This confidential offering memorandum constitutes an offering of these securities in certain provinces and territories of Canada, and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. ***No securities commission or similar regulatory authority in Canada has reviewed this offering memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This offering memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of these securities.***

CONFIDENTIAL OFFERING MEMORANDUM

Teraz Fund

July 5, 2024

CLASS A UNITS, CLASS F UNITS, CLASS I UNITS AND CLASS X UNITS

The Teraz Fund (the "**Fund**") is a trust established under the laws of the Province of Ontario. The Fund is offering an unlimited number of Class A Units, Class F Units, Class I Units and Class X Units (collectively, the "**Units**"), on a continuous basis pursuant to this offering memorandum (the "**Offering Memorandum**"). The Units are being distributed to investors on a private placement basis only pursuant to exemptions from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Prospective investors must be "accredited investors", as defined under applicable securities laws.

The Fund's investment objective is to achieve positive annualized double digit returns, over a multi year period. The Fund seeks to achieve this objective by focusing on providing long term capital growth by investing primarily in Canadian small and micro market capitalization listed securities. The Fund uses fundamental research in order to identify investment opportunities. There can be no assurances that the Fund's objectives can be achieved.

The Fund's investments could include common equities, preferred shares, trust units, REITs, derivative instruments and other securities including the selling short of such securities and the use of leverage against such long and short positions. The Fund's investment strategy may be broadly characterized as fundamental long biased.

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

MINIMUM SUBSCRIPTION:
C$25,000 for Class A Units, Class F Units, Class I Units and Class X Units

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Spartan Fund Management Inc. ("**Spartan**") acts as the trustee (the "**Trustee**"), the promoter, the investment fund manager (the "**Manager**") and the portfolio manager (the "**Portfolio Manager**") and will be responsible for providing or arranging for the provision of management and investment advisory and portfolio management services required by the Fund. The Manager will be responsible for the execution of the investment strategy of the Fund. The Units will be offered for sale through the Manager and by other qualified dealers. The Manager, in its capacity as an exempt market dealer, is offering the Units on a private placement basis. However, no fees are payable to the Manager in its capacity as an exempt market dealer. **The Fund is a "related issuer" and "connected issuer" of the Manager under applicable securities laws. See "CONFLICTS OF INTERESTs".**

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation

of any jurisdiction. Although the Fund is a "mutual fund" as defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of National Instrument 81- 102 – *Investment Funds* and other policies and regulations of the securities regulatory authorities that are applicable to mutual funds that have offered securities under a prospectus and are reporting issuers.

Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

Class F Units are intended for subscribers who are enrolled in fee-based programs through their broker, dealer, or advisor and who are subject to an annual asset-based fee, placed through or in connection with a single investment advisor where the aggregate total subscription amount from such investment advisor is equal to or greater than $2,000,000 over such period of time and on such terms as determined by the Manager in its discretion.

Subscription forms and cleared funds received on or before the last Business Day (as defined below) of each month (or such later date as may be determined by the Manager) will be accepted on the last Business Day of such month (each, a "**Valuation Date**"). Subscriptions received after that date will be accepted on the next Valuation Date. Units may be surrendered for retraction at the retraction price on each Valuation Date, provided a retraction request is made in writing to the Administrator (as defined below) at least 45 days preceding the Valuation Date on which the retraction is to be made. Units not held for at least 12 months may be surrendered for retraction upon the same terms, but will be subject to an early retraction penalty equal to 5% of the aggregate Net Asset Value per Unit of the Units being surrendered. The retraction penalty is payable to the Fund. See "**RETRACTION AND REDEMPTION**".

An investment in Units is speculative. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund.

There is no market through which the Units may be sold and none is expected to develop. Transfer of the Units is subject to approval by the Manager and the Units are also subject to resale restrictions under applicable securities legislation. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Retractions will be suspended in certain circumstances. See "RETRACTION AND REDEMPTION". There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units. Please see "RESALE RESTRICTIONS" and "RISK FACTORS ".

No person is authorized to provide any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they will not transmit, reproduce or make available this document or any information contained in it.

Subscribers are encouraged to consult with their independent legal and tax advisers prior to signing the subscription agreement to purchase Units and to carefully review the Declaration of Trust of the Fund.

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SUMMARY

Prospective investors are encouraged to consult their own professional advisers as to the tax and legal consequences of investing in the Fund. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

THE FUND

The Fund:

The Teraz Fund (the "**Fund**") is a trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated as of December 1, 2011, as amended and restated as of September 1, 2022, March 1, 2024 and July 5, 2024, and as amended or restated from time to time (the "**Declaration of Trust**").

Investment Objective:

The Fund's investment objective is to achieve positive annualized double digit returns over a multi-year period. There can be no assurances that the Fund's objectives can be achieved.

Investment Strategies:

The Fund follows a fundamental long biased trading strategy focused on providing long term capital growth by investing primarily in Canadian small and micro market capitalization listed securities.

The Fund's investments could include common equities, preferred shares, trust units, REITs, derivative instruments and other securities including the selling short of such securities and the use of leverage against such long and short positions. The Fund's investment strategy may be broadly characterized as fundamental long biased. The Portfolio Manager does not plan to vote all proxies for the Fund as the Portfolio Manager does not believe the benefit outweighs the cost of voting such proxies.

The Trustee, Manager and Portfolio Manager:

Spartan Fund Management Inc. ("**Spartan**") is the trustee (the "**Trustee**"), investment fund manager (the "**Manager**") and portfolio manager (the "**Portfolio Manager**") of the Fund. As Manager, Spartan is responsible for managing the affairs of the Fund. See "MANAGEMENT OF THE FUND".

SUMMARY OF INVESTMENT TERMS

The Offering:

The Fund is offering an unlimited number of retractable, redeemable units of four classes: Class A Units, Class F Units, Class I Units and Class X Units (collectively, the "**Units**"). Each class of Units is identical to the other except for the fees and minimum investment amounts that are applicable to such class.

The Units:

An investment in the Fund is represented by Units, each of which represents an undivided beneficial interest in the net assets of the Fund applicable to the relevant class of Units.

Class A Units may be purchased by subscribers through registered dealers, other than the Manager. Class F Units may be purchased by subscribers who are enrolled in fee-based programs through their broker, dealer, or advisor and who are subject to an annual asset-based fee. Class I Units may be

purchased by subscribers directly from the Manager. Class X Units may only be purchased by employees of the Manager.

The Units of each class have equal rights and privileges. Unitholders are not entitled to vote except for the purposes set out in the Declaration of Trust. In such circumstances, each whole Unit is entitled to one vote at meetings of Unitholders. Each whole Unit of a class is entitled to participate equally with each other Unit of the same class with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non-assessable. See "DESCRIPTION OF UNITS".

Minimum Subscription:

The minimum investment is C$25,000 for Class A Units, Class F Units, Class I Units and Class X Units, or such lesser amounts as the Manager, on behalf of the Fund, may accept. See "PURCHASE OF UNITS". Class F Units are intended for subscribers who are enrolled in fee-based programs through their broker, dealer, or advisor and who are subject to an annual asset-based fee, placed through or in connection with a single investment advisor where the aggregate total subscription amount from such investment advisor is equal to or greater than $2,000,000 over such period of time and on such terms as determined by the Manager in its discretion.

Valuation Dates:

Spartan Fund Management Inc. (the "**Valuation Agent**") shall determine, or cause to be determined, the Net Asset Value of each class of Units and Net Asset Value per Unit of each series of each class of the Fund as at 4:00 p.m. (Toronto time) (the "**Valuation Time**") on the last Business Day of each month and any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit of a series (each, a "**Valuation Date**").

A "**Business Day**" means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the New York Stock Exchange (the "**NYSE**") is open for business. See "VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE".

Purchases:

Subscription forms and cleared funds received at least one Business Day prior to the end of a month (or such later date as may be determined by the Manager) will be accepted on the Valuation Date in such month. Subscriptions received after that date will be accepted on the next Valuation Date. Units issued at the initial closing date will be issued at a price of $10.00. Thereafter, Units will be deemed to be issued on the Valuation Date immediately after the Net Asset Value (**"NAV"**) has been calculated based on the NAV per Unit on such Valuation Date. See "PURCHASE OF UNITS ".

Distributions:

The Fund does not currently intend to pay regular cash distributions but may do so in the future. Distributions will only be paid to the extent that the Trustee determines that it would be advantageous for the Fund to make such distributions.

