

**AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM  
DATED JANUARY 1, 2019**

*This Amended and Restated Confidential Offering Memorandum (the “Offering Memorandum”) constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and should not under any circumstances be construed as, a prospectus or an advertisement for a public offering of these securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered in this Offering Memorandum nor reviewed this Offering Memorandum and any representation to the contrary is an offence.*

*No person has been authorized to give any information or to make any representations about the Fund not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon by any investor.*

**EHP GUARDIAN FUND**

**Offering of Class A, F, I, J, W, UA, UF, UI, UJ and UW Units**

The EHP Guardian Fund (the “**Fund**”) is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement (the “**Trust Agreement**”) made as of March 19, 2015, and amended and restated as of June 25, 2015, July 22, 2016 and January 1, 2019, between Computer Trust Company of Canada as trustee (the “**Trustee**”) and EdgeHill Partners (the “**Investment Manager**”), as the same may be further amended, restated or supplemented from time to time. The Investment Manager will perform management functions, including investment management, for the Fund. An unlimited number of classes of units (the “**Units**”), which may be issuable in series, may be established, of which class A units (the “**Class A Units**”), class F units (the “**Class F Units**”), class I units (the “**Class I Units**”), class J units (the “**Class J Units**”), class W units (the “**Class W Units**”), class UA units (the “**Class UA Units**”), class UF units (the “**Class UF Units**”), class UI units (the “**Class UI Units**”), class UJ units (the “**Class UJ Units**”) and class UW units (the “**Class UW Units**”) are offered under this Offering Memorandum.

The Fund’s investment objectives are: (i) to generate superior risk adjusted total returns over the long term, consisting of interest and dividend income and capital gain appreciation; and (ii) to provide holders of Units (“**Unitholders**”) with regular distributions, targeted at approximately 4.00% per annum. Based on the estimated targeted annual distributions, the monthly distributions are expected to be \$0.035 per Unit (\$0.42 per annum) or US\$0.035 per Unit (US\$0.42 per annum), depending on the currency of the Units.

To pursue its investment objectives, the Fund will invest by employing diversified strategies. The Investment Manager believes that this approach will allow for timely capital allocation decisions on behalf of the Fund. In managing the Fund’s investment portfolio, the Investment Manager intends to utilize a predominantly long/short equity strategy consisting of diversified qualitative, quantitative and systematic investment methodologies. The Investment Manager will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools.

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SUBSCRIPTION PRICE: MINIMUM INITIAL INVESTMENT PER CLASS\*

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CLASS A UNIT and CLASS F UNIT: \$25,000

CLASS UA UNIT and CLASS UF UNIT: US\$25,000

CLASS I UNIT and CLASS UI UNIT: \$5,000,000 and US\$5,000,000, respectively

CLASS J UNIT and CLASS UJ UNIT: \$25,000,000 and US\$25,000,000, respectively

CLASS W UNIT and CLASS UW UNIT: \$2,000,000 and US\$2,000,000, respectively

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\*The Investment Manager, in its sole discretion, may accept subscriptions in lesser amounts.

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The Units are offered for sale on a continuous basis at the applicable class net asset value per Unit of the relevant series determined at the time they are issued. An investment in the Fund is subject to a minimum initial subscription level of \$25,000 for Class A Units and Class F Units, US\$25,000 for Class UA Units and Class UF Units, \$5,000,000 for Class I Units, US\$5,000,000 for Class UI Units, \$25,000,000 for Class J Units, US\$25,000,000 for Class UJ Units, \$2,000,000 for Class W Units and US\$2,000,000 for Class UW Units. However, the Investment Manager, in its sole discretion, may accept subscriptions in lesser amounts. See “Purchase of Units”.

**The Fund is a related issuer of the Investment Manager.** The Investment Manager will earn fees from the Fund. See “Statement of Related and Connected Issuers”.

**An investment in the Fund involves risk, and such an investment should only be made after consultation with independent qualified sources of investment and tax advice. The purchase of units of any class of the Fund should be considered only by investors 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 any of the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the Trust Agreement and 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 any of the Units under applicable securities legislation. Redemptions may be suspended under certain defined circumstances. There are certain additional risk factors associated with investing in any of the Units. Investors should consult their own professional advisers to assess the income tax, legal and other aspects of an investment in the Fund. Please see “Risk Factors”.**

The securities offered hereby are offered by way of a private placement pursuant to exemptions from the prospectus requirements of applicable securities legislation in the relevant offering jurisdictions. 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 shall not transmit, reproduce or make available this document or any information contained in it.

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

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Investment Manager believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Investment Manager based on information currently available to it. Forward-looking statements are subject to a number of risks and

uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Fund. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets, fluctuations in currency exchange rates and interest rates, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled “Risk Factors” in this Offering Memorandum. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Fund disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Investment Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.

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## SUMMARY

*This summary is qualified 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. Prospective investors are encouraged to consult their own professional advisers as to the tax and legal consequences of investing in the Fund. All references in this Offering Memorandum to “dollars” or “\$” are to Canadian dollars unless otherwise indicated.*

### **The Fund**

EHP Guardian Fund (the “**Fund**”) is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of March 19, 2015 and amended and restated as of June 25, 2015, July 22, 2016 and January 1, 2019 (the “**Trust Agreement**”) between Computershare Trust Company of Canada as trustee of the Fund (the “**Trustee**”) and the Investment Manager (as defined below), as the same may be further amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, the Trustee has delegated certain powers to the Investment Manager. See “The Fund”.

### **Investment Objectives of the Fund**

The Fund’s investment objectives are: (i) to generate superior risk adjusted total returns over the long term, consisting of interest and dividend income and capital gain appreciation; and (ii) to provide holders of Units (“**Unitholders**”) with regular distributions, targeted at approximately 4.00% per annum. Based on the estimated targeted annual distributions, the monthly distributions are expected to be \$0.035 per Unit (\$0.42 per annum) or US\$0.035 per Unit (US\$0.42 per annum), depending on the currency of the Units. See “The Fund – Investment Objectives of the Fund”.

### **Investment Strategy of the Fund**

To pursue its investment objectives, the Fund will actively allocate capital over multiple investment strategies predominantly based upon researched, repeatable and process-driven methodologies. The Investment Manager believes that this approach will allow for timely capital allocation decisions on behalf of the Fund. In managing the Fund’s investment portfolio, the Investment Manager intends to utilize a predominantly long/short equity strategy consisting of diversified qualitative, quantitative and systematic investment methodologies. The Investment Manager will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools.

Each investment strategy will generally be supported by systematic models and qualitative and quantitative fundamental analysis. A portfolio of strategies is constructed with the goal of achieving a desired level of return for a given level of expected volatility (risk).

The Fund may employ a variety of strategies including, but not limited to: (a) fundamental long/short; (b) systematic equity strategies; (c) investing long in undervalued securities; (d) short-selling overvalued securities; (e) pairs trading; (f) merger arbitrage; (g) investing in special situations; and (h) credit strategies.

The Fund may invest in and/or employ financial instruments listed on recognized stock exchanges or in the when issued equity market. These instruments may include futures, swaps and other derivative instruments. The Fund will not purchase private equity positions. The Fund will take both long and short positions in securities and may employ leverage against these positions. The Fund’s risk may be hedged in numerous ways including short positions in underlying securities and by way of derivatives. The Fund may also invest in units of other funds for

which the Investment Manager, or an affiliate of the Investment Manager, is the manager and/or portfolio manager in accordance with applicable securities laws.

The Fund invests primarily in North American markets with a focus on the Canadian market; however, the markets in which the Fund invests may change from time to time based upon the opinion of the Investment Manager.

See “The Fund – Investment Strategy of the Fund”.

**Investment  
Manager of the  
Fund**

EdgeHill Partners, a general partnership formed under the laws of the Province of Ontario, is the manager and investment adviser of the Fund and will also act as a distributor of Units not otherwise sold through another registered dealer (the “**Investment Manager**”). See “The Fund” and “The Investment Manager of the Fund”.

**Units of the Fund**

An investment in the Fund is represented by units (the “**Units**”). The Fund is authorized to issue an unlimited number of Units issuable in an unlimited number of classes (each, a “**Class**”), which may be issuable in series, having such terms and conditions as the Investment Manager may determine. Each Unit of a Class represents an undivided ownership interest in the assets of that Class of Units of the Fund. Ten Classes of Units are offered under this Offering Memorandum, being the:

- Class A Units, Class F Units, Class I Units, Class J Units and Class W Units (collectively the “**CAD Class Units**”).
- Class UA Units, Class UF Units, Class UI Units, Class UJ Units and Class UW Units (collectively the “**USD Class Units**”).

Additional Classes of Units may be offered in the future.

Class A Units and Class UA Units are available to all investors. Class UA Units are intended for investors who wish to invest in the Fund in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar while achieving similar performance and returns to the Class A Units.

Class F Units and Class UF Units are available only to an investor who participates in fee-based programs through a Registered Dealer and Adviser and who are subject to an annual asset-based fee. Class UF Units are intended for investors who wish to invest in the Fund in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar while achieving similar performance and returns to the Class F Units.

Class I Units, Class J Units, Class W Units, Class UI Units, Class UJ Units and Class UW Units will generally only be available for subscription by institutional or ultra high net worth investors. Class UI Units, Class UJ Units and Class UW Units are intended for investors who wish to invest in the Fund in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar while achieving similar performance and returns to the Class I Units, Class J Units or Class W Units, where applicable. Holders of Class I Units, Class J Units, Class W Units, Class UI Units, Class UJ Units and Class UW Units will be entitled to additional transparency rights in relation to the Fund and the

underlying investment portfolio of the Fund. See “Reports and Financial Statement Statements” below

Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with applicable securities laws and consent of the Investment Manager. See “Units of the Fund”.

**Price of Units**

The CAD Class Units and USD Class Units are initially offered at \$10.00 and US\$10.00 per Unit, respectively, and thereafter at the applicable class net asset value per Unit (“**Class Net Asset Value per Unit**”) and currency of the relevant series as of each Valuation Date (as defined below). Fractional Units will be issued up to four decimal points (rounded down).

**Purchase of Units**

Units of the Fund are being offered for sale on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation to an unlimited number of subscribers in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Northwest Territories, Nova Scotia and Newfoundland and Labrador (the “**Offering Jurisdictions**”) who qualify as Accredited Investors.

Purchases of Units can be placed on a weekly basis on or before 4:00 p.m. (Toronto time) (the “**Subscription Deadline**”) (i) on the last Business Day of each week, December 31<sup>st</sup> of each year or any other Business Day as the Investment Manager may designate (each, a “**Valuation Date**”), with respect to CAD Class Units, and (ii) on the second last Business Day of each week or any other Business Day as the Investment Manager may designate, with respect to USD Class Units. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date.

Units of the Fund may be purchased in either Canadian dollars or U.S. dollars (the “**U.S. dollar purchase option**”). CAD Class Units may only be purchased in Canadian dollars, while USD Class Units may only be purchased in U.S. dollars. For the purchase of USD Class Units using the U.S. dollar purchase option, the Fund will convert the Class Net Asset Value of the applicable USD Class Units using the Canada/U.S. dollar exchange rate on the applicable Valuation Date to determine the number of the applicable USD Class Units purchased.

Investors wishing to purchase Units must forward a subscription form to the Administrator or the Investment Manager directly or through their Registered Dealer and Adviser in accordance with the procedures set out below.

A properly completed and signed copy of the subscription form for Units must be submitted to the Investment Manager by email to [subscriptions@ehpartners.com](mailto:subscriptions@ehpartners.com) by the applicable Subscription Deadline. The signed original subscription form must be submitted within two Business Days of the applicable Subscription Deadline. If the completed subscription form, together with full payment for the Units subscribed for is received and accepted by the Investment Manager by the Subscription Deadline for a particular Valuation Date, the subscriber will be admitted at the Class Net Asset Value per Unit of the relevant series for the current week. If the subscription form and/or payment for the Units subscribed for is received and accepted by the Investment Manager after the Subscription Deadline for a particular Valuation Date, the subscriber will be admitted at the Class Net



Asset Value per Unit of the relevant series for the following week. The Investment Manager, in its discretion, may accept subscriptions after the Subscription Deadline to admit subscribers at the Class Net Asset Value per Unit of the relevant series for the current week.

