 1% to 20% of the value of the contract. The average margin for a futures contract is less than 5% of the value of the contract. Low margin provides a large amount of leverage, (i.e., a small amount of margin can initially support a large amount or quantity of the futures contract or other instrument), which results in the contract potentially having a value substantially greater than the margin required to establish or maintain its position. Hence, a relatively small change in the market price of a contract can produce a corresponding large profit or loss. Potential investors should note that even an account traded at an NTS that is the same as the Cell’s NAV will be substantially leveraged due to the leverage inherent in the instruments traded. Considering that the NTS behind a Cell may be substantially leveraged (e.g. three times (3X) leveraged) means that Cell will be even further leveraged. This also means the

clearing broker will initiate a call for additional margin much sooner than it would if the Cell were trading at a lower multiple of NTS (e.g. 1X). In those Cells that feature substantially reduced funding requirements (higher funding factors), the Platform Operator in the future may incorporate a facility through which it obtains additional capital from other sources, including the investors in that Cell; the Platform Operator does not expect to implement this for the majority of Cells and, if implemented, this would be clearly disclosed in the cell supplement for that Cell.

#### *Use of Multiple Clearing Brokers*

A Cell may employ more than one clearing broker. In so doing, the Master Fund may introduce several risks that would not be present were just one clearing broker used, including (but not limited to) the risk that certain clearing brokers that specialize in a certain exchange or group of markets may be asked to transact in other markets, that a clearing broker whose transactional costs are more expensive than another, or more expensive than what was intended for a particular shareholder, may be used for a particular transaction. In addition, there is the risk that offsetting positions may not be transacted with the same clearing broker, thereby leaving the Cell with a simultaneous long and short position in the same contract market, which could result not only in a greater need for margin but the possibility that physical deliver could occur if the positions are not matched.

#### *Risk of Fraud by Trading Advisors*

Although the Platform Operator will make reasonable efforts to conduct due diligence on the Trading Advisor and the trading advisors for each Cell, it is possible that a trading advisor will be appointed as an advisor to a Cell despite having a fraudulent track record. While the Platform Operator has structured the Master Fund with such internal controls as to prevent trading advisors from withdrawing cash from a Cell, it is possible that the performance of a Cell will differ from expectations due to fraud, or that the trading advisor may conceive a way to defraud the Cell via other means.

#### *Counterparty Risk*

Because performance on futures contracts is guaranteed by a regulated exchange or clearing house, the Master Fund should not be subject to significant counterparty risk with regards to trading of futures contracts. However, it is conceivable that an exchange, bank, or clearing house and/or their guarantors may fail, putting Master Fund assets at risk, even if they are segregated.

#### *Valuation of Investments*

If the Master Fund is required to liquidate any investment in order to meet redemption requests or margin calls, there is no assurance that the fair market value, as determined at any time, or any other value attributed to the investment, will be realized upon disposition. Thus, if an investor withdraws its Reference Shares at a time when the Master Fund holds such investments, the amount received by the investor will depend on the value of its Reference Shares, which in turn is dependent upon the value of the Cell's investments. The Platform Operator does not intend to engage independent experts to make such valuations.

#### *Revision to Net Asset Value*

The Master Fund Administrator may, after it has provided the Master Fund with a semi-monthly, month-end or quarter-end NAV calculation for a specific Cell or Class, later revise the calculation, thus requiring the Master Fund or Cell to adjust its calculation of its own NAV for that period. This could result in the Master Fund's overpayment or underpayment of investors who redeem from the Master Fund as of the end of the period, which could adversely affect remaining investors.

#### *Subscription Monies*

Where a subscription for Reference Shares is accepted, the Reference Shares will be treated as having been issued with effect from the relevant subscription date notwithstanding that the subscriber for those Reference Shares may not be entered in the Master Fund's register of members until after the relevant subscription date. The subscription monies paid by a subscriber for Reference Shares will accordingly be subject to investment risk in the Master Fund from the relevant Subscription Date.

### *Technology Risks and Disclaimer*

In order to provide investors a high level of transparency, the Master Fund will employ technology developed and operated by various third-parties to display estimated performance on a weekly, daily, or even intra-day level. Investors should be aware that such reports should be considered only as estimates and could vary widely from actual current performance due to data transmission errors, ‘out-trades’ in a brokerage account that are erroneously reported, delays in executed trades being given up to a clearing broker, a loss of connectivity to pricing systems or many other reasons. Investors should not rely on data displayed by such technology to make investment decisions.