It is the Fund's policy to distribute annually to Unitholders sufficient income and capital gains (net of applicable losses) so that it effectively

	will not pay any Canadian federal income tax under Part I of the Tax Act (as defined below). The Fund will distribute its annual taxable income and net realized capital gains to Unitholders by December 31 of each year and at such other times as determined by the Manager. All such distributions of the Fund will be automatically reinvested, without charge, in additional Units at the NAV per Unit at the most recent Valuation Date prior to distribution date and on the date of each distribution the Units will be automatically consolidated into that number of Units outstanding immediately prior to the distribution. Accordingly, the effect of such distributions will generally be to increase the adjusted cost base of the Units, not the number of Units outstanding. See "DISTRIBUTIONS TO UNITHOLDERS".
Retractions:	A Unitholder may retract all or any portion of the Units held by such Unitholder on the last business day of a month, provided that written notice was provided to the Manager at least 45 days prior, for a redemption price per Units equal to the NAV per Unit determined as of the date scheduled for retraction less any fees and commissions (the "**Retraction Date**"). Units not held for at least 12 months may be surrendered for retraction upon the same terms, but will be subject to an early retraction penalty equal to 5% of the aggregate Net Asset Value per Unit of the Units being surrendered. The retraction penalty is payable to the Fund. See "RETRACTION AND REDEMPTION".
Redemptions:	The Units may be redeemed by the Fund at any time on not less than 5 days' notice at a price per Unit equal to the NAV per Unit determined as of the date scheduled for redemption less any fees and commissions. See "RETRACTION AND REDEMPTION".
Transfer or Resale:	Units may only be transferred with the consent of the Manager. The transfer or resale of Units (which does not include a redemption or retraction of Units) is also subject to restrictions under applicable securities legislation. See "RESALE RESTRICTIONS".
No Unit Certificates:	The Units will be issued in registered, book-entry form only. Unit certificates will not be issued.
Year End:	December 31.
Financial Reporting:	The audited and semi-annual unaudited financial statements of the Fund will be prepared and sent to Unitholders who elect to receive the financial statements in conformity with applicable securities laws, as these may be amended from time to time. Audited financial statements will be sent within 90 days of each fiscal year end and unaudited semi-annual financial statements of the Fund will be sent within 60 days of the end of the most recent interim period. The Fund intends to rely on an exemption from the requirement to file its financial statements with the securities regulators pursuant to section of National Instrument 81-106 – *Investment Fund Continuous Disclosure* ("**NI 81-106**"). In order to rely on the exemption, the Fund will prepare and distribute its financial statements in accordance with the requirements

	of NI 81-106. See "REPORTS TO UNITHOLDERS".
Tax Considerations:	A Unitholder will generally be required to include, in computing the Unitholder's income for the year, the amount of the net income, and the taxable portion of the net realized capital gains of the Fund, that is paid or payable to the Unitholder in the year whether in cash or in Units. Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net income and net realized capital gains will not result in an inclusion in the Unitholder's income but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount. A Unitholder who disposes of Units held as capital property (on redemption, retraction or otherwise) will realize a capital gain (or loss) to the extent that the proceeds of disposition exceed (or are less than) 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 himself or herself as to the federal and provincial tax consequences of an investment in Units by obtaining advice from his or her tax advisor**.
Eligibility for Investment:	Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, tax-free savings accounts, first home savings accounts, deferred profit sharing plans, registered education savings plans, or registered disability savings plans, provided the Fund is a registered investment under the Tax Act in respect of such plans and funds. Investors that are tax-free savings accounts, first home savings accounts, registered retirement savings plans, registered education savings plans, registered disability savings plans and registered retirement income funds should consult their own tax advisors as to whether Units would be "prohibited investments" for such trusts for purposes of the Tax Act.
Liability of Unitholders:	The Unitholders of the Fund do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations and unitholders of trusts that have filed a prospectus in certain jurisdictions. However, the Declaration of Trust contains provisions intended to limit the liability of Unitholders. See "RISK FACTORS".
Risk Factors:	Prospective investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment strategies used by the Manager, and certain tax matters. See "RISK FACTORS".
Termination:	The Manager, may, in its discretion, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, the Net Asset Value of the Fund is reduced as the result of retractions or otherwise so that it is no longer economically feasible to continue the Fund and it would be in the best interests of the Unitholders to terminate the Fund. After paying outstanding liabilities, the Fund will distribute the remaining assets attributable to a series of Units *pro rata* to Unitholders of that series. See "TERMINATION OF THE FUND".

FEES AND EXPENSES

The following is a description of the fees and expenses that the Fund will have to pay. See "FEES AND EXPENSES".

General:

The Manager is entitled to reimbursement from the Fund for all costs and operating expenses (the **"Operating Expenses"**) incurred in connection with the business of the Fund, including but not limited to:

(i) administrative fees and expenses of the Fund, which include fees payable to the Manager, fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Trust'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, the cost of maintaining the Fund's existence, regulatory fees and expenses, the cost of consulting, data, statistical services, research, organizational costs, distribution costs, regulatory filing fees and all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund along with all reasonable extraordinary or non-recurring expenses; and

(ii) fees and expenses relating to the portfolio investments of the Fund, including the cost of securities, regulatory fees, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, banking fees, interest expenses and taxes of all kinds to which the Fund is subject.

See "FEES AND EXPENSES".

Management Fee:

As compensation for its management services, the Manager will receive a management fee from the Fund in an amount equal to: (i) 2.00% per annum of the Net Asset Value attributable to the Class A Units; plus (ii) 1.00% per annum of the Net Asset Value attributable to the Class F Units; plus (iii) 2.00% per annum of the Net Asset Value attributable to the Class I Units, in each case calculated and payable on each Valuation Date in arrears, plus applicable taxes. No management fees are payable with respect to Class X Units. See "FEES AND EXPENSES".

Dealer Compensation:

There is no sales commission payable in respect of an investor's investment in Class A Units, Class F Units, Class I Units or Class X

Units.

The Manager pays a trailing commission out of its own funds to registered dealers and/or other persons legally eligible to accept a commission in connection with their client's holdings of Class A Units of the Fund beginning in the first year following the issuance of such Units, equal to 1.00% per annum of the Net Asset Value of each applicable Unit. Trailing commissions may be modified or discontinued by the Manager at any time.

In addition to the above, subject to applicable law, the Manager may pay a rebate, negotiated referral fee or trailing commission to subscribers, dealers or other persons in connection with a sale of any Units, provided in the case of payments to dealers, subscribers are advised in writing by the selling dealer of any such fee at the time of investment.

Performance Fee:

The performance amount per Unit (the "**Performance Amount**") in respect of a calendar quarter is equal to:

- for Class A Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the highest calendar quarter end NAV per such Unit previously achieved (the "**High Water Mark**") or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes; plus

- for Class F Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the High Water Mark or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes; plus

- for Class I Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the High Water Mark or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes.

No Performance Amount is payable with respect to Class X Units. See "FEES AND EXPENSES".

PROFESSIONAL ADVISORS

Auditors: Deloitte LLP

Legal Counsel: McMillan LLP Toronto, Ontario

Custodians and Prime Brokers:

BMO Capital Markets

THE FUND

The Teraz Fund (the "**Fund**") is a trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated as of December 1, 2011, as amended and restated as of September 1, 2022, March 1, 2024 and July 5, 2024, and as amended or restated from time to time (the "**Declaration of Trust**"). Spartan Fund Management Inc. ("**Spartan**"), a corporation incorporated under the *Business Corporations Act* (Ontario) on October 25, 2004, is the trustee (the "**Trustee**"), investment fund manager (the "**Manager**") and portfolio manager (the "**Portfolio Manager**") of the Fund. The principal place of business of the Fund, Trustee and the Manager is 150 King Street West, Suite 200, Toronto, Ontario, Canada M5H 1J9. The fiscal year of the Fund ends on December 31 in each calendar year.

DESCRIPTION OF UNITS

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. The Fund currently offers four classes of Units: Class A Units, Class F Units, Class I Units and Class X Units. Additional classes may be offered in the future.

Class A Units may be purchased by subscribers through registered dealers, other than the Manager. Class F Units may be purchased by subscribers who are enrolled in fee-based programs through their broker, dealer, or advisor and who are subject to an annual asset-based fee. Class I Units may be purchased by subscribers directly from the Manager. Class X Units may be purchased by employees of the Manager.

The Units of each class have equal rights and privileges. Unitholders are not entitled to vote except for the purposes set out in the Declaration of Trust. In such circumstances, each whole Unit is entitled to one vote at meetings of Unitholders. Each whole Unit of a class is entitled to participate equally with each other Unit of the same class with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non-assessable. See "DESCRIPTION OF UNITS".

Each holder of Units (each a "Unitholder" and collectively, the "Unitholders") is entitled to one vote for each Unit held and is entitled to participate equally with respect to any and all distributions made by the Fund with respect to the relevant series. Fractional Units may be issued. The respective rights of the Unitholders of each series will be proportionate to the net asset value of such series relative to the net asset value of each other series. On termination, Unitholders are entitled to receive any assets of the Fund remaining after payment of all debts, liabilities and liquidation or termination expenses of the Fund.

A person wishing to become a Unitholder must subscribe for Units by means of the subscription form which accompanies this Offering Memorandum. Any such subscription is subject to acceptance by the Manager and may be accepted in whole or in part in its sole discretion. For a description of the terms and conditions of any subscription for Units, see "PURCHASE OF UNITS".

INVESTMENT OBJECTIVE

The Fund's investment objective is to achieve positive annualized double digit returns over a multi-year period. There can be no assurances that the Fund's objectives can be achieved.

INVESTMENT STRATEGIES

The Fund follows a fundamental long biased trading strategy focused on providing long term capital growth by investing primarily in Canadian small and micro market capitalization listed securities.

The Fund's investments could include common equities, preferred shares, trust units, REITs, derivative

instruments and other securities including the selling short of such securities and the use of leverage against such long and short positions. The Fund's investment strategy may be broadly characterized as fundamental long biased. The Portfolio Manager does not plan to vote all proxies for the Fund as the Portfolio Manager does not believe the benefit outweighs the cost of voting such proxies.