All subscriptions for Units will be made through the purchase of interim subscription receipts at a fixed net asset value of \$10.00 or US\$10.00, as applicable, per subscription receipt. Following the calculation of the Class Net Asset Value per Unit of the relevant series, the interim subscription receipts will be automatically converted, without any further action on the part of the subscriber, into the appropriate number of Units of the applicable Class and series subscribed for. The number of Units issued will be equal to the net subscription proceeds divided by the applicable Class Net Asset Value per Unit of the relevant series determined as at the Valuation Date for the week in which the subscription was accepted. Consequently, the initial purchase confirmation will confirm the purchase of the interim subscription receipts while a subsequent confirmation will confirm the final number of Units purchased by the subscriber. The number of interim subscription receipts will be different from the final number of Units purchased. The interim subscription receipts are not redeemable and do not carry any voting rights.

The Investment Manager reserves the right to accept or reject subscriptions, provided that any decision to reject an order is made within five Business Days after receipt by the Investment Manager of all required documents and payment for the Units. Any monies received with a rejected order will be refunded without interest or deduction. See “Purchase of Units”.

**Minimum Investment**

An investment in the Fund is subject to a minimum initial subscription level of \$25,000 for Class A Units and Class F Units, US\$25,000 for Class UA Units and Class UF Units, \$5,000,000 for Class I Units, US\$5,000,000 for Class UI Units, \$25,000,000 for Class J Units, US\$25,000,000 for Class UJ Units, \$2,000,000 for Class W Units or US\$2,000,000 for Class UW Units. The Investment Manager, in its sole discretion, may accept subscriptions for amounts which are less than the minimum initial investment threshold from time to time.

This offering is not subject to an aggregate minimum subscription level.

Subject to compliance with applicable securities laws and the requirements noted above, the minimum investment amount for subsequent purchases of (i) Class A Units and Class F Units is \$5,000, (ii) Class UA Units and Class UF Units is US\$5,000, (iii) Class I Units, Class J Units and Class W Units is \$100,000, and (iv) Class UI Units, Class UJ Units and Class UW Units is US\$100,000. See “Purchase of Units – Minimum Investment”.

**Management Fees**

The Investment Manager will receive management fees from the Fund (collectively, the “**Management Fees**”), calculated and accrued on a weekly basis and payable in arrears at the end of each calendar month, equal to the sum of the Management Fees calculated on each Valuation Date and on the last Business Day of the applicable calendar month (the “**Reported Net Asset Value Date**”).

Management Fees for each Class of Units offered pursuant to this Offering

Memorandum are as follows:

- 1/12 of 2.00% of the aggregate Net Asset Value of the **Class A Units** and **Class UA Units**,
- 1/12 of 1.00% of the aggregate Net Asset Value of the **Class F Units** and **Class UF Units**,
- 1/12 of 1.50% of the aggregate Net Asset Value of the **Class I Units** and **Class UI Units**,
- 1/12 of 1.00% of the aggregate Net Asset Value of the **Class J Units** and **Class UJ Units**, and
- 1/12 of 1.25% of the aggregate Net Asset Value of the **Class W Units** and **Class UW Units**,

at the immediately preceding month-end, plus applicable taxes.

The Management Fees payable in respect of the USD Class Units are payable in Canadian dollars and are calculated based on the Canadian dollar equivalent of the applicable Class Net Asset Value per Unit of the relevant series on the applicable Valuation Date.

Other Classes of the Fund are charged such management fees, if any, as described in the applicable offering document or agreement relating to such Classes.

See “Fees and Expenses of the Fund – Management Fees”.

#### **Performance Fees**

The Fund will pay the Investment Manager a performance fee (the “**Performance Fee**”) each calendar quarter (a “**Performance Fee Determination Period**”) equal to 20% of the Net Profit (as defined herein) of each of the applicable CAD Class Units and USD Class Units, subject to the High Watermark (as defined below). The Performance Fee will be calculated and accrued for each outstanding series of a Class on a weekly basis during each Performance Fee Determination Period based on the Class Net Asset Value per Unit of the relevant series on each Reported Net Asset Value Date during the Performance Fee Determination Period and, with respect to an intra-quarter redemption of Units of a series, on the relevant Redemption Date.

No Performance Fee shall be paid in respect of a particular series of a Class unless the Class Net Asset Value per Unit of that series exceeds the highest Net Asset Value per Unit in respect of which a Performance Fee has been previously paid for that series (the “**High Watermark**”) and, in such circumstances, a Performance Fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.

The Performance Fee is calculated on a series-by-series basis for each Class of Units. As a result, the starting point for the measurement of Net Profit with respect to a new or additional investment in a Class of Units will be the Class Net Asset Value per Unit on the applicable subscription date for the new series of such Class of Units. The previous highest Class Net Asset Value per Unit for any series of a Class achieved prior to the purchase or additional purchase of the new series of

Units of the Class will not be considered in determining whether a Performance Fee is payable with respect to such newly issued series of Units of the Class. As a result, different series of Units within the same Class may have different Performance Fees payable at the end of the same Performance Fee Determination Period, based on the level of Net Profit attributable to such series during the period for which the series remains outstanding. In addition, a Unitholder may be subject to a Performance Fee payment with respect to a particular series of Units of a Class even if the investor incurs a net loss with respect to all series (in the aggregate) of the Class which it holds.

Due to the fact that subscriptions for Units may be made on a weekly basis, investors who purchase Units on a Valuation Date which is not at month end will be subject to the Performance Fee for the entire month. This may result in the Units purchased by such investor being charged a Performance Fee for the period of time in the first month during which the Units were not outstanding.

The Performance Fee payable in respect of the USD Class Units is calculated using the U.S. dollar value of the Class Net Asset Value of the relevant series on the applicable Valuation Date, such U.S. dollar value is determined using the aggregate U.S. dollar appreciation of the applicable Class of Units on the applicable Valuation Date.

The Investment Manager may, at its sole discretion, waive any of its fees or rebate them to any Unitholder.

Other Classes of the Fund will be charged such performance fee, if any, as described in the applicable offering document or agreement relating to such Classes.

See “Fees and Expenses of the Fund – Performance Fees”.

**Expenses of the Fund**

The Investment Manager paid for the costs of the organization of the Fund and the initial offering of Units, including, without limitation, the fees and expenses of the Fund’s legal counsel and auditors.

The Fund is responsible for the payment of all fees and expenses relating to its day to day operation, including Trustee fees, audit, accounting, record keeping, legal fees and expenses, insurance, research and research tools expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes (including applicable taxes, if any), assessments or other regulatory and governmental charges levied against the Fund, interest and all brokerage fees. The Fund is generally required to pay HST (or other applicable taxes, if any) at the applicable rate on the Management Fee and Performance Fee and most expenses which it pays.

Each Class of Units will bear the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes of Units.

**Payments to Registered Dealers**

A sales commission of up to 5% may be deducted from the subscription amount of Class A Units or Class UA Units and paid by the investor to their Registered Dealer and Adviser with the remaining amount being invested in the applicable Class of

**and Advisers**

Units of the Fund. Sales commissions may be negotiated between the Registered Dealer and Adviser and the investor. Units purchased through the Investment Manager (in its capacity as exempt market dealer) and Units issued on a reinvestment of distributions as described under “Monthly Distributions – Automatic Reinvestment” will not be subject to a sales commission.

No deferred sales charge option is available with respect to the purchase of Units.

See “Payments to Registered Dealers and Advisers – Sales Commissions”.

The Investment Manager will make arrangements to pay a trailing commission (the “**Trailing Commission**”) to Registered Dealers and Advisers whose clients purchase Class A Units or Class UA Units of the Fund and remain invested in the Fund during the relevant quarter. The Trailing Commission, expressed as an annual percentage of the Class A Net Asset Value per Unit or Class UA Net Asset Value per Unit, is 1.00%. The Trailing Commission payable in respect of the Class UA Units is payable in Canadian dollars and is calculated based on the Canadian dollar equivalent of the Class Net Asset Value of the Class UA Units on the applicable Valuation Date. The Trailing Commission will be paid to Registered Dealers and Advisers on a quarterly basis in arrears for such period of time as the client holds Class A Units or Class UA Units. The Investment Manager does not pay Trailing Commissions in respect of Class F Units, Class I Units, Class J Units, Class W Units, Class UF Units, Class UI Units, Class UJ Units or Class UW Units. Trailing Commissions may be modified or discontinued by the Investment Manager at any time. See “Payments to Registered Dealers and Advisers – Trailing Commissions”.

**Redemption of Units**

Units may be redeemed as of the last Business Day of each week (a “**Redemption Date**”). A request in writing (including, for greater certainty, requests sent by email) from the relevant Unitholder for redemption must be delivered to the Administrator and the Investment Manager by no later than 4:00 p.m. (Toronto time) on the Redemption Date (the “**Redemption Notice Deadline**”). Redemption requests received after the Redemption Notice Deadline will be processed as of the next Redemption Date. Proceeds payable to a Unitholder in respect of a redemption of Units will typically be paid within three Business Days following the applicable Redemption Date. If the Units redeemed are USD Class Units, the payment of redemption proceeds will be in U.S. dollars.

If a Unitholder redeems Class W Units within one year of purchasing such Class W Units, the Fund may, at the sole discretion of the Investment Manager, deduct 0.5% of the Class Net Asset Value of such Class W Units being redeemed (“**Early Redemption Fee**”). The Early Redemption Fee is payable to the Investment Manager.

See “Redemption of Units”.

**Suspension of Redemption**

The Investment Manager may suspend the redemption of Units, or payments in respect thereof, in certain circumstances, including during any period in which the Investment Manager determines that conditions exist that impair the ability to determine the value of the assets of the Fund.

The redemption price will be adjusted by changes in the applicable Net Asset Value during this suspension period and calculated as of the Valuation Date on which the

redemption occurs. See “Redemption of Units – Suspension of Redemptions”.

## **Valuation**

The Net Asset Value of the Fund and of each Class of Units and each series thereof is determined as at the close of business on each Valuation Date by the Administrator in consultation with the Investment Manager in accordance with the Trust Agreement. The Class Net Asset Value per Unit of any Class or series of Units of the Fund on a Valuation Date is obtained by dividing the then fair market value of the assets of the Fund less the aggregate amount of its liabilities, in each case attributable to that Class or series of Units, by the total number of Units of the Class or series outstanding at the time the calculation is made on the Valuation Date and adjusting the result to a maximum of four decimal places (rounded down).

The Class Net Asset Value of the USD Class Units, which are purchased and redeemed only in U.S. dollars, is obtained by converting the Canadian dollar value of the Fund’s net assets attributable to the respective USD Class Units to U.S. dollars using the exchange rate on the applicable Valuation Date and adjusting for the value of the currency forward hedges entered into in respect of such Units in order to minimize the effect of currency movements between the Canadian dollar and the U.S. dollar. The Class Net Asset Value per applicable USD Class Unit is the U.S. dollar value of such net assets attributable to such Class, as adjusted, divided by the number of such applicable USD Class Units outstanding at that Valuation Date.

See “Valuation”.

## **Monthly Distributions**

In accordance with the Fund’s investment objective to provide Unitholders with regular distributions, the Fund intends to make monthly distributions to Unitholders of record on the last Business Day prior to the last Valuation Date of each month (the “**Monthly Distribution**”). Monthly Distributions will be paid on a Business Day designated by the Investment Manager that will be no later than the 15<sup>th</sup> day of the following month. The Fund will determine in January of each year an expected distribution amount for the following twelve months. The Monthly Distribution for 2019 for each of the Classes of Units is targeted to be \$0.035 per Unit or US\$0.035 per Unit, depending on the currency of the Units.

For intra-month weekly redemptions of Units, an investor will not receive the proportioned amount of the distribution for the period of calendar days in the month during which such Units were held.

It is expected that distributions to Unitholders will be characterized as capital gains, dividends and other income for federal income tax purposes. If the return to the Fund (including net realized capital gains from the sale of securities) is less than the amount necessary to fund the Monthly Distributions, the Investment Manager will return a portion of the capital of the Fund to Unitholders to ensure the distribution is paid and, accordingly, Net Asset Value per Unit will be reduced.

There can be no assurance given as to the amount of targeted Monthly Distributions in the future.

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders with respect to each taxation year to ensure that the Fund is not liable for income tax under Part I of the *Income Tax Act* (Canada) (the “**Tax Act**”), after taking into account any loss carry forwards and capital gains refunds.