### *Limited Ability to Liquidate Investment*

Reference Shares are transferable only upon the written consent of the directors of the Master Fund and, therefore, it is not expected that a trading market for any of the specific Classes of Reference Shares can or will develop. In addition, redemptions of any Reference Shares are restricted as set forth herein. Moreover, under certain limited circumstances, redemption rights may be suspended, or payment of redemption proceeds may be delayed.

### *ERISA Risks*

The Platform Operator intends to conduct the activities of the Master Fund so that it will not be deemed to hold the “plan assets” of employee benefit plans subject to ERISA, individual retirement accounts and other plans or arrangements subject to Section 4975 of the Internal Revenue Code, or entities or accounts that hold the plan assets in such a plan, account or arrangement. There can be no assurance that the Platform Operator will be successful in carrying out such intention, and failure to do so may result in violations of ERISA, the Internal Revenue Code or other applicable law. Moreover, even if the Master Fund is not deemed to hold “plan assets,” fiduciaries and other advisers to such plans, accounts or arrangements should take into account all of the fiduciary, prohibited transaction and reporting requirements that may apply to such investors in connection with a decision to invest in the Master Fund. Failure to satisfy such requirements may result in penalties and other civil and criminal sanctions.

### **Regulatory Risks**

#### *The Master Fund and each Cell are not Regulated Investment Companies*

Neither the Master Fund nor any Cell is registered as an investment company with the SEC, and this offering has not been registered with the SEC or under the laws of any state. Moreover, the Platform Operator is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

#### *The Master Fund and each Cell is subject only to limited regulatory oversight*

While the Master Fund may be considered similar to an investment company, it is not registered as such under the Investment Company Act as the Master Fund is not engaged primarily in the business of investing or trading in “securities,” as that term is defined in Section 2(a)(36) of the Investment Company Act. Accordingly, the provisions thereof (which, among other matters, require registered investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to the Master Fund or any shareholders. To the extent the Master Fund or any Cell were deemed to be engaged primarily in the business of investing or trading in “securities,” the Master Fund or applicable Cell would seek to avail itself of an exemption under the Investment Company Act available to private funds.

#### *General Uncertainty Concerning Future Regulatory Changes*

The regulation of commodity interests and securities transactions in the U.S. and in several other countries is a rapidly changing area of law and is subject to ongoing modification by government and judicial action. In addition, the regulatory and tax environment for futures or derivative instruments in which the Master Fund or any Cell may invest or have exposure to is evolving, and changes in the regulation or taxation of such investments may materially adversely affect the value of such investments and the ability of the Master Fund or any Cell to pursue its investment

strategy, may impose additional costs of compliance, which may be substantial, and/or may expose the Master Fund or any Cell to operational risk.

A variety of rules and regulations relating to futures and derivatives trading have been proposed and/or promulgated by the SEC and/or the CFTC, and additional rule-making by the SEC and the CFTC is anticipated. Such rules, when ultimately promulgated and effective, may impose significant regulatory oversight over the Master Fund and the Platform Operator with respect to the Master Fund's or any Cell's trading activity and may result in significant changes to market practice and liquidity in the futures and derivatives trading markets.

Similar initiatives have or are being considered by non-U.S. market regulators. Any of these proposals, if enacted, could materially change the structure of the futures and derivatives markets and adversely impact the ability of the Platform Operator or Trading Advisors to trade profitably.

#### *Tax Risks*

All statements contained in this Offering Memorandum concerning the income tax consequences of an investment in the Master Fund are based upon existing law. No assurance can be given that the currently anticipated income tax treatment of an investment in the Master Fund will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the investors. The tax laws of the United States change with some frequency. It is possible that the tax laws of the United States could be modified to subject some or all of the income to be realized by the Master Fund to United States income taxation. The Master Fund has been established only in conjunction with the current state of United States income tax laws and any amendment to such laws could have a substantial negative impact on the net income of the Master Fund.

Certain shareholders may be subject to laws, rules and regulations that may regulate their participation in the Master Fund or their engaging directly, or indirectly through an investment in the Master Fund, in investment strategies of the types the Master Fund may utilize from time to time. Each type of entity may be subject to different laws, rules and regulations, and prospective shareholders should consult with their own advisers as to the advisability and tax consequences of an investment in the Master Fund.

The Master Fund may take positions as to which the tax consequences are unclear. A brief summary of some but not all of the tax consequences and attendant risks of an investment in the Master Fund is included in this Offering Memorandum.