INVESTMENT GUIDELINES AND RESTRICTIONS

Investments made by the Fund will be subject to the investment guidelines and restrictions ("**Investment Guidelines and Restrictions**") set out in the Declaration of Trust which include those described in paragraphs (1) – (10) below. The Investment Guidelines and Restrictions may be changed by the Portfolio Manager without notice to Unitholders provided that such change is in accordance with the investment objective of the Fund. All amounts and percentage limitations apply at the date the relevant investment is made, and any subsequent change in any applicable percentage resulting from changing values will not require the disposition of any security from the Fund's portfolio. The Investment Guidelines and Restrictions of the Fund provide, among other things, as follows:

1. *Leverage Restrictions* – The aggregate market exposure of the Fund's short positions will not, at any time, exceed 100% of the NAV of the Fund, and the Fund's long positions will not exceed 200% of the NAV of the Fund.

2. *Cash* – The Fund may hold cash and certain cash equivalents as part of the Fund's portfolio.

3. *Purchasing Public Securities and Private Securities* – The Fund will not, in the aggregate, invest more than 15% of the NAV of the Fund (computed at the time of the investment is made) in companies which are not listed on a public exchange but can invest in public companies that issue restricted paper that does not become publicly traded for up to four months.

4. *Concentration – Long Positions* – The Fund may not hold more than 10% of its Net Asset Value in any single long position (computed at the time the investment is made) with the exception of cash (and equivalent instruments) and index-tracking securities.

5. *Concentration – Short Positions* – The Fund may not hold more than 10% of its Net Asset Value in any single short position (computed at the time the investment is made) with the exception of cash (and equivalent instruments) and index-tracking securities.

6. *Qualified Investments* – The Fund will, to the extent it qualifies as a "registered investment" but not a "mutual fund trust" for the purposes of the Tax Act, restrict its purchases of securities to "qualified investments" for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans.

7. *Mutual Fund Trust Status* – The Fund will not make any investment or conduct any activity that would prevent the Fund from qualifying or result in the Fund failing to qualify as a "unit trust" or a "mutual fund trust" within the meaning of the Tax Act.

8. *Sole Undertaking* – The Fund will not engage in any undertaking other than the investment of the Fund's assets in accordance with its investment objective and investment strategies.

For greater certainty, if a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or total assets of the Fund will not be considered a violation of the Investment Restrictions or require the elimination of any investment.

MANAGEMENT OF THE FUND

Spartan Fund Management Inc.

Spartan Fund Management Inc. ("**Spartan**" or the "**Manager**") will act as Trustee, Manager and Portfolio Manager of the Fund pursuant to the provisions of the Declaration of Trust. As Trustee, Spartan is responsible for the operations of the Fund including the valuation of assets. Spartan may also become a Unitholder by purchasing Units.

Spartan is a Toronto-based private wealth management firm. Through management of private funds and managed accounts on behalf of high net worth and institutional clients, Spartan is active in trading listed equity, currency, commodity and debt markets. The firm utilizes a broad range of strategies including long-short equity, volatility, index arbitrage, momentum as well as opportunistic investment strategies.

Spartan is a corporation incorporated under the *Business Corporations Act* (Ontario) on October 25, 2004. Spartan's principal and registered office is at 150 King Street West, Suite 200, Toronto, Ontario, Canada M5H 1J9.

Key Personnel of Spartan Relating to the Fund

The name, municipality of residence, position with Spartan and principal occupation of each of the directors and officers of Spartan are as follows:

Name and Municipality of Residence	Office with the Manager	Principal Occupation
GARY OSTOICH. Toronto, Ontario	President, Chief Compliance Officer	Executive of the Manager
BRENT CHANNELL Oakville, Ontario	Managing Director	Executive of the Manager
JOHN ACKERL Millgrove, Ontario	Chief Investment Officer	Executive of the Manager

Duties and Services to be provided by the Manager

The Manager is responsible for the management and direction of the business, operations and affairs of the Fund on a day-to-day basis in accordance with and subject to the terms of the Declaration of Trust and applicable laws, and to carry out the investment management functions and provide administrative services required by the Fund including, without limitation, authorizing the payment of all fees and operating expenses, preparing financial statements, income tax returns, financial and accounting information as required, ensuring that Unitholders are provided with financial statements (including unaudited interim and audited annual financial statements) and other reports, ensuring that the Fund complies with regulatory requirements, preparing the reports of the Fund to Unitholders, determining the amount of distributions to be paid by the Fund (if any), and retaining and negotiating contractual agreements with third party providers of services, including advisors, administrators, auditors and printers.

The Manager will also provide investment advisory and portfolio management services to the Fund, which will include making all investment decisions, investing the net proceeds of each issuance of Units in the Fund portfolio and managing the Fund portfolio in accordance with the investment objectives of the Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

Decisions as to the purchase and sale of securities in the Fund portfolio, as to borrowing by the Fund and as to the execution of all portfolio transactions in the Fund portfolio will be made by the Manager, in accordance with and subject to the terms of the Declaration of Trust. In providing all such services, the Manager is authorized, subject to any regulatory restrictions regarding soft dollar transactions, to cause the Fund to enter into soft dollar arrangements and to effect transactions pursuant to such arrangements. This right does not relieve the Manager from an obligation to obtain best execution and best price for transactions.

The Manager is required in the exercise its powers and discharge its duties to act honestly and in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the Fund portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of willful misconduct, bad faith, gross negligence, disregard of the Manager's standard of care or by any material breach or material default by it of its obligations under the Declaration of Trust.

Unless the Manager resigns or is removed as described below, the Manager will continue as Manager until the Fund terminates. The Manager is deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for the purposes of the Tax Act. The Manager may not be removed other than by an Extraordinary Resolution (as defined below) of the Unitholders in the event that the Manager is in material breach or material default (including, among other things, willful misconduct, bad faith, gross negligence or disregard of the Manager's standard of care) of the provisions of the Declaration of Trust and, if capable of being cured, any such breach or default has not been cured within 20 Business Days' notice of such breach or default to the Manager.

In the event that the Manager resigns or is removed as provided above, the Manager shall promptly appoint a successor manager to carry out the activities of the Manager until a meeting of the Unitholders is held to confirm such appointment by a majority of the votes cast. The removal or resignation of the Manager shall only become effective upon the appointment of a replacement manager. If within 120 days from the notice of resignation or removal of the Manager, the Manager has not appointed a replacement manager, the Fund will terminate on the date which is 60 days following the end of such 120 day period.

The Declaration of Trust requires the Fund to indemnify the Manager and its directors, officers, partners, employees and agents (collectively, "**Indemnified Persons**"), to the fullest extent permitted by law out of the Fund's property against all liabilities and expenses reasonably incurred in connection with such Indemnified Person being or having been such Manager or a director, officer, partner, employee or agent of the Manager, including in connection with any action, suit or proceeding to which any Indemnified Person may be made a party by reason of their having been such Manager, director, officer, partner, employee or agent of the Manager; with the exception of liabilities and expenses resulting from the Indemnified Person's willful misconduct, bad faith or breach of its standard of care, or failure to fulfill the duties and obligations pursuant to the Declaration of Trust. No Indemnified Person shall be liable to the Fund for any loss or damage relating to any matter regarding the Fund, including any loss or diminution in the value of the assets of the Fund.

The Manager will receive fees for managing the investment portfolio of the Fund and is entitled to be reimbursed for all expenses and liabilities which are properly incurred by it in connection with the activities of the Fund. See "FEES AND EXPENSES".

The Trustee

Spartan is the Trustee under the Declaration of Trust. The Trustee will be required to resign in certain circumstances or may be removed by Extraordinary Resolution (as defined below) of the Unitholders in the event the Trustee is in material breach or default of the Declaration of Trust and, if capable of being

cured, such breach or default has not been cured within 20 Business Days' notice of such breach or default. Any such resignation or removal shall become effective only upon the appointment of a successor trustee. If the Trustee resigns or is removed by Unitholders, the appointment of its successor must be approved by Unitholders. If, after the resignation of the Trustee, no successor has been appointed within 90 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee. If no successor has been appointed by the court within 90 days of the date of any such court application by the Trustee or any Unitholders, the Declaration of Trust and the Fund shall be terminated. The Trustee (or any replacement thereof) must at all times be a resident of Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**").

The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties thereunder except in cases of willful misconduct, bad faith, gross negligence or material breach or default by the Trustee of its obligations under the Declaration of Trust or in cases where the Trustee fails to act honestly and in good faith and in the best interests of Unitholders to the extent required by laws applicable to trustees, or fails to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in the circumstances. 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 it in carrying out its duties.

Spartan will receive no fee in respect of the provision of services as Trustee and will only be entitled to out-of-pocket expenses properly incurred by it on behalf of the Fund in connection with its duties as Trustee.