So, for any year net income and net realized capital gains exceeds the aggregate amount of the regular Monthly Distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds).

All distributions will be made on a *pro rata* basis within each Class to each registered Unitholder determined as of the close of business on the record date of the distribution. See “Monthly Distributions”.

**Automatic Reinvestment**

Subject to applicable securities legislation, all distributions to Unitholders (less any amounts required by law to be deducted therefrom) for all of the Classes of Units will automatically be reinvested for the account of each Unitholder in additional Units of the same Class at the Class Net Asset Value per Unit next determined after the declaration of the distribution, unless a Unitholder provides the Administrator or Investment Manager with a written or email notification requesting that the Unitholder wishes to receive distributions in cash. No sales charge or commission shall be payable by a Unitholder in connection with any reinvestment of distributions. See “Distributions – Automatic Reinvestment”.

**Consolidation**

The Investment Manager may, in accordance with the provisions of the Trust Agreement, require that each Unit of a Class or series of Units of the Fund be consolidated into a fraction of a Unit of that Class or series, whereupon each Unit of that Class or series shall stand consolidated accordingly. See “Units of the Fund”.

**Canadian Federal Income Tax Considerations**

A Unitholder will generally be required to include in computing income for a year the amount of the Fund’s income for tax purposes, including taxable capital gains, paid or payable to the Unitholder in the year (including such income that is reinvested in additional Units).

A Unitholder who disposes of Units held as capital property, including on redemption or otherwise, will realize a capital gain to the extent that the proceeds of disposition, net of reasonable costs of disposition, exceed the adjusted cost base of the Units. **Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her tax adviser.** See “Canadian Federal Income Tax Considerations”.

**Eligibility for Investment**

Provided that, at all times, the Fund is a “mutual fund trust” or is registered as a “registered investment” under the Tax Act for registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”) and deferred profit sharing plans, Units will be qualified investments for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”) and tax-free savings accounts (“TFSA”).

Notwithstanding the foregoing, if Units are “prohibited investments” for a TFSA, an RRSP, an RESP, an RDSP or a RRIF, the holder of the TFSA, or RDSP, the subscriber of the RESP or the annuitant of the RRSP or the RRIF, as the case may be (each a “**Plan Holder**”), will be subject to a penalty tax as set out in the Tax Act. Plan Holders are advised to consult their own tax advisors with respect to whether Units are “prohibited investments” for their TFSA, RRSP, RESP, RDSP or RRIF.

See “Eligibility for Investment”.

**Risk Factors**

There are risks associated with an investment in the Fund, as a result of, among other considerations, the proposed nature and operations of the Fund. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund carries risk of loss and is not intended as a complete investment program. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. See “Risk Factors”.

**Financial Reporting**

Audited financial statements for the Fund will be provided within ninety (90) days of each fiscal year end. Unaudited financial information and information respecting the Class Net Asset Value per Unit will be provided on a semi-annual basis within sixty (60) days of the conclusion of the semi-annual period. See “Reporting to Unitholders and Meetings of Unitholders – Reporting to Unitholders”.

**Custodian**

One or more financial institutions and/or their affiliates, in their role as prime broker, will act as the custodian of the assets of the Fund. See “Custodian”.

**Legal Counsel**

McMillan LLP

**Auditors**

The Investment Manager has appointed KPMG LLP (the “**Auditor**”) as the auditor for the Fund.

**Fiscal Year End**

December 31.

**Purchasers’ Statutory and Contractual Rights of Action**

Investors are entitled to the benefits of certain statutory or contractual rights of action which are described herein. See “Statutory and Contractual Rights of Action.”

## GLOSSARY OF TERMS

“**Accredited Investors**” has the meaning given to it under National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators and, in Ontario, as such term is defined in Section 73.3 of the Securities Act (Ontario), each as amended from time to time;

“**Administration Agreement**” means the valuation and recordkeeping services agreement made as of March 19, 2015, and subsequent amended and restated agreements most notably as of October 31, 2018, between SS&C Fund Administration Company and the Investment Manager;

“**Administrator**” means SS&C Fund Administration Company (nee CommonWealth Fund Services Ltd.);

“**Auditor**” means KPMG LLP;

“**Business Day**” means a day on which the Toronto Stock Exchange is open for business;

“**CAD Class Units**” means Class A Units, Class F Units, Class I Units, Class J Units and Class W Units;

“**Class**” means any class of Units of the Fund authorized from time to time, and includes each series of such class;

“**Class A Unit**” means a Class A Unit of the Fund and any series thereof;

“**Class E Unit**” means a Class E Unit of the Fund and any series thereof;

“**Class F Unit**” means a Class F Unit of the Fund and any series thereof;

“**Class I Unit**” means a Class I Unit of the Fund and any series thereof;

“**Class J Unit**” means a Class J Unit of the Fund and any series thereof;

“**Class W Unit**” means a Class W Unit of the Fund and any series thereof;

“**Class Net Asset Value**” means the portion of the Net Asset Value attributable to a Class of Units calculated as described under “Valuation”;

“**Class Net Asset Value per Unit**” means the Net Asset Value attributable to each Unit of a Class calculated as described under “Valuation”;

“**Class UA Unit**” means a Class UA Unit of the Fund and any series thereof;

“**Class UF Unit**” means a Class UF Unit of the Fund and any series thereof;

“**Class UI Unit**” means a Class UI Unit of the Fund and any series thereof;

“**Class UJ Unit**” means a Class UJ Unit of the Fund and any series thereof;

“**Class UW Unit**” means a Class UW Unit of the Fund and any series thereof;

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

“**Custodian**” means one or more financial institutions and/or their affiliates, in their role as prime broker to the Fund and any successor appointed as custodian pursuant to the Trust Agreement;

“**Early Redemption Fee**” means the early redemption fee payable by the Fund to the Investment Manager as detailed under the heading “Redemption of Units”;



“**Founder Unit**” means a Founder Unit of the Fund and any series thereof;

“**Fund**” means the EHP Guardian Fund;

“**High Watermark**” means the point at which the Class Net Asset Value per Unit of a series of a Class exceeds the highest Class Net Asset Value per Unit of that series in respect of which a Performance Fee has been previously paid as detailed under the heading “Fees and Expenses of the Fund – Performance Fees”;

“**Investment Manager**” means EdgeHill Partners;

“**Management Fees**” means the management fee payable by the Fund to the Investment Manager as detailed under the heading “Fees and Expenses of the Fund – Management Fees”;

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

“**Net Profit**” means, in respect of a series of any Class of Units of the Fund for any Performance Fee Determination Period, the amount calculated by deducting the initial NAV per Unit of the series for that Performance Fee Determination Period from the closing NAV per Unit of such series for that Performance Fee Determination Period and multiplying the resulting amount by the total number of the Units of such series outstanding at the close of business on the last Business Day in that Performance Fee Determination Period (and, with respect to an intra-quarter redemption, on the relevant Redemption Date).

“**Offering Jurisdictions**” means Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Northwest Territories, Nova Scotia and Newfoundland and Labrador;

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

“**Performance Fees**” means the performance fee payable by the Fund to the Investment Manager as detailed under the heading “Fees and Expenses of the Fund – Performance Fees”;

“**Performance Fee Determination Period**” means a calendar quarter;

“**Redemption Date**” means the effective date a Unitholder redeems his, her or its Units, being the last Business Day of any week;

“**Registered Dealer and Adviser**” means a dealer, broker or adviser registered under applicable securities laws in the applicable Offering Jurisdictions and that is not restricted from selling the Units or advising with respect to an investment in the Units;

“**Reported Net Asset Value**” means the Net Asset Value of a Class or series of Units calculated on the last Business Day of each month by the Administrator for the purposes of reporting returns to investors, calculating the Management Fees and Performance Fees and the year-end Net Asset Value for tax purposes;

“**Subscription Deadline**” means 4:00 p.m. (Toronto time): (i) on each Valuation Date, with respect to Class A Units, Class F Units, Class I Units and Class J Units, and (ii) on the second last Business Day of each week or any other Business Day as the Investment Manager may designate, with respect to Class UA Units, Class UF Units, Class UI Units and Class UJ Units;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Trailing Commission**” means a trailing commission, which may be paid to Registered Dealers and Advisers whose clients purchase Units;

“**Trust Agreement**” means the trust agreement made as of March 19, 2015, as amended and restated as of June 25, 2015, July 22, 2016 and January 1, 2019, between the Trustee and the Investment Manager, as amended, restated or supplemented from time to time;

“**Trustee**” means Computershare Trust Company of Canada;

“**Underlying Funds**” means the Fund may invest in units of other funds for which the Investment Manager, or an affiliate of the Investment Manager, is the manager and/or portfolio manager;

“**Unitholder**” means the holder of one or more Units;

“**Units**” means each Class of units of the Fund; and

“**USD Class Units**” means Class UA Units, Class UF Units, Class UI Units, Class UJ Units and Class UW Units;

“**Valuation Date**” means the last Business Day of each week and, in any event, December 31 of each calendar year and any such other Business Day as the Investment Manager may designate.

## THE FUND

EHP Guardian Fund (the “**Fund**”) is an open-ended investment trust established under the laws of the Province of Ontario pursuant to a trust agreement made as of March 19, 2015, as amended and restated as of June 25, 2015, July 22, 2016 and January 1, 2019 (the “**Trust Agreement**”) between Computershare Trust Company of Canada as trustee (the “**Trustee**”) and the Investment Manager (as defined below), as amended, restated or supplemented from time to time.

EdgeHill Partners, a general partnership formed under the laws of the Province of Ontario, is the manager and investment adviser of the Fund (the “**Investment Manager**”) pursuant to the Trust Agreement. The principal office of the Investment Manager and the Fund is 45 Hazelton Avenue, Suite B, Toronto, Ontario, Canada, M5R 2E3.

An investment in the Fund is represented by units (the “**Units**”). The Fund is authorized to issue an unlimited number of Units issuable in an unlimited number of classes (each, a “**Class**”), which may be issuable in series, having such terms and conditions as the Investment Manager may determine. Ten Classes of Units (Class A Units, Class F Units, Class I Units, Class J Units, Class W Units, Class UA Units, Class UF Units, Class UI Units, Class UJ Units and Class UW Units) are offered under this Offering Memorandum. Additional Classes of Units may be offered in the future. The only undertaking of the Fund will be the investment of its assets as described herein.

### **Investment Objectives of the Fund**

The Fund’s investment objectives are: (i) to generate superior risk adjusted total returns over the long term, consisting of interest and dividend income and capital gain appreciation; and (ii) to provide holders of Units (“**Unitholders**”) with regular distributions, targeted at approximately 4.00% per annum. Based on the estimated targeted annual distributions, the monthly distributions are expected to be \$0.035 per Unit (\$0.42 per annum) or US\$0.035 per Unit (US\$0.42 per annum), depending on the currency of the Units.

### **Investment Strategy of the Fund**

To pursue its investment objectives, the Fund will actively allocate capital over multiple investment strategies predominantly based upon researched, repeatable and process-driven methodologies. The Investment Manager believes that this approach will allow for timely capital allocation decisions on behalf of the Fund. In managing the Fund’s investment portfolio, the Investment Manager intends to utilize a predominantly long/short equity strategy consisting of diversified qualitative, quantitative and systematic investment methodologies. The Investment Manager will also seek to preserve capital and mitigate risk through the application of portfolio and risk management tools.

Each investment strategy will generally be supported by systematic models and qualitative and quantitative fundamental analysis. A portfolio of strategies is constructed with the goal of achieving a desired level of return for a given level of expected volatility (risk).

The Fund may employ a variety of strategies including, but not limited to: (a) fundamental long/short; (b) systematic equity strategies; (c) investing long in undervalued securities; (d) short-selling overvalued securities; (e) pairs trading; (f) merger arbitrage; (g) investing in special situations and (h) credit strategies.

The Fund may invest in and/or employ financial instruments listed on recognized stock exchanges or in the when issued equity market. These instruments may include futures, swaps and other derivative instruments. The Fund will not purchase private equity positions. The Fund will take both long and short positions in securities and may employ leverage against these positions. The Fund’s risk may be hedged in numerous ways including short positions in underlying securities and by way of derivatives. The Fund may also invest

in units of other funds for which the Investment Manager, or an affiliate of the Investment Manager, is the manager and/or portfolio manager in accordance with applicable securities laws.