#### *Withholding Risks Related to FATCA*

The Foreign Account Tax Compliance Act ("FATCA"), along with recently issued IRS guidance and regulations, imposes, as described more fully in the paragraphs below, a 30% withholding tax on certain payments (made on or after July 1, 2014) of U.S. source income and certain payments (made on or after January 1, 2017) of proceeds from the sale of certain assets that give rise to U.S. source payments, as well as a portion of certain payments by certain entities, to persons that fail to meet requirements under FATCA.

FATCA could give rise to such withholding for payments to the Master Fund unless the Master Fund enters into an agreement with the IRS to perform due diligence and disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Master Fund as well as certain other information relating to such interest. Although the directors believe the Master Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Master Fund will be able to satisfy its obligations under FATCA. If the Master Fund become subject to a withholding tax as a result of FATCA, the return of all shareholders may be materially affected. Prospective shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Master Fund.

Each non-U.S. shareholder or beneficial owner of Reference Shares may be required to provide satisfactory documentation to establish that it is not a U.S. person and that it does not have any "substantial United States owners" (as defined in the Code). Each non-U.S. shareholder or beneficial owner of Reference Shares that is required to provide this information and fails to do so will generally be subject to a U.S. withholding tax on any payments made to that person. A non-U.S. shareholder or beneficial owner of Reference Shares who fails to provide

the necessary information due to a non-U.S. law prohibiting the provision of this information must execute a valid waiver of the relevant non-U.S. law or dispose of the shares within a reasonable time.

FATCA is particularly complex and its future application to non-U.S. shareholders is uncertain and it is not clear at this time what actions, if any, will be required to minimize any adverse impact of FATCA on shareholders. Although the Master Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax where possible, no assurance can be given that the Master Fund will be able to satisfy its obligations under FATCA. If the Master Fund becomes subject to a withholding tax as a result of FATCA, the return of all shareholders may be materially affected. Each prospective shareholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such investor in its particular circumstance.

**The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in purchasing Units of Fund issued at any time. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before making a decision to invest in the Units.**

### CONFLICTS OF INTEREST

Each of the Fund and the Goldenwise Cell depend on the Investment Advisor for ongoing investment advice. While the Investment Advisor devotes as much of its time and resources to such activities as in its judgment is reasonably required, the Investment Advisor is also involved in the management of other investment funds (both domestic and offshore) and in other business activities.

While the Investment Advisor maintains policies and procedures to ensure the fair allocation of investment opportunities amongst its clients, there may be situations of conflict in the actual allocation of opportunities the Investment Advisor.

In addition to the foregoing, the Fund depends on the Investment Advisor for ongoing management and administration of its business activities. While the Investment Advisor devotes as much time and resources as in its judgment is reasonably required, each of the directors and officers of the Investment Advisor is also involved in other business activities.

The Investment Advisor has discretion regarding the selection of the investment dealers and other intermediaries with and through which the Fund executes and clears portfolio transactions, the commissions and fees payable and the prices at which investments are bought and sold. Some allocations may be based in part on the provision of or payment for other products or services (including but not limited to investment research) to the Fund, the Investment Advisor or affiliated persons (“**soft-dollars**”). Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Investment Advisor in exchange for brokerage business from the Investment Advisor’s managed accounts and investment funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Investment Advisor will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

The Investment Advisor may enter into soft dollar arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients. Such services may not be used for the direct or exclusive benefit of the Fund and may reduce the overhead and administrative expenses otherwise payable.

### Statement of Related and Connected Issuers

Applicable securities laws require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, or securities of an issuer in which a “responsible person” (as defined by National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators) is an officer or director, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to

the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Investment Advisor may engage in activities as a portfolio manager in respect of securities of related and connected issuers or securities of an issuer in which a “responsible person” is an officer or director, but will do so only in compliance with applicable securities laws.

### **TERMINATION OF THE FUND**

The Manager may at any time terminate and dissolve the Fund by giving notice to the Trustee and each then Unitholder written notice of its intention at least 90 days before the date on which the Fund is to be terminated (the “**Termination Date**”). After giving such notice, the right of Unitholders to require payment for all or any of their Units shall be suspended and the Manager shall make appropriate arrangements for converting the fund property into cash. After payment of the liabilities of the Fund, each Unitholder registered as such at the close of business on the date fixed as the Termination Date will be entitled to receive from the Trustee his or her proportionate share of the value of the Fund attributable to the Class of Units held in accordance with the number of Units which he or she then holds. If the Fund is terminated, the Declaration of Trust will be terminated and the assets distributed in accordance with the terms of the Declaration of Trust.