FEES AND EXPENSES

General

The Fund shall be liable for, and the Manager shall be entitled to reimbursement from the Fund for, all costs and operating expenses (the "**Operating Expenses**") actually incurred in connection with the business of the Fund, including but not limited to:

(a) administrative fees and expenses, custodial fees, registrar and transfer agency fees and expenses, the cost of maintaining the Fund's existence and regulatory fees and expenses, the cost of consulting, data, statistical services, research, organizational costs, distribution costs, regulatory filing fees, audit fees, legal fees and all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund along with all reasonable extraordinary or non-recurring expenses; and

(b) fees and expenses relating to the Fund's portfolio investments, including the cost of securities, regulatory fees, interest on borrowings and commitment fees and related expenses payable to lenders, brokerage fees, commissions and expenses, banking fees, interest expenses and taxes of all kinds to which the Fund are subject.

Management Fee

As compensation for its management services, the Manager will receive a management fee from the Fund in an amount equal to: (i) 2.00% per annum of the Net Asset Value attributable to the Class A Units; plus (ii) 1.00% per annum of the Net Asset Value attributable to the Class F Units; plus (iii) 2.00% per annum of the Net Asset Value attributable to the Class I Units, in each case calculated and payable on each Valuation Date in arrears, plus applicable taxes. No management fee is payable with respect to Class X Units. See "FEES AND EXPENSES".

Dealer Compensation

There is no sales commission payable in respect of an investor's investment in Class A Units, Class F Units, Class I Units or Class X Units.

The Manager pays a trailing commission out of its own funds to registered dealers and/or other persons legally eligible to accept a commission in connection with their client's holdings of Class A Units of the Fund beginning in the first year following the issuance of such Units, equal to 1.00% per annum of the Net Asset Value of each applicable Unit. Trailing commissions may be modified or discontinued by the Manager at any time.

In addition to the above, subject to applicable law, the Manager may pay a rebate, negotiated referral fee or trailing commission to subscribers, dealers or other persons in connection with a sale of any Units, provided in the case of payments to dealers, subscribers are advised in writing by the selling dealer of any such fee at the time of investment.

Performance Fee

The performance amount per Unit (the "**Performance Amount**") in respect of a calendar quarter is equal to:

- for Class A Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the highest calendar quarter end NAV per such Unit previously achieved (the "**High Water Mark**") or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes; plus

- for Class F Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the High Water Mark or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes; plus

- for Class I Units, 20% of the amount by which the NAV per relevant Unit of the class at the end of such calendar quarter (plus the aggregate amount of all distributions declared on such Unit during such calendar quarter) exceeds either the High Water Mark or, in respect of the first calendar quarter, the initial subscription NAV per relevant Unit, plus applicable taxes.

No Performance Amount is payable with respect to Class X Units.

PURCHASE OF UNITS

General

The Fund is offering an unlimited number of Class A Units, Class F Units, Class I Units and Class X Units. Units are being offered on a private placement basis only in all provinces and territories of Canada pursuant to exemptions from the requirement that the Fund file a prospectus with the relevant Canadian securities regulatory authorities. Closings may occur at the discretion of the Manager on each Valuation Date, subject to applicable law. Pursuant to the Declaration of Trust, Units cannot be held by an investor that would be a "designated beneficiary" for the purposes of Part XII.2 of the Tax Act while the Fund does not qualify as a mutual fund trust for purposes of the Tax Act. At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-

residents of Canada and non-Canadian partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units. No more than 45% of the Units may be held by financial institutions, all for purposes of the Tax Act. See "OWNERSHIP RESTRICTIONS".

Prospectus Exemptions

The Units are being sold only on a private placement basis by the Manager and by other qualified dealers, pursuant to exemptions from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. A prospective investor must establish to the Manager's satisfaction that the investor is an "accredited investor" under applicable securities laws.

Prospective investors will be required to make certain representations in the subscription agreement and the Manager will rely on such representations to establish the availability of an exemption from the prospectus requirement. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

Subscription Procedure

Prospective investors who wish to subscribe for Units must complete, execute and deliver the subscription agreement which accompanies this Offering Memorandum to their registered dealer or the Manager, together with a cheque (or other form of funds transfer acceptable to the Manager) representing payment of the subscription price. Subscription forms and cleared funds received on or before the last Business Day of a month (or such later date as may be determined by the Manager) will be accepted as of the Valuation Date in such month. Subscriptions received after that date will be accepted as of the next Valuation Date. Units will be deemed to be issued on the next Business Day based on the NAV per Unit on such Valuation Date. See "VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE."

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction.

Minimum Subscription

The minimum subscription amount is C$25,000 for Class A Units, Class F Units, Class I Units and Class X Units, or such lesser amount as the Manager, on behalf of the Fund, may accept. Class F Units are intended for subscribers who are enrolled in fee-based programs through their broker, dealer, or advisor and who are subject to an annual asset-based fee, placed through or in connection with a single investment advisor where the aggregate total subscription amount from such investment advisor is equal to or greater than $2,000,000 over such period of time and on such terms as determined by the Manager in its discretion.

Offering Price

Units issued at the initial closing date will be issued at a price of $10.00. Thereafter, Units will be issued at the NAV per Unit on the applicable Valuation Date.

RETRACTION AND REDEMPTION

Retraction at the Option of the Unitholder

A Unitholder may retract all or any portion of the Units held by such Unitholder on the last business day of a month, provided that written notice was provided to the Manager at least 45 days prior, for a retraction price per Units equal to the NAV per Unit determined as of the date scheduled for redemption less any fees and commissions.

A Unitholder who surrenders a Unit for retraction will be entitled to receive an amount equal to the NAV per relevant Unit determined as of the Retraction Date less any brokerage fees and commissions (the "**Retraction Price**"), and will receive payment of the Retraction Price on or before the fifteenth Business Day following the Retraction Date.

Units not held for at least 12 months may be surrendered for retraction upon the same terms, but will be subject to an early retraction penalty equal to 5% of the aggregate Net Asset Value per Unit of the Units being surrendered. The retraction penalty is payable to the Fund.

Redemption at the Option of the Manager

Units may be redeemed by the Fund at any time on not less than 5 days' notice at a price per Unit equal to the NAV per relevant Unit determined as of the date scheduled for redemption less any applicable fees and commissions.

RESALE RESTRICTIONS

The distribution of Units in Canada is being made pursuant to this Offering Memorandum only on a private placement basis pursuant to exemptions from the requirement that the Fund prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Units that is permitted pursuant to the Declaration of Trust must be in accordance with applicable securities laws, which may require resales to be made in accordance with, or pursuant to exemptions from, prospectus and, if applicable, registration requirements.

Furthermore, no transfers of Units may be effected unless the Manager, in its sole discretion, approves both the transfer and the proposed transferee. There is no market for the Units and no market is expected to develop, therefore it may be difficult or even impossible for the Unitholder to sell or transfer the Units.

Prospective investors are advised to consult with their legal advisors concerning restrictions on resale and are further advised against reselling or transferring their Units until they have determined that any such resale or transfer is in compliance with the requirements of applicable securities law and the Declaration of Trust.

OWNERSHIP RESTRICTIONS

The Manager may, in its sole discretion, limit participation in the Fund by non-residents. Each prospective Unitholder is required, upon request by the Manager, to provide evidence that they are not a non-resident of Canada within the meaning of the Tax Act. In the event a Unitholder fails to comply with such a request, or if the Manager otherwise determines that a Unitholder no longer satisfies such requirements, the Manager, by written notice directly to such Unitholder may redeem all Units held by such a Unitholder in accordance with the provisions of the Declaration of Trust.

VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE

The Valuation Agent shall determine the Net Asset Value of the class of Units and Net Asset Value per Unit of each series of the Fund as at 4:00 p.m. (Toronto time) (the "**Valuation Time**") on the last Business Day of each month and any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Units of a series (each, a "**Valuation Date**").

The net asset value of the Fund, as of any Valuation Date, shall equal the aggregate value of all the property and assets of the Fund held in trust by the Trustee pursuant to the terms of the Declaration of Trust (the "**Fund Property**") as of the Valuation Date, less an amount equal to all liabilities of the Fund as of that Valuation Date (the "**Net Asset Value**"). The Net Asset Value per Unit of a class shall

be calculated by dividing the Net Asset Value of the Fund attributable to each class of Units on the Valuation Date by the number of Units of each class then outstanding (the "**NAV per Unit**"), prior to any issuance or retraction (including any exchange) of Units of such class to be processed by the Fund immediately after the Valuation Time on that Valuation Date.

For the purpose of calculating Net Asset Value of the Fund on a Valuation Date, the Fund Property, and any short positions, of the Trust on such Valuation Date will be determined as follows:

(a) the value of any cash or its equivalent on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Fund, as applicable, on a date before the Valuation Date as of which the Net Asset Value is being determined, and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof provided that if the Manager or the Valuation Agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Fund, as applicable, on a date before the Valuation Date as of which the Net Asset Value is being determined, and to be received) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager or the Valuation Agent determines to be the fair market value thereof;

(b) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Valuation Agent) will be determined by taking the latest available sale price of recent date, 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 Valuation Agent such value does not reflect the value thereof and in which case the latest offer price or bid price will be used), as at the Valuation Date on which the aggregate value of the Fund Property is being determined, all as reported by any means in common use;

(c) the value of any bonds, debentures and other debt obligations will be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities on a Valuation Date at such times as the Valuation Agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;

(d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

(e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the total assets are being determined as determined by the Manager or Valuation Agent (generally such asset will be valued at cost until there is a clear indication of an increase or decrease in value);

(f) any market price reported in currency other than Canadian dollars shall be converted into Canadian dollars by applying the rate of exchange obtained from the best available sources to the Manager or Valuation Agent including, but not limited to, their respective affiliates;

(g) listed securities subject to a hold period will be valued as described above with an appropriate discount if deemed appropriate as determined by the Manager or Valuation Agent and investments in other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the Manager or Valuation Agent; and

(h) the value of any security or property to which, in the opinion of the Manager or Valuation Agent (in consultation with the Manager), the above 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 market value thereof determined in good faith in such manner as the Manager or Valuation Agent, in consultation with the Manager, from time to time adopts.