The Fund invests primarily in North American markets with a focus on the Canadian market; however, the markets in which the Fund invests may change from time to time based upon the opinion of the Investment Manager.

## **Investment Strategies**

### ***Equity Investment Strategies***

Equity investment strategies involve the development of a long/short equity portfolio and investment process that utilize a qualitative, quantitative or systematic methodology to generate alpha.

The equity investment strategies utilized by the Fund may include but are not limited to:

- **Fundamental Long/Short:** The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns. Factors utilized include dividend and/or interest income, valuation metrics, earnings revisions, measures of growth, stock and sector momentum and macro-economics;
- **Systematic Strategies:** These strategies seek to capture alpha through capturing forecasted movements in securities;
- **Long Positions:** Investing in equity securities where the Investment Manager believes that the security is undervalued and provide yield;
- **Short Positions:** Short selling of securities, which the Investment Manager believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more of the Fund's long positions;
- **Pairs Trading:** Buying and selling shares of two companies in an attempt to gain from the convergence of the relative value differences between them; and
- **Merger Arbitrage / Special Situations:** Taking positions in securities whose value is dependent upon corporate restructurings, mergers, takeovers, spin-offs and legislative changes.

### ***Credit Investment Strategies***

The credit investment strategies employed by the Fund may include:

- **Long Positions:** Making long investments in securities of issuers identified as attractive investment candidates by the Investment Manager's investment process. Eligible securities include but are not limited to government bonds, investment grade corporate bonds, credit linked notes, high yield bonds, asset backed securities, collateralized debt and loan obligations, government agency securities, bonds, convertible bonds, convertible debentures, preferred shares, bank loans, real estate investment trusts, master limited partnerships, equities, income trusts, Canadian royalty trusts and exchange traded funds; and
- **Short Positions:** Short selling of securities of issuers identified as unattractive investments by the Investment Manager's investment process and/or to hedge the market exposure of the Fund's long positions. Eligible securities include but are not limited to government bonds, investment grade corporate bonds, credit linked notes, high yield bonds, asset backed securities, collateralized debt

and loan obligations, government agency securities, bonds, convertible bonds, convertible debentures, preferred shares, bank loans, real estate investment trusts, master limited partnerships, equities, income trusts, Canadian royalty trusts, exchange traded funds.

### ***Futures and Derivative Investment Strategies***

The Futures and Derivatives investment strategies employed by the Fund may include:

- Futures Trading: Taking long or short positions in financial futures to obtain investment exposures on positions consistent with the investment objective, strategies and risk management; and
- The Fund may use derivatives, including swap positions, to obtain investment exposures on positions consistent with the investment objective, strategies and risk management. The Fund may also employ such derivatives to avoid stamp duty taxes some countries assess on securities trading.

### ***Investments in other funds managed by the Investment Manager***

The Fund may invest in units of other funds for which the Investment Manager, or an affiliate of the Investment Manager, is the manager and/or portfolio manager (the “**Underlying Funds**”) in accordance with applicable securities law. Such investment may only be made if the Investment Manager determines that an investment in the Underlying Fund is consistent with the investment objectives, investment strategies and investment restrictions of the Fund and in the best interests of the Fund. The Fund may invest up to all of its assets in an Underlying Fund if the Investment Manager determines that it is in the best interests of the Fund. The investment by the Fund in units of an Underlying Fund will not result in any duplication of management fees and performance fees to the Fund or the Unitholders of the Fund and the Investment Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Fund.

### ***Implementation of Investment Strategies***

The level of net market exposure in the Fund’s portfolio at any given time is a function of the Investment Manager’s ability to identify attractive investments. The Fund may also buy securities on margin and may arrange with banks, brokers and other financial institutions to borrow money against a pledge of securities in order to employ leverage when the Investment Manager deems such action appropriate. The Fund may borrow for investment purposes and it is expected that the Fund will be economically leveraged through the use of derivatives where the sum of notional long positions and, measured separately, notional short positions may exceed the capital invested in the Fund. The Fund may employ the use of leverage up to a limit of 3.0 times the Fund’s Net Asset Value. The use of leverage can, in certain circumstances, increase the losses to which the Fund’s investment portfolio may be subject and, therefore cause losses for the Fund.

The Fund may also hedge currency exposure and risk in the securities and businesses in which it has invested. Liquidity will be considered in all investment decisions. It is the Investment Manager’s intention to maintain the majority of the Fund’s assets in liquid investments.

The Investment Manager will look to deploy capital in situations where both the risk/return value proposition is attractive and where it has the expertise to analyze and manage the opportunity. The Investment Manager may at any time adopt new strategies or deviate from the foregoing guidelines as market conditions dictate. In the event of any material deviation from its current intended strategies, the Investment Manager will advise the Trustee of the Fund immediately. While the Investment Manager will typically try to balance risk and return in selecting investments, it should be understood that the risk management techniques utilized by the Investment Manager cannot provide any assurance that the Fund will not be exposed to risks of significant investment losses. Please refer to “Risk Factors” for more information.

### ***Statutory Caution***

The foregoing disclosure of the investment strategies of the Fund and the intentions of the Investment Manager may constitute “forward-looking information” for the purpose of Ontario securities legislation, as it contains statements of the Investment Manager’s intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Investment Manager of the success of the investment strategies of the Fund in certain market conditions, relying on the experience of the Investment Manager’s officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Investment Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Investment Manager’s intended strategies as well as its actual course of conduct. Investors are urged to read “Risk Factors” for a discussion of other factors that will impact the operations and success of the Fund.

### **Investment Restrictions**

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

- (a) **Purchasing Securities.** The Fund will typically purchase securities through normal market facilities. Purchases of securities under other circumstances will only be permitted where the purchase price for such securities approximates the prevailing market price or is negotiated or established on an arm’s length basis. The Fund will not purchase private equity positions.
- (b) **Foreign Investment.** The Fund will not invest in (i) an interest in a trust (or partnership which holds such interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act or (ii) the securities of any non-resident corporation, trust or other non-resident entity if the Fund would be required to include an amount in income pursuant to section 94.1 of the Tax Act.
- (c) **Commodities.** The Fund will not purchase or sell commodities.
- (d) **Unit Trust Status.** The Fund will comply with the requirements set out in the Tax Act, as required, in order for the Fund to constitute a “unit trust” for the purposes of the Tax Act.
- (e) **Interest of Investment Manager.** The Fund will not purchase securities from, or sell securities to, the Investment Manager or any of its affiliates or any individual who is a partner, director or officer of any of them, any employee of the Investment Manager or any portfolio managed by the Investment Manager. The Fund may, however, purchase units of other funds managed by the Investment Manager, or any of its affiliates, in accordance with applicable securities law. The Fund may invest up to all of its assets in an Underlying Fund if the Investment Manager determines that it is in the best interests of the Fund.

### **THE TRUSTEE**

Computershare Trust Company of Canada acts as the trustee of the Fund pursuant to the Trust Agreement. The Trustee’s place of business is located at #600, 530-8 Avenue SW, Calgary, Alberta, Canada, T2P 3S8. The Trustee has those powers and responsibilities in respect of the Fund as described in the Trust Agreement. The Trustee is required to exercise its powers and discharge its duties honestly and in good faith and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances.

Pursuant to the Trust Agreement, the Unitholders may remove the Trustee and appoint a successor trustee from time to time on 60 days' written notice to the Trustee and Investment Manager or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Trust Agreement may resign upon 90 days' written notice to the Unitholders and the Investment Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed the Fund shall be terminated.

The Trust Agreement provides that the Trustee and its affiliates, their successors and assigns, as well as its and their respective directors, officers, employees and agents have a right of indemnification from the Fund for any claims arising from or in connection with any actions or omissions that the Trustee takes pursuant to the Trust Agreement, provided that any such action or omission is taken in good faith and without gross negligence or is taken on advice and instructions given to the Trustee by the Investment Manager, the Investment Manager's representatives, or from counsel consulted by the Trustee. In addition, the Trust Agreement contains provisions limiting the liability of the Trustee.

### **THE INVESTMENT MANAGER OF THE FUND**

EdgeHill Partners is the manager and investment adviser of the Fund. The Investment Manager is a general partnership formed under the laws of the Province of Ontario, Canada on May 27, 2010. The principal place of business of the Investment Manager is 45 Hazelton Avenue, Suite B, Toronto, Ontario, Canada, M5R 2E3.

The Investment Manager is registered with the applicable securities regulatory authorities as a portfolio manager, investment fund manager and exempt market dealer.

Pursuant to the Trust Agreement, the Investment Manager has full authority to manage the operations and affairs of the Fund, to make all decisions regarding the business of the Fund and to bind the Fund. The Investment Manager is also responsible for managing the Fund's investment portfolio by investing and reinvesting the assets of the Fund and will also act as a distributor of Units not otherwise sold through another registered dealer. The Investment Manager may create and manage or advise other investment products and businesses in addition to the Fund. The Investment Manager may delegate its powers to third parties where, in the discretion of the Investment Manager, it would be in the best interests of the Fund to do so.

The Investment Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and in connection therewith shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Among its other powers, the Investment Manager may establish the Fund's operating expense budget and authorize the payment of operating expenses.

The Investment Manager is responsible (among other things) or responsible to arrange for the following management responsibilities in relation to the Fund: (i) maintaining the register of Unitholders of the Fund and the safe-keeping of certificates therefor, if any; (ii) reviewing and accepting subscriptions for Units and accepting payment therefor; (iii) computing and disseminating the Net Asset Value; (iv) performing all administration acts related to redemption of Units; (v) keeping the accounts of the Fund and such financial books and records as are necessary for the proper conduct of the financial affairs of the Fund, and preparing or procuring the preparation of annual and semi-annual financial statements of the Fund and furnishing such statements, as well as monthly reports regarding the Fund's Net Asset Value Per Unit, to Unitholders; and (vi) performing all other accounting and clerical services necessary in connection with the administration of the Fund.

The Trust Agreement provides that the Investment Manager and certain affiliated parties have a right of indemnification from the Fund for legal fees, judgments and amounts paid in settlement, actually and

reasonably incurred in carrying out their duties under the Trust Agreement, except in certain circumstances, including where there has been negligence, misfeasance or wilful misconduct on the part of the Investment Manager or the Investment Manager has failed to fulfil its standard of care as set out in the Trust Agreement. In addition, the Trust Agreement contains provisions limiting the liability of the Investment Manager.

Pursuant to the Trust Agreement, the Investment Manager may resign upon 90 days' written notice to the Trustee, unless such other notice period of not less than 30 days is mutually agreed upon in writing by the Investment Manager and the Trustee. The Investment Manager must appoint a successor; if no successor Investment Manager is appointed, the Fund shall be terminated pursuant to the provisions of the Trust Agreement.

The Investment Manager will be paid the Management Fees and a Performance Fee as described below under "Fees and Expenses of the Fund" and will be reimbursed for all reasonable costs and expenses incurred by the Investment Manager on behalf of the Fund. The services of the Investment Manager under the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents the Investment Manager from providing similar management or advisory services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities.

The directors and officers of the Investment Manager are listed below under "The Investment Manager of the Fund – Directors and Officers of the Investment Manager".

#### **Directors and Officers of the Investment Manager**

The Investment Manager has five principals each with a diverse set of skills that are complimentary to the Fund's investment strategy. Each principal joined this team from senior roles in varying areas of the capital markets and brings with him investment experience and long standing deep relationships. The objectives of the principals are closely aligned with investors as they are investing in the Fund on the same terms and conditions. The senior management team and their position with the Investment Manager are:

<b><u>Name and Municipality of Residence:</u></b>	<b><u>Office with the Investment Manager</u></b>
Brad White Toronto, Ontario, Canada	Chairman, Co-CEO, Portfolio Manager and Director
Jason Mann Toronto, Ontario, Canada	Co-CEO, CIO, Portfolio Manager and Director
Ian Fairbrother Toronto, Ontario, Canada	Portfolio Manager and Director
Darryl DeMers Burlington, Ontario, Canada	CFO, CCO
James Park Toronto, Ontario, Canada	Chief Risk Officer

#### ***Brad White, CFA***

Brad White is a co-founder and Chairman of EdgeHill Partners, which was founded in May, 2010. Prior to co-founding the Investment Manager, Brad was a co-founder, Officer and Portfolio Manager at a leading Canadian based investment adviser, where he spent nine years in his role as a portfolio manager with a strong focus on fundamental analysis. Brad takes a "Top-Down" approach to investing, which has helped him achieve top decile returns for the funds he managed. Prior, Brad worked as Vice President, Senior Oil



& Gas analyst at Morgan Stanley Canada. He was responsible for covering the Canadian large and mid-cap oil and gas companies. In all, Brad has over 20 years of experience in the financial industry. Brad holds a Bachelor of Commerce degree from Memorial University and a CFA designation.