### **ADMINISTRATOR AND PRIME BROKERS**

The Fund has entered into a valuation and services agreement with the Administrator. The Administrator will calculate the monthly Net Asset Value and Net Asset Value per Unit (as applicable), allocate and report taxable income to the Unitholders, prepare the annual and semi-annual financial statements as required, keep Unitholder records and any other services that the Fund may request.

The Prime Broker serves as the prime-broker for, and receives fees from, the Fund and the Goldenwise Cell. The Manager and the Platform Operator reserve the right, in their discretion, to change the prime-broker for the Fund or the Goldenwise Cell, respectively, and/or to open other prime-brokerage accounts.

### **LEGAL COUNSEL**

McMillan LLP acts as legal counsel to the Fund and to the Manager.

### **AUDITORS**

Deloitte LLP, are the auditors of the Fund. The principal office of Deloitte LLP in Toronto is situated at 22 Adelaide Street West, Suite 200, Toronto, Ontario, Canada. Deloitte Cayman Islands act as the auditors of the Offshore Fund.

### **PERSONAL INFORMATION**

By purchasing the Units, the purchaser acknowledges that the Fund and its respective agents and advisers may each collect, use and disclose its name and other specified personally identifiable information, including the amount of the Units that it has purchased for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by law or regulation. The purchaser consents to the disclosure of that information.

By purchasing the Units, the purchaser acknowledges (A) that personal information concerning the purchaser will be disclosed to the relevant Canadian securities regulatory authorities, including the Ontario Securities Commission, and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the purchaser consents to the disclosure of the personal information; (B) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (C) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation; by purchasing the Units, the purchaser shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities. Questions

about such indirect collection of personal information by the Ontario Securities Commission should be directed to the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Inquiries Officer, Telephone: (416) 593-8314, toll free in Canada: 1-877-785-1555, Facsimile: (416) 593-8122.

Pursuant to the IGA entered into by the governments of Canada and the United States and related Canadian legislation found in Part XVIII of the Tax Act, certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding Registered Plans), may be provided to the CRA. The CRA is expected to provide such information to the U.S. Internal Revenue Service. By investing in the Fund and providing us with your identity and residency information you will be deemed to have consented to the Fund disclosure of such information to the CRA. Other jurisdictions may impose similar requirements.

#### **PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING LEGISLATION**

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors.

If, as a result of any information /or other matter which comes to the Manager’s attention, any director, officer or employee of the Fund, or its professional advisers, knows or suspects that an investor is engaged in money laundering or terrorist financing, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

#### **PURCHASERS’ RIGHTS OF ACTION FOR DAMAGES AND RESCISSION**

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a “**Misrepresentation**”. Where used herein, the term “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

##### *Ontario*

Section 130.1 of the Ontario Act provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;
- (b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
  - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
  - (ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained in the accredited investor exemption. The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

#### *Saskatchewan*

Section 138 of Saskatchewan Act provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert



and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
  - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

- (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

#### *Manitoba*

Section 141.1 of the Manitoba Act provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer or has a right of action for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties listed under (i), (ii) and (iii);
- (b) in an action for damages, a defendant will not be liable for all or any part of the damages that he or she proves do not represent the depreciation in value of the security as a result of the misrepresentation;
- (c) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and
- (d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of the misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

- (a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (c) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the Manitoba Act for a complete listing.

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

Section 141.3 of the Manitoba Act also provides that a purchaser of a security to whom an offering memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

Section 141.4 of the Manitoba Act provides that no action may be commenced to enforce any of the foregoing rights:

- (a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
  - (i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
  - (ii) two years after the day of the transaction that gave rise to the cause of action.

*Nova Scotia*

The right of action for damages or rescission described herein is conferred by section 138 of the Nova Scotia Act. Section 138 of the Nova Scotia Act provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date on which the initial payment was made for the securities;
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

- (a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

- (c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company, other than the issuer, will be liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

#### *New Brunswick*

Section 150 of the New Brunswick Act provides that where an offering memorandum (such as this Offering Memorandum) contains a Misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase and:

- (a) the purchaser has a right of action for damages against the issuer and any selling security holder(s) on whose behalf the distribution is made, or
- (b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.
- (c) This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the Misrepresentation. However, there are various defences available to the issuer and the selling security holder(s). In particular, no person will be liable for a Misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the Misrepresentation when the purchaser purchased the securities. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

- (a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (b) six years after the date of the transaction that gave rise to the cause of action.