For the purposes of the foregoing rules, quotations may be obtained from any report in common use, or from a reputable broker or other financial institution, provided always that the Valuation Agent shall retain sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Fund, including the use of a formula computation.

For the purposes of the foregoing rules, any values or quotations that are supplied to the Valuation Agent by a third party acceptable to the Manager including without limitation the Manager, Portfolio Manager or any of their agents may be relied upon by the Valuation Agent. The Valuation Agent shall not be required to make any investigation or inquiry as to the accuracy or validity of such values or quotations and shall be held harmless and shall not be responsible nor held liable whatsoever for any loss or damage in so relying.

The NAV per Unit will be calculated in accordance with the rules and policies of the Canadian securities administrators or in accordance with any exemption therefrom that the Fund may obtain ("**Transaction NAV**"). The NAV per Unit determined in accordance with the principles set out above may differ from NAV per Unit determined under with International Financial Reporting Standards (**"IFRS NAV"**). The IFRS NAV will be used for financial statement reporting purposes and a reconciliation between IFRS NAV and Transaction NAV will be included.

DISTRIBUTIONS TO UNITHOLDERS

The Fund does not currently intend to pay regular cash distributions but may do so in the future. Distributions will only be paid to the extent that the Trustee determines that it would be advantageous for the Fund to make such distributions.

It is the Fund's policy to distribute annually to investors sufficient income and capital gains (net of applicable losses) so that it effectively will not pay any Canadian federal income tax under Part I of the Tax Act. The Fund will distribute its annual taxable income and net realized capital gains to Unitholders by December 31 of each year and at such other times as determined by the Manager. All such distributions of the Fund will be automatically reinvested, without charge, in additional Units at the NAV per Unit and on the date of each distribution the Units will be automatically consolidated into that number of Units outstanding immediately prior to the distribution. Accordingly, the effect of such distributions will generally be to increase the adjusted cost base of the Units, not the number of Units outstanding.

MEETINGS OF UNITHOLDERS

The Fund does not intend to hold annual meetings of Unitholders. The Manager may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding 10% or more of Units outstanding. Each Unitholder is entitled to one vote for each Unit held. A quorum for ordinary meetings of Unitholders will consist of two or more Unitholders

present in person or by proxy and representing not less than 10% of Units outstanding. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not more than 10 days later, selected by the Manager and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Certain matters require the approval of Unitholders by extraordinary resolution (an "**Extraordinary Resolution**"). An Extraordinary Resolution is a resolution passed by Unitholders holding not less than 66 2/3% of Units voting thereon at a meeting duly convened for the consideration of such matter. A quorum for any meeting convened to consider a matter requiring the approval of Unitholders by Extraordinary Resolution will consist of two or more Unitholders present in person or by proxy and representing not less than 10% of Units then outstanding.

The matters which require Unitholder approval by Extraordinary Resolution include the removal of the Trustee or the Manager, the termination of the Fund and certain matters described below under "Amendments to the Declaration of Trust".

AMENDMENTS TO THE DECLARATION OF TRUST

Except as described below, the Declaration of Trust may only be amended with the consent of Unitholders. Changes, in any manner, to the investment objective of the Fund or the liability of any Unitholder require approval by Extraordinary Resolution.

The Manager is entitled, without the consent of Unitholders, to make certain amendments to the Declaration of Trust to make any change or correction which is of a typographical nature or is required to cure or correct a clerical omission, for the purpose of curing an ambiguity in the Declaration of Trust, for the purpose of supplementing any provision which may be defective or inconsistent with another provision, for the purpose of compliance with applicable law, for the purpose of conforming the Declaration of Trust with current administrative practice or to provide additional protection to Unitholders. Such amendments may be made only if they will not materially, adversely affect the interest of any Unitholder. The Manager may also amend the Declaration of Trust to change the investment strategies and/or restrictions of the Trust without Unitholder approval. Any amendments made by the Manager without the consent of the Unitholders will be disclosed in the next regularly scheduled report to Unitholders. In addition to any other provision in the Declaration of Trust, Unitholders will be given not less than 45 days written notice before any of the following changes may be implemented:

(a) a material change to the Declaration of Trust or to any management agreement executed by the Manager on behalf of the Fund;

(b) a change of the Manager, or the delegation by the Manager of day-to-day management responsibilities for the business and affairs of the Fund to another entity, other than to an affiliate or subsidiary owned or controlled by the Manager in which case no prior notice is required;

(c) a change in the fundamental investment objective of the Fund; or

(d) a decrease in the frequency of calculating the Net Asset Value.

TERMINATION OF THE FUND

The Fund will continue until the removal or resignation of the Trustee or the Manager as described under "Management of the Fund" or the Manager determines to terminate the Fund. The Manager, may, in its discretion, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, the Net Asset Value of the Fund is reduced as the result of retractions or otherwise so that it is no

longer economically feasible to continue the Fund and it would be in the best interests of the Unitholders to terminate the Fund. The Fund will provide Unitholders with notice in writing no less than 30 days and no more than 60 days prior to such termination.

Upon any termination of the Fund, the Manager will sell or redeem or cause to be sold or redeemed all investments which then form part of the property of the Fund and, after paying outstanding liabilities (including any payments owing to the Manager), the Fund will distribute its remaining assets attributable to a series of Units *pro rata* to the Unitholders of such series. The remaining assets of the Fund may be distributed *in specie,* it being in the absolute discretion of the Manager which assets are distributed *in specie* and, for such purposes, Fund Property need not be distributed *pro rata*.

AUDITORS

The auditors of the Fund are Deloitte LLP.

ADMINISTRATOR

Spartan Fund Management Inc. or such other party designated by the Manager (the "**Administrator**") is providing administrative services to the Fund.

The Administrator will calculate subscription, retraction and redemption prices based on the Net Asset Value of the Fund, maintain the accounting books and records of the Fund, maintain the register of Unitholders of the Fund and process subscriptions, retraction requests, transfer requests and redemptions. The Administrator may at its own expense appoint an agent or delegate to perform any of the aforementioned services.

PRIME BROKER AND CUSTODIAN

Pursuant to a prime brokerage agreement (the "**Settlement Services Agreement**"), BMO Capital Markets is the custodian and prime broker for the assets of the Fund (collectively the "**Prime Broker**").

The Prime Broker will be responsible for the safekeeping of all of the investments and other assets of the Fund delivered to it and will act as the custodian of such assets, other than assets of the Fund transferred to another entity, as the case may be, as collateral or margin. The Prime Broker may also provide the Fund with financing lines and short-selling facilities. The Fund reserves the right, without notice to Unitholders in its discretion, to change the custodial and prime brokerage arrangements including the appointment of a replacement custodian or prime broker and/or additional prime brokers.

The Manager and Trustee will not be responsible for any losses or damages to the Fund arising out of any action or inaction of the Prime Broker or any sub-custodian holding the portfolio securities and other assets of the Fund.

REPORTS TO UNITHOLDERS

The audited annual and unaudited semi-annual financial statements of the Fund will be prepared and sent to Unitholders who elect to receive the financial statements in conformity with applicable securities laws, as these may be amended from time to time. Audited financial statements will be sent within 90 days of each fiscal year end and unaudited semi-annual financial statements of the Fund will be sent within 60 days of the end of the most recent interim period.

Within 90 days after the end of each fiscal year, the Manager will forward to each Unitholder the audited financial statements for such fiscal year together with a report on taxable income or loss and distributions of cash to the Manager and the Unitholders for such fiscal period and tax information to enable each Unitholder to properly complete and file his or her tax returns in Canada in relation to an investment in

Units. The annual financial statements of the Fund will be audited by the Fund's auditors in accordance with Canadian generally accepted auditing standards. The Fund intends to rely on an exemption from the requirement to file its financial statements with the securities regulators pursuant to section 2.11 of NI 81-106. In order to rely on the exemption, the Fund will prepare and distribute its financial statements in accordance with the requirements of NI 81-106.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of July 5, 2024, 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, is acquiring the Units on his/her own account and not as trustee of a trust, and will hold his/her 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.

This summary assumes that no Unitholder has entered or will enter into a "derivative forward agreement", as that term is defined for the purposes of the Tax Act, with respect to the Units.

This summary is 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. 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. For the purpose of such rules, the redemption rights set out in the Declaration of Trust do not result in the Units being considered to be traded on a public market.

This summary assumes that the Fund at no time will (i) be a "financial institution" for the purposes of certain mark-to-market rules in the Tax Act, or (ii) have any "designated beneficiaries" (as defined for the purposes of Part XII.2 of the Tax Act) at any time that the Fund does not qualify as a "mutual fund trust" for the purposes of the Tax Act. This summary also assumes that Units of the Fund will not be a "tax shelter investment" for the purposes of the Tax Act and the Fund will comply with its investment restrictions at all times.