***Jason Mann, CFA***

Jason Mann is a co-founder and CIO of EdgeHill Partners, which was founded in May, 2010. Prior to co-founding the Investment Manager, Jason was a Managing Director, Co-Head of the Absolute Return/Arbitrage Group at Scotia Capital. The Absolute Return group is responsible for developing and delivering cross-platform “alpha” generating ideas for the hedge fund community, and for the executing of trading for these clients.

Jason also managed Scotia’s merger-arbitrage, event-driven and quantitative proprietary trading strategies and had responsibility for trading and overseeing a proprietary trading book as large as \$250 million – a group that has generated significant profits in each of his seven years. Jason advised for a market neutral “alpha” portfolio hedge fund client and was consistently ranked in the top decile for absolute performance with low volatility. Prior to this role, Jason was Head of Agency Trading at Scotia overseeing eighteen trading professionals covering fundamental and hedge fund clients. Jason holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University and a CFA designation.

***Ian Fairbrother, CFA***

Ian Fairbrother is a co-founder of EdgeHill Partners, which was founded in May, 2010. Prior to co-founding the Investment Manager, Ian was a Managing Director, Institutional Equity Sales at Scotia Capital. Ian has in excess of 20 years of experience in roles at various sell side firms and has covered all investment styles (style, growth, sector specific, quant, macro, etc.) and types of investor (hedge, long only, pension, mutual fund) for North America accounts. During his tenure at Scotia, Ian also had responsibility for managing a proprietary long/short equity book and was considered to be a key element in Scotia's equity allocation decisions. Prior to joining Scotia, Ian worked at Morgan Stanley for 4 years, CT Securities for 2 years and Deutsche Bank for 2 years in a similar capacity. Ian holds a B.A from McMaster University (Psychology) and a CFA designation.

***Darryl DeMers***

Darryl DeMers joined EdgeHill Partners in March, 2016. Prior to joining EdgeHill, Darryl held various roles over his 20 years of experience in the securities industry, encompassing a broad range of positions including roles as CFO, fund accounting, operations and compliance. Darryl has worked with hedge fund administrators, investment fund managers and investment advisors, including Tacita Capital, Blavin & Company, Butterfield Fulcrum, and Citco Fund Services. Darryl holds an Honors Bachelor of Accounting Degree from Brock University, and is a member in good standing of the Chartered Professional Accountants of Ontario.

***James Park, CFA***

James Park joined EdgeHill Partners in August, 2015. Prior to joining EdgeHill, James Park was Director, Head of Canadian Index Arbitrage at Scotia Capital. The Index Arbitrage desk ran a number of hedged, automated quantitative trading strategies using the bank’s capital to generate proprietary returns. James was part of the team that started the group in 2008 and started with trading responsibilities for a hedged book as large as \$1.3B. During James’ 10 years at Scotia, he also spent 2 years on the Liability desk trading energy, forestry and industrial stocks as well as 2 years on the Portfolio Trading desk researching and building new algorithms as well as optimizing existing ones. James holds a BAsC in Computer Engineering and a BA in Economics from the University of Waterloo, a Masters of Math Finance from the University of Toronto, and is a CFA charterholder.

## **Administrator of the Fund**

The administrator of the Fund (the “**Administrator**”) is SS&C Fund Administration Company (nee CommonWealth Fund Services Ltd.). The Administrator was appointed by an agreement to provide administrative services to the Fund (the “**Administration Agreement**”), which agreement shall remain in effect until its termination in accordance with the provisions set forth therein.

Pursuant to the Administration Agreement, the Administrator is responsible for computing the Fund’s Net Asset Value, maintaining the Fund’s books and records, providing Unitholder recordkeeping and administration services, establishing and maintaining accounts on behalf of the Fund with financial institutions and any other matters necessary for the administration of the Fund. The Administrator may delegate certain functions under the Administration Agreement to affiliated companies.

Under the Administration Agreement, the Fund pays the Administrator an administrative fee. The Fund is also responsible for out-of-pocket expenses (such as copying and mailing of reports) incurred by the Administrator on behalf of the Fund. The Administration Agreement may be terminated by either party upon 60 days’ written notice. The Administration Agreement shall also terminate (upon receipt of written notice by the other party) in the event that a party to the Administration Agreement is declared bankrupt or shall be insolvent or in certain other circumstances. Pursuant to the Administration Agreement, the Fund and, to the extent that the Fund is not sufficient to indemnify the Administrator, the Investment Manager, will indemnify and save harmless the Administrator against and from all claims whatsoever, costs (including legal costs on a solicitor and his own client basis), charges and expenses and all amounts paid to settle an action or satisfy a judgement, reasonably incurred by the Administrator in respect of any civil, criminal or administrative action, other than an action relating to the gross negligence, wilful misconduct or lack of good faith of the Administrator.

## **UNITS OF THE FUND**

An investment in the Fund is represented by Units. The Fund is authorized to issue an unlimited number of Units issuable in an unlimited number of Classes, which may be issuable in series, having such terms and conditions as the Investment Manager may determine. Each Unit of a Class represents an undivided ownership interest in the assets of the Fund attributable to that Class of Units. The Fund has twelve classes of Units authorized (Class A Units, Class E Units, Class F Units, Class I Units, Class J Units, Class W Units, Class UA Units, Class UF Units, Class UI Units, Class UJ Units, Class UW Units and Founder’s Units). Class A Units, Class F Units, Class I Units, Class J Units, Class W Units, Class UA Units, Class UF Units, Class UI Units, Class UJ Units and Class UW Units are offered under this Offering Memorandum.

Class A Units and Class UA Units are available to all investors. Class UA Units are intended for investors who wish to invest in the Fund, which is a Canadian denominated fund, in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the U.S. and Canadian currencies. The Canadian dollar value of the Fund’s net assets attributable to its Class UA Units will be hedged back to U.S. dollars in an attempt to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar and to achieve substantially similar performance and returns as the Class A Units. However, the returns of the Class UA Units will differ from the returns of the Class A Units because the effect and costs associated with employing the hedging strategy (such as derivative transaction costs and incentive fees) will be reflected in the Class Net Asset Value of the Class UA Units and not the Class A Units. There may be circumstances where the Fund may not be able to fully hedge its Canadian dollar exposure back to U.S. dollars in respect of the Class UA Units at all times, in which case fluctuations in the exchange rate between the U.S. and Canadian currencies will affect the returns of the Class UA Units. Class UA Units are not intended for investors who want to speculate on changes in the exchange rate between the Canadian dollar and U.S. dollar. See “*Certain Risk Factors – Foreign Currency Exposure*”.

Class E Units are available to other funds or client accounts advised by the Investment Manager or to the employees of the Investment Manager who are qualified investors who make the required minimum investment.

Class F Units and Class UF Units are available only to an investor who participates in fee-based programs through a Registered Dealer and Adviser and who are subject to an annual asset-based fee. Class UF Units are intended for investors who wish to invest in the Fund, which is a Canadian denominated fund, in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the U.S. and Canadian currencies. The Canadian dollar value of the Fund's net assets attributable to its Class UF Units will be hedged back to U.S. dollars in an attempt to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar and to achieve substantially similar performance and returns as the Class F Units. However, the returns on the Class UF Units will differ from the returns on the Class F Units because the effect and costs associated with employing the hedging strategy (such as derivative transaction costs and incentive fees) will be reflected in the Class Net Asset Value of the Class UF Units and not the Class F Units. There may be circumstances where the Fund may not be able to fully hedge its Canadian dollar exposure back to U.S. dollars in respect of Class UF Units at all times, in which case the fluctuations in the exchange rate between the U.S. and Canadian currencies will affect the returns of the Class UF Units. Class UF Units are not intended for investors who want to speculate on changes in the exchange rate between the Canadian dollar and U.S. dollar. See "*Certain Risk Factors – Foreign Currency Exposure*".

Class I Units, Class J Units, Class W Units, Class UI Units, Class UJ Units and Class UW Units will generally only be available for subscription by institutional or ultra high net worth investors. Holders of Class I Units, Class J Units, Class W Units, Class UI Units, Class UJ Units and Class UW Units will be entitled to additional transparency rights in relation to the Fund and the underlying investment portfolio of the Fund. See "Reports and Financial Statements" below. Class UI Units, Class UJ Units and Class UW Units are intended for investors who wish to invest in the Fund, which is a Canadian denominated fund, in U.S. dollars but wish to minimize the effect of the fluctuations in the exchange rate between the U.S. and Canadian currencies. The Canadian dollar value of the Fund's net assets attributable to its Class UI Units, Class UJ Units and Class UW Units will be hedged back to U.S. dollars in an attempt to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar and to achieve substantially similar performance and returns as the applicable Class I Units, Class J Units or Class W Units. However, the returns on the Class UI Units, Class UJ Units and Class UW Units will differ from the returns on the applicable Class I Units, Class J Units or Class W Units because the effect and costs associated with employing the hedging strategy (such as derivative transaction costs and incentive fees) will be reflected in the Class Net Asset Value of the Class UI Units, Class UJ Units and Class UW Units and not the applicable Class I Units, Class J Units or Class W Units. There may be circumstances where the Fund may not be able to fully hedge its Canadian dollar exposure back to U.S. dollars in respect of Class UI Units, Class UJ Units and Class UW Units at all times, in which case the fluctuations in the exchange rate between the U.S. and Canadian currencies will affect the returns of the Class UI Units, Class UJ Units and Class UW Units, where applicable. Class UI Units, Class UJ Units and Class UW Units are not intended for investors who want to speculate on changes in the exchange rate between the Canadian dollar and U.S. dollar. See "*Certain Risk Factors – Foreign Currency Exposure*".

Founder Units were issued to investors who participated in the seeding of the Fund.

All Units of the same Class have equal rights and privileges. Each whole Unit of a particular Class is entitled to one vote at meetings of Unitholders of the Fund where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders votes separately as a Class.

The Investment Manager, in its discretion, has the authority to determine the number of Classes of Units and establishes the attributes of each Class, including the designation of each Class, the initial closing date

and initial offering price for the first issuance of Units of the Class, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the Class, sales or redemption charges payable in respect of the Class, redemption rights and any additional Class specific attributes. The Investment Manager may add additional Classes of Units at any time without the prior approval of Unitholders. The Investment Manager may also, upon providing a Unitholder with 30 days' prior written notice, redesignate Units of a Class issued to the Unitholder as Units of another Class having an aggregate equivalent Class Net Asset Value.

All Units of the same Class are entitled to participate pro rata: (i) in any payments or monthly distributions made by the Fund to the Unitholders of the same Class; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same Class of net assets of the Fund remaining after satisfaction of outstanding liabilities of such Class. All Units are fully paid and non-assessable when issued. There are no pre-emptive rights attaching to Units. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with securities laws and consent of the Investment Manager. Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit. Outstanding Units of any Class may be subdivided in the Investment Manager's discretion on 21 days' prior written notice.

The Investment Manager may, in accordance with the provisions of the Trust Agreement, require that each Unit of a Class or series of Units of the Fund shall be consolidated into a fraction of a Unit of that Class or series, whereupon each Unit of that Class or series shall stand consolidated accordingly. After the effective date of such consolidation, the Investment Manager shall thereupon send or cause to be sent to each Unitholder of the applicable Class or series at that Unitholder's risk a written confirmation indicating the basis of the consolidation and the number of Units of the applicable Class or series which the Unitholder then owns. The Investment Manager shall also take such steps as may be necessary to notify the registrar and/or transfer agent of the basis of the consolidation so that appropriate notification can be made in the register of Unitholders of the applicable Class or series.

## **FEES AND EXPENSES OF THE FUND**

### *Management Fees*

The Investment Manager will receive management fees from the Fund (collectively, the "**Management Fees**"), calculated and accrued on a weekly basis and payable in arrears at the beginning of each calendar month, equal to the sum of the Management Fees calculated on each Valuation Date and on the last Business Day of the applicable calendar month (the "**Reported Net Asset Value Date**").