#### *Prince Edward Island*

Section 112 of the PEI Act provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) containing a misrepresentation, without regard to whether he or she relied on the misrepresentation, a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made or a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the

offering memorandum, and (d) every person who signed the offering memorandum. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

Such rights of rescission and damages are subject to certain limitations and a person will not be liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer and selling security holder, will be liable if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

Not all defences upon which the Fund or others may rely are described herein. Please refer to the full text of the PEI Act for a complete listing.

In an action for damages, the defendant is not liable for any damages that he or she proves do not represent the depreciation in value of the security resulting from the misrepresentation. In addition, the amount recoverable must not exceed the price at which the securities purchased by the purchaser were offered.

Section 121 of the PEI Act provides that no action may be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action other than an action for rescission, the earlier of:
  - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years after the date of the transaction giving rise to the cause of action.

#### *Newfoundland and Labrador*

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases Units offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and the purchaser has:

- (a) a right of action for damages against:
  - (i) the Fund;
  - (ii) every director of the Fund at the date of the offering memorandum;
  - (iii) every person or company who signed the offering memorandum; and
- (b) a right of rescission against the Fund.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

When a misrepresentation is contained in the offering memorandum, no person or company other than the Fund, is liable

- (a) if the person or company proves that the purchaser had knowledge of the misrepresentation;
- (b) if the person or company proves
  - (i) that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and
  - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (c) if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
  - (i) there had been a misrepresentation, or
  - (ii) the relevant part of the offering memorandum
    - (A) did not fairly represent the expert's report, opinion or statement, or
    - (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (e) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company
  - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or
  - (ii) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the Units were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

No action shall be commenced to enforce these statutory rights more than:

- (a) in the case of an action for rescission, 180 days after the purchaser signs the agreement to purchase the Units; or
- (b) in the case of an action for damages, before the earlier of:

- (i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or
- (ii) three years after the date the purchaser signs the agreement to purchase the Units.

The rights of action described above are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

#### *Yukon*

Securities legislation in the Yukon provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against:
  - (i) the Fund;
  - (ii) the selling security holder on whose behalf the distribution is made;
  - (iii) every director of the Fund at the date of the offering memorandum, and
  - (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:
  - (i) the Fund; or
  - (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;
- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
  - (i) there had been a misrepresentation, or
  - (ii) the relevant part of the offering memorandum
    - (A) did not fairly represent the report, opinion or statement of the expert, or
    - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation,

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,
  - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years after the date of the transaction giving rise to the cause of action,whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

#### *Northwest Territories*

Securities legislation in the Northwest Territories provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against:
  - (i) the Fund;
  - (ii) the selling security holder on whose behalf the distribution is made;
  - (iii) every director of the Fund at the date of the offering memorandum, and



- (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:
  - (i) the Fund; or
  - (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;
- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
  - (i) there had been a misrepresentation, or
  - (ii) the relevant part of the offering memorandum
    - (A) did not fairly represent the report, opinion or statement of the expert, or
    - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation,

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,

180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or three years after the date of the transaction giving rise to the cause of action, whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

#### *Nunavut*

Securities legislation in Nunavut provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against
  - (i) the Fund;
  - (ii) the selling security holder on whose behalf the distribution is made;
  - (iii) every director of the Fund at the date of the offering memorandum, and
  - (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:
  - (i) the Fund; or
  - (ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, an offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum.

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;

- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
  - (i) there had been a misrepresentation, or
  - (ii) the relevant part of the offering memorandum
    - (A) did not fairly represent the report, opinion or statement of the expert, or
    - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,
  - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years after the date of the transaction giving rise to the cause of action,
 whichever period expires first.

The rights of action for rescission or damages conferred are in addition to and do not derogate from any other right that the purchaser may have at law.

*British Columbia, Alberta and Québec*

Notwithstanding that *the Securities Act* (British Columbia), the *Alberta Act* and the *Securities Act* (Québec) do not provide, or require, the Fund to provide to purchasers resident in the Province of Alberta purchasing under the accredited investor exemption and to purchasers in British Columbia and Québec any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a Misrepresentation, the Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.