This summary further assumes that (i) none of the issuers of securities held by the Fund will be a "foreign affiliate" (as defined in the Tax Act) of the Fund or a Unitholder, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act, and (ii) the Fund will not be required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is based on the facts set out in this Offering Memorandum, the current provisions of the Tax Act as at July 5, 2024, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to July 5, 2024 (the "**Tax Proposals**"), and an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (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 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. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumption that the Fund will qualify, and will continue to qualify, at all times, as a "unit trust", and will not qualify as a "mutual fund trust", each as defined for the purposes of the Tax Act.

To qualify as a "unit trust" for the purposes of the Tax Act: (i) the interest of each beneficiary of the Fund must be described by reference to units of the Fund; (ii) issued units of the Fund must have conditions attached thereto that include conditions requiring the Fund to accept, at the demand of the holder thereof and at prices determined and payable in accordance with the conditions, the surrender of the units, or fractions or parts thereof, that are fully paid (such units being "**Specified Units**"); and (iii) the fair market value of the Specified Units must be not less than 95% of the fair market value of all of the issued units of the Fund (such fair market values being determined without regard to any voting rights attaching to units of the Fund). The Manager intends to take the position that the Fund will meet the requirements necessary for it to qualify as a unit trust at all times.

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

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 may be liable for alternative minimum tax under the Tax Act.

The Fund's portfolio may include securities that 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.

Under the current provisions of the Tax Act, 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. If certain Tax Proposals are enacted as proposed, two-thirds of any capital gains realized in a taxation year by the Fund will be included in the Fund's income for the taxation year (the "**Capital Gains Changes**"). The Capital Gains Changes are proposed to apply to capital gains realized on or after June 25, 2024. Special transitional rules are proposed to apply to capital gains realized in 2024 to ensure that the historical inclusion rates apply to capital gains realized before June 25, 2024 and the amended inclusion rates apply to capital gains realized on or after June 25, 2024. It is proposed that net capital losses incurred prior to 2024 will continue to be deductible against taxable capital gains realized subsequent to June 24, 2024 by adjusting their value to reflect the inclusion rate of the capital gains being offset. 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 Fund may be subject to the loss restriction event rules contained in the Tax Act unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that Unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward such losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

The Fund may be subject to the "suspended loss" rules contained in the Tax Act, which would generally apply where the Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

If the Fund is not a "mutual fund trust" and holds at the end of any month property that is not a "qualified investment" for a Registered Plan (as defined below), the Fund may be liable for a penalty tax, in respect of each applicable month, under Part X.2 of the Tax Act equal to (i) 1% of the fair market value of such property at the time of its acquisition, multiplied by (ii) a fraction equal to (A) the total number of units of the Fund held by one or more Registered Plans (as defined below) and certain "registered investments" at the end of the month, divided by (B) the total number of issued units of the Fund at the end of the month.

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 its character and generally 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 in 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 less than) 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.

Under the current provisions of the Tax Act, 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.

If the Capital Gains Changes are enacted as proposed, (i) one-half of the first $250,000 of capital gains realized in a taxation year by a Unitholder who is an individual (net of current-year capital losses and certain other amounts), and two-thirds of any additional capital gains realized by such individual Unitholder in the taxation year will be included in the Unitholder's income for the taxation year, and (ii) two-thirds of any capital gains realized in a taxation year by a Unitholder that is a corporation or trust will be included in the Unitholder's income for the taxation year. The Capital Gains Changes are proposed to apply to capital gains realized on or after June 25, 2024. Special transitional rules are proposed to apply to capital gains realized in 2024 to (i) govern the treatment of income paid or declared payable by the Fund to Unitholders that is designated by the Fund in respect of the Fund's net taxable capital gains, and (ii) ensure that the historical inclusion rates apply to capital gains realized before June 25, 2024 and the amended inclusion rates apply to capital gains realized on or after June 25, 2024. It is proposed that net capital losses incurred prior to 2024 will continue to be deductible against taxable capital gains realized subsequent to June 24, 2024 by adjusting their value to reflect the inclusion rate of the capital gains being offset. Prospective Unitholders are strongly advised to consult with their own tax advisors to assess the impact of the Capital Gains Changes based on their particular circumstances.

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 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.

Taxation of Registered Plans

Amounts of income and capital gains in respect of Units included in the income of a trust governed by a tax-free savings account ("**TFSA**"), a first home savings account (**"FHSA"**), 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 "**Error! Reference source not found.**". Unitholders should consult their own advisors regarding the tax

implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments" for an RRSP, RRIF, TFSA, FHSA, RDSP or an RESP (each, a "**Registered Plan**"), the holder of the TFSA, FHSA or RDSP or the annuitant of the RRSP or RRIF or the subscriber of the RESP, 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" (the holder of a TFSA, FHSA or RDSP or the annuitant of an RRSP or RRIF or the subscriber of an RESP) (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 a trust 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 trust. 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.

International Tax Reporting

Part XIX of the Tax Act implements the Organisation for Economic Co-operation and Development Common Reporting Standard. Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange, unless the investment is held within certain Plans.

U.S. Foreign Account Tax Compliance Act

The U.S. enacted the Foreign Account Tax Compliance Act ("**FATCA**"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (the "**IGA**"), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under FATCA ("**FATCA Tax**") for Canadian entities, such as the Fund, provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service (the "**IRS**"). The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Fund would reduce the Fund's distributable cash flow and net asset value.

ELIGIBILITY FOR INVESTMENT

Provided that the Fund qualifies and continues to qualify at all times as a "registered investment" 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

Investment in Units involves certain risk factors, including risks associated with the Fund's investment strategies. The following risks of the Fund should be carefully evaluated by prospective investors.

Risks Associated with an Investment in the Fund

Limited Operating History

Although the persons involved in the management of the Fund and the service providers to the Fund, as the case may be, have had long experience in their respective fields of specialization, the Fund has no prior operating and performance history upon which prospective investors can evaluate the Fund's performance.

Limited Ability to Liquidate Investment

There is no formal market for the Units and one is not expected to develop. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of retraction of their Units at any Valuation Date subject to the limitations described under "Redemption and Retraction". Unitholders may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under applicable securities law.

Reliance on the Manager

The Fund relies on the ability of the Manager to manage the assets of the Fund. The Manager will make investment decisions upon which the success of the Fund will depend significantly. No assurance can be given that the investment approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if needed. Removal of the Manager will not terminate the Fund, but will expose Unitholders to the risks involved in whatever new investment management arrangements the replacement advisor is able to negotiate. In addition, the liquidation of positions held for the Fund as a result of the resignation or removal of the Manager may cause substantial losses to the Fund.

Not a Public Mutual Fund

Although the Fund is a "mutual fund" as defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of National Instrument 81- 102 – *Investment Funds* and other policies and regulations of the securities regulatory authorities that are applicable to mutual funds that have offered securities under a prospectus and are reporting issuers. As a result, the Fund is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio.

Tax Related Risks

In determining its income for tax purposes, the Fund will generally treat gains or losses on the disposition of securities as capital gains and capital losses. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained.

If the Fund fails or ceases to qualify as a "registered investment" for Plans under the Tax Act the income tax considerations described above under the heading "Eligibility for Investment" would be materially and adversely different in certain respects.

If the Fund holds property that is not a qualified investment for Registered Plans at the end of a month where the Fund is a registered investment for such plans, it may be subject to a penalty tax in respect of such holdings under Part X.2 of the Tax Act.

If units of, or other investments in, the Fund are listed or traded on a stock exchange or other public market, the taxes in respect of "SIFT trusts" in the Tax Act may apply to the Fund.

If the Fund does not qualify, or ceases to qualify, as a "unit 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 "unit trusts" will not be changed in a manner which adversely affects Unitholders.

The Fund may be subject to the loss restriction event rules contained in the Tax Act unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that Unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward such losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

Certain amendments to the Tax Act have been proposed, which, if enacted, could limit the ability of the Fund to deduct the full amount of its interest expenses when computing its taxable income.

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 the IRS, in order to avoid the FATCA 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 the IGA, which establishes a framework for cooperation and information sharing between the two countries and may provide relief from FATCA 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 endeavour 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 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, in accordance with Part XIX of the Tax Act, the Manager or the Fund are required to identify and report to the CRA certain information relating to Unitholders who are resident in certain specified countries other than Canada.

Possible Effect of Retraction

Substantial retractions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund retractions 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.

Charges to the Fund

The Fund is obligated to pay all fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Fund realizes profits.

Potential Indemnification Obligations

Under certain circumstances, the Fund may be subject to significant indemnification obligations in respect of the Manager, any portfolio manager or other related parties. The Fund will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Fund's Net Asset Value and, by extension, the value of the Units.

Lack of Independent Experts Representing Unitholders

The Manager has consulted with a single legal counsel regarding the formation and terms of the Fund and the offering of Units. The Unitholders have not, however, been independently represented. Therefore, to the extent that the Fund, the Unitholders or this offering could benefit by further independent reviews, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Units and the suitability of investing in the Fund.