Management Fees for each Class of Units offered pursuant to this Offering Memorandum are as follows:

- 1/12 of 2.00% of the aggregate Net Asset Value of the **Class A Units and Class UA Units**,
- 1/12 of 1.00% of the aggregate Net Asset Value of the **Class F Units and Class UF Units**,
- 1/12 of 1.50% of the aggregate Net Asset Value of the **Class I Units and Class UI Units**,
- 1/12 of 1.00% of the aggregate Net Asset Value of the **Class J Units and Class UJ Units**, and
- 1/12 of 1.25% of the aggregate Net Asset Value of the **Class W Units and Class UW Units**,

at the immediately preceding month-end, plus applicable taxes.

The Management Fees payable in respect of the USD Class Units are payable in Canadian dollars and are calculated based on the Canadian dollar equivalent of the applicable Class Net Asset Value per Unit of the relevant series on the applicable Valuation Date.

Other Classes of the Fund are charged such management fee, if any, as described in the applicable offering document or agreement relating to such Classes.

### ***Performance Fees***

The Fund will pay the Investment Manager a performance fee (the “**Performance Fee**”) each calendar quarter (a “**Performance Fee Determination Period**”) equal to 20% of the Net Profit (as defined herein) of each of the applicable CAD Class Units and USD Class Units, subject to the High Watermark (as defined below). The Performance Fee will be calculated and accrued for each outstanding series of a Class on a weekly basis during each Performance Fee Determination Period based on the Class Net Asset Value per Unit of the relevant series on each Reported Net Asset Value Date during the Performance Fee Determination Period and, with respect to an intra-quarter redemption of Units of a series, on the relevant Redemption Date.

No Performance Fee shall be paid in respect of a particular series of a Class unless the Class Net Asset Value per Unit of that series exceeds the highest Net Asset Value per Unit in respect of which a Performance Fee has been previously paid for that series (the “**High Watermark**”) and, in such circumstances, a Performance Fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.

The Performance Fee is calculated on a series-by-series basis for each Class of Units. As a result, the starting point for the measurement of Net Profit with respect to a new or additional investment in a Class of Units will be the Class Net Asset Value per Unit on the applicable subscription date for the new series of such Class of Units. The previous highest Class Net Asset Value per Unit for any series of a Class achieved prior to the purchase or additional purchase of the new series of Units of the Class will not be considered in determining whether a Performance Fee is payable with respect to such newly issued series of Units of the Class. As a result, different series of Units within the same Class may have different Performance Fees payable at the end of the same Performance Fee Determination Period, based on the level of Net Profit attributable to such series during the period for which the series remains outstanding. In addition, a Unitholder may be subject to a Performance Fee payment with respect to a particular series of Units of a Class even if the investor incurs a net loss with respect to all series (in the aggregate) of the Class which it holds.

Due to the fact that subscriptions for Units may be made on a weekly basis, investors who purchase Units on a Valuation Date which is not at month end will be subject to the Performance Fee for the entire month. This may result in the Units purchased by such investor being charged a Performance Fee for the period of time in the first month during which the Units were not outstanding.

The Performance Fee payable in respect of the USD Class Units is calculated using the U.S. dollar value of the Class Net Asset Value of the relevant series on the applicable Valuation Date, such U.S. dollar value is determined using the aggregate U.S. dollar appreciation of the applicable Class of Units on the applicable Valuation Date.

The Investment Manager may, at its sole discretion, waive any of its fees or rebate them to any Unitholder.

Other Classes of the Fund will be charged such performance fee, if any, as described in the applicable offering document or agreement relating to such Classes.

## ***Expenses of the Fund***

### **Organizational and Initial Offering Expenses**

The Investment Manager paid for the costs of the organization of the Fund and the initial offering of Units, including, without limitation, the fees and expenses of the Fund's legal counsel and auditors.

### **Ongoing Expenses**

The Fund is responsible for the payment of all fees and expenses relating to its day to day operation, including Trustee fees, audit, accounting, record keeping, legal fees and expenses, insurance, research and research tools expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes (including applicable taxes, if any), assessments or other regulatory and governmental charges levied against the Fund, interest and all brokerage fees. The Fund is generally required to pay HST (or other applicable taxes, if any) at the applicable rate on the Management Fee and Performance Fee and most expenses which it pays.

Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes of Units. The Investment Manager shall allocate expenses to each Class of Units in its sole discretion as it deems fair and reasonable in the circumstances.

### ***Underlying Fund Fees and Expenses***

For providing its services to the respective Underlying Funds, the Investment Manager receives a management fee and a performance from the respective Underlying Funds attributable to the certain classes of units of the applicable Underlying Fund. However, any investment by the Fund into units of the respective Underlying Funds will not result in any duplication of management fees and performance fees to the Fund or the investors of the Fund as any investment by the Fund into units of the respective Underlying Funds will only be in a class of units of the applicable Underlying Fund that carry no management fees and performance fees. For greater certainty, the Investment Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Fund. In addition, no sales charges or redemption fees are payable by the Fund in relation to its purchase or redemption of units of the Underlying Fund.

Each Underlying Fund is responsible for the payment of all fees and expenses relating to the Underlying Fund's day to day operation, including Trustee fees, audit, accounting, record keeping, legal fees and expenses, insurance, research and research tools expenses, custody and safekeeping charges, providing financial and other reports to unitholders of the Underlying Fund and convening and conducting meetings of unitholders of the Underlying Fund, all taxes (including applicable taxes, if any), assessments or other regulatory and governmental charges levied against the Underlying Fund, interest and all brokerage fees. The Underlying Fund is generally required to pay HST (or other applicable taxes, if any) at the applicable rate on the management fee and performance fee and most expenses which it pays.

The class of units of the Underlying Fund purchased by the Fund will be responsible for the above expenses specifically related to that class of units of the Underlying Fund and a proportionate share of expenses that are common to all classes of units of the Underlying Fund. As a result Unitholders of the Fund which invests in an Underlying Fund will indirectly bear a proportionate share of such expenses of such Underlying Fund.

Copies of the offering memorandum, the most recent audited annual financial statements and the most recent unaudited semi-annual financial statements of the Underlying Funds in which the Fund is invested in will be made available to Unitholders upon request and can also be found at [www.ehpfunds.com](http://www.ehpfunds.com).

## PAYMENTS TO REGISTERED DEALERS AND ADVISERS

### *Sales Commissions*

A sales commission of up to 5% may be deducted from the subscription amount of Class A Units or Class UA Units and paid by the investor to their Registered Dealer and Adviser with the remaining amount being invested in the applicable Class of Units of the Fund. Sales commissions may be negotiated between the Registered Dealer and Adviser and the investor. Units purchased through the Investment Manager (in its capacity as exempt market dealer) and Units issued on a reinvestment of distributions as described under “Monthly Distributions – Automatic Reinvestment” will not be subject to a sales commission.

No deferred sales charge option is available with respect to the purchase of Units.

### *Trailing Commissions*

The Investment Manager will make arrangements to pay a trailing commission (the “**Trailing Commission**”) to Registered Dealers and Advisers whose clients purchase Class A Units or Class UA Units of the Fund and remain invested in the Fund during the relevant quarter. The Trailing Commission, expressed as an annual percentage of the Class A Net Asset Value per Unit or Class UA Net Asset Value per Unit, is 1.00%. The Trailing Commission payable in respect of the Class UA Units is payable in Canadian dollars and is calculated based on the Canadian dollar equivalent of the Class Net Asset Value of the Class UA Units on the applicable Valuation Date. The Trailing Commission will be paid to Registered Dealers and Advisers on a quarterly basis in arrears for such period of time as the client holds Class A Units or Class UA Units. The Investment Manager does not pay Trailing Commissions in respect of Class F Units, Class I Units, Class J Units, Class W Units, Class UF Units, Class UI Units, Class UJ Units or Class UW Units. Trailing Commissions may be modified or discontinued by the Investment Manager at any time.

## PURCHASE OF UNITS

### **Subscribing for Units**

Units of the Fund are being offered for sale on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation to an unlimited number of subscribers in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Northwest Territories, Nova Scotia and Newfoundland and Labrador (the “**Offering Jurisdictions**”) who qualify as Accredited Investors.

CAD Class Units and USD Class Units are initially offered at \$10.00 and US\$10.00 per Unit, respectively, and thereafter at the applicable Class Net Asset Value per Unit and currency of the relevant series as of each Valuation Date. Fractional Units will be issued up to four decimal points (rounded down).

Purchases of Units can be placed on a weekly basis on or before 4:00 p.m. (Toronto time) (the “**Subscription Deadline**”) (i) on the last Business Day of each week, December 31<sup>st</sup> of each year or any other Business Day as the Investment Manager may designate (each, a “**Valuation Date**”), with respect to CAD Class Units, and (ii) on the second last Business Day of each week or any other Business Day as the Investment Manager may designate, with respect to USD Class Units. Units of the Fund are offered at the Class Net Asset Value per Unit calculated as of the applicable Valuation Date.

Units of the Fund may be purchased in either Canadian dollars or U.S. dollars (the “**U.S. dollar purchase option**”). CAD Class Units may only be purchased in Canadian dollars, while USD Class Units may only be purchased in U.S. dollars. For the purchase of USD Class Units using the U.S. dollar purchase option, the Fund will convert the Class Net Asset Value of the applicable USD Class Units using the Canada/U.S.

dollar exchange rate on the applicable Valuation Date to determine the number of applicable USD Class Units purchased.

The U.S. dollar purchase option is offered only as a convenience and allows the investor to invest in the Fund using U.S. dollars. A Unitholder of USD Class Units will receive U.S. dollars upon redemption of those Units and when receiving cash distributions from the Fund, if any. The purchase of USD Class Units in U.S. dollars will not affect the investment return of the Fund and in particular, will not protect completely against changes in the exchange rate between the Canadian dollar and the U.S. dollar. The performance of the Fund will be determined by the performance of its investments, regardless of which currency used to purchase Units. However, the returns on the applicable USD Class Units will differ from the returns on the Fund's other Classes of Units because the effect and costs associated with employing the hedging strategy will be reflected only in the Class Net Asset Values of the applicable USD Class Units.

Investors wishing to purchase Units must forward a subscription form to the Administrator or the Investment Manager directly or through their Registered Dealer and Adviser in accordance with the procedures set out below.

A properly completed and signed copy of the subscription form may be submitted to the Investment Manager by email to [subscriptions@ehpartners.com](mailto:subscriptions@ehpartners.com) by the applicable Subscription Deadline, provided that the original signed subscription form must be submitted within two Business Days of the applicable Subscription Deadline. If the completed subscription form, together with full payment for the Units subscribed for is received and accepted by the Investment Manager by the Subscription Deadline for a particular Valuation Date, the subscriber will be admitted at the Class Net Asset Value per Unit of the relevant series for the current week. If the subscription form and/or payment for the Units subscribed for is received and accepted by the Investment Manager after the Subscription Deadline for a particular Valuation Date, the subscriber will be admitted at the Class Net Asset Value per Unit of the relevant series for the following week. The Investment Manager, in its discretion, may accept subscriptions after the Subscription Deadline to admit subscribers at the Class Net Asset Value per Unit of the relevant series for the current week.

All subscriptions for Units will be made through the purchase of interim subscription receipts at a fixed net asset value of \$10.00 or US\$10.00, as applicable, per subscription receipt. Following the calculation of the Class Net Asset Value per Unit of the relevant series, the interim subscription receipts will be automatically converted, without any further action on the part of the subscriber, into the appropriate number of Units of the applicable Class and series subscribed for. The number of Units issued will be equal to the net subscription proceeds divided by the applicable Class Net Asset Value per Unit of the relevant series determined as at the Valuation Date for the week in which the subscription was accepted. Consequently, the initial purchase confirmation will confirm the purchase of the interim subscription receipts while a subsequent confirmation will confirm the final number of Units purchased by the subscriber. The number of interim subscription receipts will be different from the final number of Units purchased. The interim subscription receipts are not redeemable and do not carry any voting rights.

The Investment Manager reserves the right to accept or reject subscriptions, provided that any decision to reject an order is made within five Business Days after receipt by the Investment Manager of all required documents and payment for the Units. Any monies received with a rejected order will be refunded without interest or deduction.

The Investment Manager will not accept a subscription from or register as the owner of any Unit an entity who is or would be a non-resident of Canada or a partnership that is not a Canadian partnership within the meaning of the Tax Act if it would cause the Fund to lose its status as a mutual fund trust under the Tax Act.



If at any time the Investment Manager becomes aware that Units are or may become beneficially owned by one or more entities in the circumstances described in the preceding paragraph, the Investment Manager, or any third party on the direction of the Investment Manager, may cause the Fund to redeem all or such portion of the Units at the applicable Class Net Asset Value per Unit on the date of redemption, or on such other terms as the Investment Manager in its sole discretion deems equitable in the circumstances.

A book-based system of registration is maintained for the Fund. Unit certificates will not be issued. The register for the Units is kept at the office of the Trustee.

### **Minimum Investment**

An investment in the Fund is subject to a minimum initial subscription level of \$25,000 for Class A Units and/or Class F Units, US\$25,000 for Class UA Units and/or Class UF Units, \$5,000,000 for Class I Units, US\$5,000,000 for Class UI Units, \$25,000,000 for Class J Units, US\$25,000,000 for Class UJ Units, \$2,000,000 for Class W Units and US\$2,000,000 for Class UW Units. The Investment Manager, in its sole discretion, may accept subscriptions in lesser amounts from time to time.

Subject to compliance with applicable securities laws and the requirements noted above, subsequent investments are subject to an additional minimum investment of \$5,000 for Class A Units and Class F Units respectively, US\$5,000 for Class UA Units and Class UF Units respectively, \$100,000 for Class I Units, Class J Units and Class W Units respectively, and US\$100,000 for Class UI Units, Class UJ Units and Class UW Units respectively, or such lesser amount as the Investment Manager may, in its sole discretion, determine.

This offering is not subject to an aggregate minimum subscription level.

The Investment Manager, in its discretion, may from time to time prescribe a minimum aggregate balance to be maintained by Unitholders of Units of a Class, and may require a Unitholder to redeem all of its Units if the minimum balance is not maintained. See “Redemption of Units – Mandatory Redemptions”.

### **Series Roll Up**

A new series of any Class of Units will be created on the first Valuation Date of each month in order to permit the Performance Fee to be calculated separately with respect to each series. On each Valuation Date within the same calendar month, new subscribers will receive the series that was created on the first Valuation Date of such month. Accordingly, the issue price on each Valuation Date for the series of Class of Units issued within that month may vary.

At the end of each calendar quarter, each series within a Class of Units (other than the series of the Class of Units issued upon the initial offering of such Class (the “**Initial Series**”)) will be re-designated and converted into the Initial Series (after deduction for any Performance Fee attributable to such series for such quarter) (a “**Series Roll Up**”). This will be accomplished by amending the Class Net Asset Value per Unit of all such series so that they are the same, and consolidating or subdividing the number of Units of each such series so that the aggregate Class Net Asset Value of the Class of Units subject to such Series Roll Up held by the Unitholder does not change. The Series Roll Up will be effected at the prevailing Class Net Asset Value per Unit of the Initial Series of the Class of Units. A Series Roll Up will not occur in respect of a series of the Class of Units unless: (i) a Performance Fee is payable in respect of such series; and (ii) both the Class Net Asset Value of such series and the Class Net Asset Value of the Initial Series are above their respective High Watermark at the end of the relevant calendar quarter.

## Securities Law Exemptions

Units of the Fund are only being offered to investors in the Offering Jurisdictions on a continuous basis pursuant to exemptions from the requirements to prepare and deliver a prospectus under applicable securities legislation. The Investment Manager and the Trustee (as applicable) will be responsible for completing any necessary securities regulatory filings for sales of Units and for payment out of the assets of the Fund all associated filing fees.

## REDEMPTION OF UNITS

### How to Redeem Units

A Unitholder may redeem Units as of the last Business Day of each week (a “**Redemption Date**”) at the Class Net Asset Value per Unit of the relevant series, subject to adjustment as described below. Redemption requests must be in writing (including, for greater certainty, orders sent by email) with the Unitholder’s signature to the satisfaction of the Investment Manager. Redemption requests may be made directly to the Fund or through the Unitholder’s Registered Dealer and Adviser. If Units are registered in the name of an intermediary such as a Registered Dealer and Adviser, clearing agency or its nominee, redemption requests must be made through such intermediary.

Redemption requests must be received by the Administrator and the Investment Manager by no later than 4:00 p.m. (Toronto time) on the Redemption Date (the “**Redemption Notice Deadline**”). Redemption requests received after that time will be processed as of the next Redemption Date. Units will be redeemed at the Class Net Asset Value per Unit of the relevant series calculated as at the applicable Redemption Date. The amount payable to a Unitholder for each Unit redeemed will be an amount equal to the Class Net Asset Value per Unit of the relevant series on the Redemption Date, together with the proportionate share attributable to such Units of any distribution which has been declared and not paid, less (i) any redemption charges payable, and (ii) any withholding or other taxes required to be deducted.

If a Unitholder redeems Class W Units within one year of purchasing such Class W Units, the Fund may, at the sole discretion of the Investment Manager, deduct 0.5% of the Class Net Asset Value of such Class W Units being redeemed (“**Early Redemption Fee**”). The Early Redemption Fee is payable to the Investment Manager.

Payment for Units which are redeemed will be made by the Fund either by cheque or wire transfer or by such other manner of payment permitted by the Investment Manager. The redemption proceeds will typically be paid to a Unitholder within three Business Days following the Redemption Date. If the Units redeemed are USD Class Units, the payment of redemption proceeds will be in U.S. dollars. Payments made by cheque will be sent to the Unitholder at his or her last address as shown in the register of Unitholders or to such other address or account as the Unitholder may in writing direct.

Any payment referred to above, unless such payment is not honoured, will discharge the Fund, the Investment Manager, the Trustee, and their delegates from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed.

### Suspension of Redemptions

The Investment Manager may suspend the redemption of Units, or payments in respect thereof, (i) for any period during which the Trustee is closed for business; (ii) for the whole or any part of a period during which normal trading is substantially restricted or suspended on any stock exchange or futures exchange within or outside Canada on which securities are listed and posted for trading, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund, without allowance for liabilities and if those

securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (iii) during any other period in which the Investment Manager determines that conditions exist which impair the ability to determine the value of the assets of the Fund.

Subscriptions for Units (including Units of any affected Class) may be accepted during any period when the obligation of the Fund to redeem Units is limited. The proceeds of such subscriptions shall first be applied to the payment of redemption proceeds in respect of redemption requests received during the period of limitation.

The redemption price will be adjusted by changes in the applicable Class Net Asset Value during the period of suspension and calculated as of the Redemption Date on which the redemption occurs.

Any suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not yet been made, as well as to all requests received while the suspension is in effect. All Unitholders making redemption requests will (unless the suspension lasts for less than 48 hours) be advised by the Investment Manager of the suspension and that redemption requests previously received will be effected on the first Valuation Date following the termination of the suspension. All such Unitholders will (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw any requests for redemption previously submitted.

The suspension will terminate on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of a suspension of redemptions made by the Investment Manager is conclusive. The Unitholder will receive payment of redemption proceeds based on the Class Net Asset Value per Unit of the relevant series on the Redemption Date that next follows the termination of the suspension.

### **Mandatory Redemptions**

The Investment Manager may in its discretion redeem all or a portion of a Unitholder's Units by giving 30 days' prior written notice to the Unitholder, specifying the number of Units to be redeemed. For example, the Investment Manager may cause the Units of any Unitholder to be redeemed if at any time as a result of redemptions the aggregate Class Net Asset Value of the Units held by that Unitholder is less than the minimum balance, if any, set by the Investment Manager.

## **VALUATION**

### **Net Asset Value**

The Net Asset Value of the Fund, as applicable, and of each Class and series of Units of the Fund is determined as at the close of business on each Valuation Date by the Administrator, in consultation with the Investment Manager or such third party appointed by the Investment Manager to calculate, in accordance with the Trust Agreement. A separate Class Net Asset Value (and, where applicable, per series) is calculated for each Class and series of Units.

The Class Net Asset Value per Unit of any Class or series of Units of the Fund on a Valuation Date is obtained by dividing the then fair market value of the assets of the Fund less the aggregate amount of its liabilities, in each case attributable to that Class or series of Units, by the total number of Units of the Class or series outstanding at the time the calculation is made on the Valuation Date and adjusting the result to a maximum of four decimal places (rounded down).

## Valuation Principles for the Fund

The fair market value of the assets and the amount of the liabilities of the Fund, as applicable, shall be calculated utilizing the following valuation policies:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Investment Manager determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Investment Manager determines to be the reasonable value thereof;
- (b) listed securities are valued at their last sale price on the Valuation Date. If no sales occurred on the Valuation Date, however, such securities are valued at the mean of the “bid” and “ask” prices at the close of trading on that date;
- (c) all bonds or debentures will be valued at the mean of the “bid” and “ask” prices at the close of trading on that date or from quotes provided by brokers;
- (d) any special warrants will be marked with a discount of 3.75% per month until the warrants becoming free trading and any purchase warrants if listed, will be valued at last price and if there is a secondary market, at least one independent broker evaluation, otherwise will be marked at intrinsic or zero depending upon borrow availability and transfer restrictions, in all cases determined by the Investment Manager acting reasonably;
- (e) “when issued” securities or any other securities and financial instruments are valued based, to the extent possible, on quotes provided by brokers and other third party pricing sources. Other investments for which a third party quote is not available may be carried on the books of the Fund at cost or at any other value based on relevant sources deemed reliable by the Investment Manager, in its discretion;
- (f) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the manager, administrator or party acting in a similar capacity of the investment fund and available to the Administrator as of a time proximate to the close of business on the date on which the Net Asset Value of the Fund is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the Net Asset Value is being calculated is not available to the Administrator, the value shall be based on an estimate provided by the Investment Manager or in such other manner as the Administrator shall determine;
- (g) liabilities are valued in accordance with IFRS and may include reserves and holdbacks for known liabilities and contingencies; and
- (h) all property of the Fund valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the Administrator.

The value of any security or property to which, in the opinion of the Investment Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Investment Manager from time to time provides.

The Net Asset Value of the Fund and the Class Net Asset Value of the CAD Class Units are calculated in Canadian dollars.

The Class Net Asset Value of the USD Class Units, which are purchased and redeemed only in U.S. dollars, is obtained by converting the Canadian dollar value of the Fund's net assets attributable to its applicable USD Class Units to U.S. dollars using the exchange rate on the applicable Valuation Date and adjusting for the value of the currency hedges entered into in respect of such Units in order to minimize the effect of currency movements between the Canadian dollar and the U.S. dollar. The Class Net Asset Value per applicable USD Class Unit is the U.S. dollar value of such net assets attributable to such Class, as adjusted, divided by the number of such applicable USD Class Units outstanding at that Valuation Date. The costs associated with the currency hedging strategy will be allocated only to the applicable USD Class Units and therefore will be reflected only in the Class Net Asset Values of the applicable USD Class Units, and will not be reflected in the Class Net Asset Values of the other Classes of Units.

## MONTHLY DISTRIBUTIONS

### Monthly Distributions

In accordance with the Fund's investment objective to provide Unitholders with regular distributions, the Fund intends to make monthly distributions to Unitholders of record on the last Business Day prior to the last Valuation Date of each month (the "**Monthly Distribution**"). Monthly Distributions will be paid on a Business Day designated by the Investment Manager that will be no later than the 15<sup>th</sup> day of the following month. The Fund will determine in January of each year an expected distribution amount for the following twelve months. The Monthly Distribution for 2019 for all Classes of Units is targeted to be \$0.035 per Unit or US\$0.035 per Unit, depending on the currency of the Units.

For intra-month weekly redemptions of Units, an investor will not receive the proportioned amount of the distribution for the period of calendar days in the month during which such Units were held.

It is expected that distributions to Unitholders will be characterized as capital gains, dividends and other income for federal income tax purposes. If the return to the Fund (including net realized capital gains from the sale of securities) is less than the amount necessary to fund the Monthly Distributions, the Investment Manager will return a portion of the capital of the Fund to Unitholders to ensure the distribution is paid and, accordingly, Net Asset Value per Unit will be reduced.

There can be no assurance given as to the amount of targeted Monthly Distributions in the future.

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act after taking into account any loss carry forwards and capital gains refunds. So, for any year net income and net realized capital gains exceeds the aggregate amount of the regular Monthly Distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions in such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account any loss carry forwards and all available deductions, credits and refunds).