Changes in Investment Strategy

The Manager may alter its strategy without prior approval by the Unitholders if the Manager determines that such change in strategy is consistent with the Fund's investment objective and in the best interest of Unitholders. There is no guarantee that such a change in investment strategy will be profitable or will not cause losses for Unitholders.

Trade Errors

This includes situations where the transaction was incorrectly executed: (i) in the wrong security; (ii) on the wrong side of the market; (iii) outside of the price instructions; (iv) for a quantity greater than specified in the instructions; or (v) duplicating a prior execution of the same original order.

Valuation of the Fund's Investments

While the Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's securities and other investments may involve uncertainties and subjective determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Declaration of Trust.

The Fund may have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the NAV per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who retracts all or part of its Units while the Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower

than the value designated by the Fund. In addition, there is risk that an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the designated value of such investments is higher than the value designated by the Fund. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Fund. The Fund does not intend to adjust the Net Asset Value of the Fund retroactively.

No Involvement of Unaffiliated Selling Agent

No outside selling agent has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Trustee or the Manager.

Use of a Prime Broker to Hold Assets

Some or all of the Fund's assets may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Fund's assets in such accounts, which may result in a potential loss of such assets. As a result, the Fund's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded.

Securities Lending

The Fund may engage in securities lending. Although the Fund will receive collateral for the loans and such collateral is marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Potential Unitholder Liability

The Fund is a unit trust and, as such, the Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations or unitholders of trusts that have filed a prospectus in certain jurisdictions. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust will provide that no Unitholder, in its capacity as such, will be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons will look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and the Fund's property only will be subject to levy or execution. Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless out of the Fund's assets each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability.

The Declaration of Trust provides that the Manager will use reasonable means to cause the Fund's operations to be conducted in such a way as to minimize any such risk and, in particular, where feasible, to cause every written contract or commitment of the Fund to contain an express disavowal of liability of Unitholders.

In any event, it is considered that the risk of any personal liability of Unitholders is minimal in view of the anticipated equity of the Fund, and the nature of its activities. 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.

Risks Associated with the Fund's Portfolio

General Economic and Market Conditions

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

Liquidity of Underlying Investments

Some of the securities in which the Fund intends to invest may be thinly traded. There are no restrictions on the investment of Fund assets in illiquid securities. Given certain potential market conditions, it is possible that the Fund may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Fund is required to transact in such securities before its intended investment horizon, the performance of the Fund could suffer.

Fixed Income Securities

The Fund, to the extent that it holds fixed income securities, will be influenced by financial market conditions and the general level of interest rates in Canada. In particular, if fixed income investments are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

Equity Securities

To the extent that the Fund holds equity securities, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Fund. Additionally, the Fund will be holding foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Fund.

Currency Risk

Investment in securities denominated in a currency other than Canadian dollars will be affected by the changes in the value of Canadian dollar in relations to the value of the currency in which the security is denominated. Thus the value of securities within the Fund may be worth more or less depending on their susceptibility to foreign exchange rates.

Foreign Investment Risk

To the extent that the Fund invests in securities of foreign issuers, it will be affected by world economic factors and in many cases by the value of the Canadian dollars as measured against foreign currencies. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climate may differ, affecting stability and volatility in foreign markets. As a result, the Fund's value may fluctuate to a greater degree by investing in foreign equities, than if the Fund limited its investments to Canadian securities.

Risks of Special Techniques

The special investment techniques that the Manager may use are subject to risks including those summarized below.

Short Sales

The possible losses to the Fund from a short sale of security differ from losses that could be incurred from a long position in the security. Losses from a short sale may be unlimited. Losses from a long position are limited to the total amount of the investment. Short positions require the borrowing of stock from another party. A recall of borrowed stock could cause the Fund to close out a short position at a disadvantageous price.

Leverage

The Fund may use financial leverage by borrowing funds against the assets of the Fund. The use of leverage increases the risk to the Fund and subjects the Fund to higher current expenses. Also, if the Fund's portfolio value drops to the loan value or less, Unitholders could sustain a total loss of their investment.

Concentration

The Manager may take more concentrated positions than a typical fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Investment in the Fund involves greater risk and volatility since the performance of one particular sector, market, or issuer could significantly and adversely affect the overall performance of the Fund.

Liquidity

If the Fund is required to sell securities before its intended investment horizon, for example as a result of retractions, the performance of the Fund could suffer. The Fund will be affected by those securities that are difficult to sell because they are not traded regularly. Difficulty in selling securities may result in a loss or a costly delay.

Hedging

Although a hedge is intended to reduce risk, it does not eliminate risk entirely and it is not always possible to implement a perfect hedge. A hedging strategy may not be effective. A hedge can also result in a loss in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) a cease trade order being issued in respect of the underlying security, (ii) the inability to maintain a short position, due to the repurchase or redemption of shares by the issuing company, (iii) disappearance of any conversion premium due to premature redemptions, changes in conversion terms or changes in an issuer's dividend policy, (iv) credit quality considerations, such as bond defaults and (v) lack of liquidity during market panics. To protect the Fund's capital against the occurrence of such events, the Manager will attempt to maintain a diversified portfolio.

Suspension of Trading

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

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining to invest in Units.

CONFLICTS OF INTEREST

Securities legislation in Canada requires the Manager to make certain disclosures regarding conflicts of interest. This statement is to inform you of the nature and extent of conflicts of interest that might be expected to arise between the Manager and the Fund.

Under applicable Canadian securities laws, the Manager is required to address and manage existing, as well as reasonably foreseeable, material conflicts in the best interests of clients, including the Fund. The Manager will avoid situations that would result in a serious conflict of interest that would be too high a risk for clients or market integrity and that cannot be addressed in the best interests of the client. In other circumstances involving a material conflict of interest, the Manager will take steps to address the conflict of interest in the best interests of the client.

A conflict of interest can include any circumstance where: (a) the interests of different parties, such as the interests of the Manager and those of a client, such as the Fund, are inconsistent or divergent; (b) the Manager or one of its representatives may be influenced to put their interests ahead of a client's interests; or (c) monetary or non-monetary benefits or disadvantages accruing to the Manager or its representatives that might compromise the trust that a reasonable client has in the Manager or any of its representatives.

The Manager determines the level of risk for each conflict. Whether a conflict is "material" or not depends on the circumstances. In determining whether a conflict is material, the Manager typically considers whether the conflict may be reasonably expected to affect the decisions of clients in the circumstances and/or the recommendations or decisions of the Manager or its representatives in the circumstances.

Certain situations in which the Manager could be in a conflict of interest, and the way in which the Manager intends to respond to such conflicts, are described below under "Statement of Policies".

STATEMENT OF POLICIES

As a portfolio manager, the Manager may occasionally face conflicts between its own interests and those of its clients, or between the interests of one client and the interests of another. The Manager has adopted certain policies to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will the Manager put its own interests ahead of those of its clients.

Proprietary Products and Connected Issuers

The Manager's business model includes managing proprietary funds, such as the Fund. Proprietary funds, such as the Fund, are connected / related to the Manager because the Manager established the funds and acts as their portfolio manager and investment fund manager. The Manager has determined that this is a material conflict of interest and takes the following steps to mitigate the actual and potential conflicts of interest associated with this business model, including distributing proprietary funds primarily through third party dealers and conducting an analysis of similar funds available to a similar client base. In addition, each proprietary fund of the Manager has a specific mandate and strategy. The Manager works to have each proprietary fund distinct and separate such that the mandate of one fund is clearly distinguishable from the other funds.

Fair Allocation of Investment Opportunities

The Manager may, from time to time, act as portfolio manager to segregated managed accounts in addition to certain pooled investment funds. To ensure fairness in the allocation of opportunities among its clients, and as between its segregated accounts and the funds, the Manager will ensure:

- where orders are entered simultaneously for execution at the same price, fills are allocated on a pro rata basis and when transactions are executed at different prices for a group of clients, fills are allocated on an average price basis;

- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client and or particular fund, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, including the Funds; and

- trading commissions are allocated on a pro rata basis, in accordance with the foregoing trade allocation policies.

Whichever method is chosen, it must be followed in the future where similar conditions exist. Where it is impossible to achieve uniform treatment, every effort shall be made by the Manager and its employees to compensate at the next opportunity in order that every client, large or small, over time, receives equitable treatment in the filling of orders.

Soft Dollar Arrangements

The Manager may receive goods or services from a broker or a dealer in consideration of directing transaction business for the account of the Fund to such broker or dealer provided that: (i) the goods or services are of demonstrable benefit to the Fund; and (ii) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full service brokerage rates.

Goods and services may include research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, clearing and custodian services and investment related publications. The goods and services which the Manager receives will not include any goods and services prohibited from time to time by any code or guidelines issued by any relevant regulatory authority.

The Fund may be deemed to be paying for these services with "soft" dollars. Although the Manager believes that the Fund will demonstrably benefit from the services obtained with "soft" dollars generated by trades, the Fund does not benefit from all of these "soft" dollar services. The Manager and other accounts managed by the Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Manager uses "soft" dollars to pay for expenses the Manager would otherwise be required to pay itself.

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager in exchange for brokerage business from the Manager's managed accounts and investment funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Manager 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 Manager intends to 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 subscribers.

Personal Trading

Staff of the Manager are allowed to operate personal trading accounts at other registered firms. The Manager has adopted a personal trading policy that applies to all officers, directors and other staff with access to information regarding the portfolios. These policies are designed to reasonably prevent staff from trading in advance of orders for the Fund, or trading on the basis of their knowledge of the Fund's trading activities.

Referral Arrangements

The Manager currently does not have, nor does it propose to enter into any referral arrangements whereby it pays a fee for the referral of a client to the Manager or to one of the funds it manages.

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*) 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.

In trading under discretionary authority or advising with respect to investments in the Funds, the Manager will act in accordance with its client's objectives and constraints set out in the subscription agreement and the investment objectives and constraints contained in the applicable offering documents of the Fund. In all investment decisions, the Manager will deal fairly, honestly and in good faith with each of its clients. Canadian securities legislation requires the Manager, prior to trading with or advising their clients, to purchase securities, to inform them of any relevant relationships and connections they may have with the issuer of securities.

A "related issuer" is a person or company that influences or is influenced by, through ownership or direction and control over voting securities, another person or company. The Manager is an independent firm, owned entirely by senior members of the firm and is not influenced by any other person or company.

A person or company is a "connected issuer" to another person or company if, due to its relationships with such person, a prospective purchaser of securities of the person or company might question the other person or company's independence from the first person or company. Clients of the Manager, in its capacity as an exempt market dealer, invest in the funds for which the Manager serves as manager.

The Fund may be considered a connected and/or related issuer the Manager. The Manager acts as the investment fund manager and portfolio manager of the Fund and earns fees for managing the Fund. The Manager acts as an exempt market dealer in connection with the marketing and sale of units of the Fund. However, no commissions are paid to the Manager in connection with the sale of such Units. See "Fees and Expenses Relating to the Fund" and "Dealer Compensation".

The Manager may engage in activities as an investment fund manager, portfolio manager and dealer 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.

Outside Activities

The Manager's registered individuals may become involved in other activities outside of their employment with the Manager (e.g., sitting on boards of directors or providing volunteer services for a charity). These outside activities could: (i) impact the amount of time a registered individual spends on its employment or registration obligations to the Manager; and (ii) create a conflicting interest as to how a registered individual discharges its obligations to the Manager or its clients. The Manager has policies and procedures designed to ensure that all outside activities are reported to and considered by the Manager's Chief Compliance Officer. The Chief Compliance Officer will only approve such outside activities that do not conflict with the operations or obligations of the Manager.

Gifts and Entertainment

While it is recognized that conducting business may involve some modest exchange of gifts and business-related entertainment, the value of such gifts and entertainment must not create a real or perceived conflict of interest and must not impair the independence or objectivity of the recipient. The Manager has policies and procedures in place with respect to the receipt or giving of gifts and/or entertainment. These policies and procedures require employees to contact the Chief Compliance Officer of the Manager with any concerns about the receipt or giving of a gift or entertainment and whether that may create a conflict of interest. Further, employees are required to notify the Chief Compliance Officer of the Manager upon receipt of a gift or entertainment in excess of $300 (on an individual basis).

Other Conflicts of Interest

From time to time, other material conflicts of interest may arise. The Manager will continue to take appropriate measures to identify and respond to such situations fairly and reasonably and in the best interests of clients, including the Fund.

The Fund may, subject to compliance with applicable securities law, also invest in entities related to the Manager or purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director. A "responsible person" means, for a registered adviser, (a) the adviser, (b) a partner, director or officer of the adviser, and (c) each of the following who has access to, or participates in formulating, an investment decision made on behalf of a client of the adviser or advice to be given to a client of the adviser: (i) an employee or agent of the adviser; (ii) an affiliate of the adviser; and (iii) a partner, director, officer, employee or agent of an affiliate of the adviser.

MATERIAL CONTRACTS

The only material contracts of the Fund are the Declaration of Trust and the Investment Management Agreement (the "**Material Contracts**"). A copy of such Material Contracts may be inspected by Unitholders at the principal office of the Manager during normal business hours. To the extent there is any inconsistency or conflict between any of the Material Contracts and this Offering Memorandum, the provisions of the Material Contracts shall prevail.

CURRENCY

Unless otherwise specified, all references herein to "$" or "C$" dollars are references to Canadian dollars.

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 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 should be directed to the appropriate provincial or territorial authority as per the table below.

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
E-mail: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
E-mail: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305
Facsimile: 867-873-0243
Public official contact regarding indirect collection of information: Superintendent of Securities
Public official contact regarding indirect collection of information: Executive Director

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590
Facsimile: 867-975-6594
Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
E-mail: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, rue du Square-Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514-395-0337 or 1-877-525-0337
Facsimile: 514-873-6155 (For filing purposes only)
Facsimile: 514-864-6381 (For privacy requests only)
E-mail: financementdessocietes@lautorite.qc.ca (For corporate finance issuers);
fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306-787-5842
Facsimile: 306-787-5899
E-mail: securities@gov.sk.ca
Public official contact regarding indirect collection of information: Director

Office of the Superintendent of Securities
Government of Yukon
Department of Community Services
307 Black Street, 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768
Facsimile: 902-424-4625

Telephone: 867-667-5466
Facsimile: 867-393-6251
E-mail: securities@gov.yk.ca
Public official contact regarding indirect collection of information: Superintendent of Securities

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.

In addition, in accordance with Part XIX of the Tax Act, the Manager or the Fund are required to identify and report to the CRA certain information relating to Unitholders who are resident in certain specified countries other than Canada. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident.

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 or Administrator may require additional information concerning Unitholders and prospective investors. The Fund's subscription agreement contains detailed guidance on the verification of identity documentation to accompany the subscription agreement.

If, as a result of any information or other matter that comes to the attention of the Manager, or any director, officer or employee of the Manager, or its professional advisors, knows or suspects that a Unitholder or prospective investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report will not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

INVESTORS' RIGHTS OF ACTION

Cooling-off Period

Securities legislation in certain provinces may give a purchaser certain rights of rescission, against the registered dealer who sold Units to them, but those rights must be exercised within a certain time period as little as forty-eight (48) hours following the purchase of Units.

Statutory Rights of Action for Damages or Rescission

In addition to and without derogation from any right or remedy that a purchaser of Units may have at law, securities legislation in certain of the provinces of Canada provides purchasers of Units with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation. Such rights must be exercised by the purchaser within prescribed time limits.

For the purposes of this section, "**Misrepresentation**" means: (a) an untrue statement of a fact that significantly effects, or would reasonably be expected to have a significant effect, on the market price or the value of the securities (a "**Material Fact**"); or (b) an omission to state a Material Fact that is required to be stated or that is

necessary to make a statement not misleading in light of the circumstances in which it was made.

In some provinces in Canada, a purchaser may have a statutory right of action which is described below. In certain provinces, no statutory rights exist but a contractual right of action is offered where the Fund is required to do so by securities legislation or where the Fund has determined to do so on a voluntary basis. Any statutory rights of action for damages or rescission described below are in addition to, and without derogation from, any other right or remedy available at law to the purchaser and are subject to the defences contained in those laws. These rights must be exercised by the purchaser within the time limits set out below.

The following is a summary of the rights of rescission or damages, or both, available to purchasers under the securities legislation of certain of the provinces of Canada. Purchasers should refer to the applicable provisions of the securities legislation of their province of residence for the particulars of their rights or consult with a legal adviser.

Ontario

Section 130.1 of the *Securities Act* (Ontario), as amended (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 *The Securities Act, 1988* (Saskatchewan), as amended (the **"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 who 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 (2) business days of receiving the amended offering memorandum.

Manitoba

Section 141.1 of the *Securities Act* (Manitoba), as amended (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 *Securities Act* (Nova Scotia), as amended (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 *Securities Act* (New Brunswick), as amended (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 *Securities Act* (Prince Edward Island), as amended (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), as amended (the **"Newfoundland and Labrador Act"**) 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 *Securities Act* (Alberta) 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.

A PERSON CONSIDERING AN INVESTMENT IN THE FUND SHOULD CONSULT ITS OWN ADVISORS IN ORDER TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE FUND WITH RESPECT TO SUCH PERSON'S PARTICULAR SITUATION.

LANGUAGE OF DOCUMENTS

(Québec Only)

Any potential Canadian investor acknowledges and agrees that by requesting information on the issuer and any investment opportunity, and as applicable by purchasing securities of the issuer, it: (i) expressly wishes and requested that, excluding this Offering Memorandum and the Subscription Agreement, all other communications, disclosure and other documents, any agreement and any form of order and confirmation, as applicable, be drawn up in the English language only; and (ii) acknowledges that the issuer is not based in the Province of Québec and that any agreement to purchase securities, as applicable, is being formed outside of the Province of Québec. *Tout souscripteur canadien potentiel reconnaît et convient qu'en demandant de l'information sur l'émetteur et toute occasion de placement et, le cas échéant, en achetant des titres de l'émetteur, il: (i) souhaite et demande expressément que toutes les communications, tous les documents d'information et autres documents, toute entente et toute forme de commande et de confirmation, le cas échéant, soient rédigés en anglais seulement, à l'exclusion de la présente notice d'offre et de la convention de souscription; et (ii) reconnaît que l'émetteur n'est pas établi dans la province de Québec et que toute entente d'achat de titres, le cas échéant, est conclue à l'extérieur de la province de Québec*.