All distributions will be made on a pro rata basis within each Class to each registered Unitholder determined as of the close of business on the record date of the distribution.

The costs of distributions, if any, will be paid by the Fund.

## **Automatic Reinvestment**

Subject to applicable securities legislation, all distributions to Unitholders (less any amounts required by law to be deducted therefrom) will be automatically reinvested by the Investment Manager for the account of each Unitholder in additional Units of the same Class at the Class Net Asset Value per Unit calculated as of the date of distribution, or if such date is not a Valuation Date, then on the Reported Net Asset Value Date, unless a Unitholder provides the Administrator or Investment Manager with a written or email notification requesting that the Unitholder wishes to receive distributions in cash. Potential investors should keep this policy in mind when determining whether or not an investment in the Fund is suitable for their particular circumstances. Following such issuance of additional Units, the outstanding Units may, at the option of the Investment Manager, be automatically consolidated on a basis such that each Unitholder will hold after the consolidation the same number of Units as it held before the distribution of additional Units, except in the case of a Unitholder that is a non-resident of Canada for purposes of the Tax Act if tax was required to be withheld in respect of the distribution.

No sales charge or commission shall be payable by a Unitholder in connection with any such reinvestment of distributions.

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

The following is, as of September 15, 2017, a general summary of certain of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum and who, for the purposes of the Tax Act and at all material times, is an individual (other than a trust) resident in Canada, deals at arm's length and is not affiliated with the Fund, is the original owner of the Units, will hold their Units as capital property, and has invested in the Units for his or her own benefit and not as trustee of a trust. Unitholders that satisfy all of the foregoing requirements are referred to as "**Canadian Unitholders**" in this summary and this summary only addresses such Canadian Unitholders. This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement", as defined for the purposes of the Tax Act, with respect to the Units.

This summary is based upon the provisions of the Tax Act and the regulations (the "**Regulations**") thereunder as of September 15, 2017, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to September 15, 2017 (the "**Proposed Amendments**"), and an understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**") released prior to September 15, 2017. This summary assumes that the Proposed Amendments will be enacted in the form publicly announced, although no assurance can be given that the Proposed Amendments will be enacted as proposed, if at all. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or any changes in the administrative practices and assessing policies of the CRA, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations.

This summary is based on the assumption the Fund will qualify, at all times, as a "mutual fund trust" for the purposes of the Tax Act or is registered as a "registered investment" under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans. This summary is also based on the assumptions that (i) at no time will over 50% of the Units of the Fund be held by one or more "financial institutions" as defined in section 142.2 of the Tax Act, (ii) at all times, the Fund will constitute a "mutual fund trust" for the purposes of the Tax Act, (iii) at no time will an interest in the Fund be a "tax shelter investment" as defined for the purposes of the Tax Act, and (iv) the Fund will not enter into any arrangement that would constitute a "dividend rental arrangement" for the purposes of the Tax Act.

This summary assumes that none of the issuers of securities held by the Fund will be a “foreign affiliate” of the Fund or any Unitholder thereof as such term is defined in the Tax Act, or a non-resident trust that is not an “exempt foreign trust” as defined in section 94 of the Tax Act. This summary also assumes that (i) the Fund will not be a “SIFT trust” for purposes of the Tax Act, and (ii) the Fund will not be required to include any amount in income pursuant to section 94.1 or section 94.2 of the Tax Act.

If any of the assumptions on which this summary is based are not correct, the tax considerations applicable to Canadian Unitholders may differ materially from those set out below.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the status of an investor, the province or territory in which the investor resides or carries on business and, generally, the investor’s own particular circumstances. It does not describe the tax considerations relating to the deductibility of interest or money borrowed to acquire Units. Moreover, it does not take into account the tax laws of any province or territory or of any jurisdiction outside Canada. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors are urged to consult with their own tax advisors for advice with respect to their particular circumstances.**

### **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, less the portion thereof that it is permitted to deduct and deducts in respect of amounts paid or payable to Canadian Unitholders in that taxation year. An amount will generally be considered to be paid or payable to a Canadian Unitholder in a year if it is paid in the year or if the Canadian Unitholder is entitled to enforce payment of the amount in the year. 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 should generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

In any year where there is more than one Class of Units outstanding, income (or losses) realized in a taxation year with respect to one Class of Units must be netted against losses (or income) realized in that taxation year with respect to all other Classes of Units to determine the Fund’s net income as a whole for the year. This netting may result in the allocation of income or capital gains to Units of a Class that differ from those that would result if Units of that Class had been issued by a separate trust having only one class of Units.

In determining the income of the Fund, the Fund intends to take the position that gains or losses realized upon dispositions of securities will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on an investment business of buying and selling securities, or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. In addition, the Fund has made an irrevocable election under subsection 39(4) of the Tax Act for all “Canadian securities” owned by the Fund to be deemed to be capital property owned by the Fund for the purposes of the Tax Act (subject to limited exceptions, which may apply under certain circumstances, including where the Fund does not qualify as a “mutual fund trust”). In certain circumstances, losses of the Fund may be suspended or restricted, and therefore would not be available to shelter income or capital gains.

The Fund should be entitled for each taxation year throughout which it is a “mutual fund trust” (as defined for the purposes of the Tax Act) to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units

during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund, if any, for such taxation year which may arise upon the sale or other disposition of a security in connection with the redemption of Units.

The Fund is required to include in its income for each taxation year all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The Fund will also be required to include in its income for each taxation year any dividends (or deemed dividends), if any, received (or deemed to be received) by it in such year on securities held in the portfolio and generally any other income earned on its investments.

In computing its income, 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 cost and expenses associated with the offering of Units under this Offering Memorandum that are paid by the Fund 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’s portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest 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 in accordance with the detailed rules contained in 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.

The Fund intends to report amounts derived from the settlement of derivative instruments on either income or capital account for purposes of the Tax Act depending upon the nature of the instrument, including whether it was acquired or established to hedge against movement in the value of another asset of the Fund, and the potential application of the derivative forward agreement rules in the Tax Act.

The Fund may be subject to the “straddle loss” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by the Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules apply to any losses realized on a “position” entered into after March 21, 2017, and are subject to various exceptions set out in the Tax Act.

The Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay foreign income or profits tax to such countries. To the extent such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund’s income, the Fund may designate a portion of its foreign source income in respect of a Canadian Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Canadian Unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

The Fund is registered as a “registered investment” under the Tax Act. As a result, if the Fund is not a “mutual fund trust” at the end of any month, the Fund will be subject to a special tax under Part X.2 of the



Tax Act if, generally, at the end of that month, the Fund holds property that is not a “qualified investment” under the Tax Act for registered plans. The Investment Manager expects to restrict the investments of the Fund, as required, so that the Fund will not be liable for tax under Part X.2 of the Tax Act.

The Tax Act provides for a special tax on “designated income” of certain trusts that are not mutual fund trusts and that have “designated beneficiaries”. The Investment Manager will restrict persons who would be designated beneficiaries of the Fund from owning Units when the Fund is not a mutual fund trust. Accordingly it is expected that the special tax on designated income will not apply to the Fund.

The Fund may be subject to alternative minimum tax, and will not be eligible for capital gains refunds, under the Tax Act in any taxation year throughout which the Fund is not a mutual fund trust for purposes of the Tax Act.

### **Taxation of Canadian Unitholders**

A Canadian Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income, including the net realized taxable capital gains, paid or payable to the Unitholder in the Fund’s taxation year (whether in cash or in additional Units).

The non-taxable portion of net realized capital gains of the Fund paid or payable to a Canadian Unitholder in a taxation year will not be included in the Unitholder’s income for the year and will not reduce the adjusted cost base of the Unitholder’s Units provided the Fund makes a designation in respect of the amount of such capital gains. Any amount in excess of the Fund’s net income and the non-taxable portion of net realized capital gains designated to the Unitholder for a taxation year that is paid or payable to the Unitholder in such year will not generally be included 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 would 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 of Units will be increased by the amount of such deemed capital gain.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount which 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 without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Canadian 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. To the extent that the adjusted cost base of a Unit is reduced to less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain.

All amounts not denominated in Canadian dollars, including the cost and proceeds of disposition of USD Class Units and any distributions denominated in US dollars in respect thereof, 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, a Canadian Unitholder who holds USD Class Units may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Provided that appropriate designations are made by the Fund, generally, such portion of (a) the net realized taxable capital gains of the Fund, (b) the taxable dividends (or deemed dividends) received by the Fund on shares of taxable Canadian corporations, and (c) foreign source income of the Fund, as is paid or becomes payable to a Canadian Unitholder will effectively retain its character and be treated as such in the hands of the Canadian Unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply.

The Class Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued at the time 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 for the Units.

Upon the redemption of a Unit, a Canadian Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represent an amount that is otherwise required to be included in the Unitholder's income as described above), net of reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Unit to a Canadian Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units of the same Class owned by the Unitholder as capital property immediately before that time. The cost of a Unit received on the reinvestment of distributions of the Fund will be equal to the amount reinvested. If the Fund distributes property in-kind, a Canadian Unitholder's proceeds of disposition would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Fund on the disposition.

Based on published administrative positions of the CRA, a redesignation of Class A Units to Class F Units, or vice versa, or Class UA Units to Class UF Units, or vice versa, should not result in a disposition of the Units. However, the CRA has made statements which suggest that a re-designation of Class A Units or Class F Units to Class UA Units or Class UF Units, or vice versa, would likely give rise to a taxable disposition of the Units. Unitholders should consult with their own tax advisors in this regard.

One-half of any capital gains ("taxable capital gains") realized by a Canadian Unitholder will be included in the Unitholder's income and one-half of any capital loss ("allowable capital losses") realized may generally be deducted only from taxable capital gains in accordance with the provisions of the Tax Act.

Generally, net income of the Fund paid or payable to a Canadian Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

## **ELIGIBILITY FOR INVESTMENT**

Provided that, at all times, the Fund is a "mutual fund trust" or is registered as a "registered investment" under the Tax Act for registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs") and deferred profit sharing plans, Units will be qualified investments for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs") and tax-free savings accounts ("TFSA").

Notwithstanding the foregoing, if Units are "prohibited investments" for a TFSA, RRSP or RRIF (or, pursuant to Proposed Amendments released on March 22, 2017, an RESP or RDSP), a holder of the TFSA or RDSP, a subscriber under the RESP, or an annuitant of the RRSP or RRIF, as the case may be, (each a "**Plan Holder**") will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes (but is not limited to) a unit of a trust which does not deal at arm's length with the Plan Holder, or in which the Plan Holder has a "significant interest" (as that term is defined in the Tax Act), which, in general terms, means the ownership of 10% or more of the value of the trust's outstanding units by the Plan Holder, either alone or together with persons with whom the Plan Holder does not deal at arm's length. In addition, Units will not be a "prohibited investment" if such Units are "excluded property" as defined in the Tax Act for a TFSA, RRSP, RESP, RDSP or RRIF. Plan Holders are advised to consult their own tax advisors with respect to whether Units are "prohibited investments" for their TFSAs, RRSPs, RESPs, RDSPs or RRIFs.

## TAX INFORMATION REPORTING

### *Foreign Account Tax Compliance Act; Certain Withholding Taxes and Information Reporting Requirements*

#### **INVESTOR'S RELIANCE ON U.S. FEDERAL TAX ADVICE IN THIS DOCUMENT**

**THE DISCUSSION CONTAINED IN THIS DOCUMENT AS TO U.S. FEDERAL TAX CONSIDERATIONS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES. SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. EACH TAXPAYER SHOULD SEEK U.S. FEDERAL TAX ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

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

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

All Unitholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Fund may from time to time request. Failure to provide requested information may subject a Unitholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory withdrawal or other termination of the Unitholder's interest in the Fund.

#### ***CRS***

On December 15, 2016, Part XIX of the Tax Act was enacted, which came into force on July 1, 2017 and implements the "Common Reporting Standard" ("CRS") in Canada. Part XIX of the Tax Act facilitates the collection of information by the CRA with respect to the holders of "reportable accounts" with "Canadian financial institutions" that are not "non-reporting financial institutions". Together with certain of Canada's bilateral and multilateral agreements with foreign countries, Part XIX of the Tax Act also facilitates the exchange of information relating to "reportable accounts" between the CRA and foreign revenue authorities.

In connection with CRS, Unitholders may be required to provide additional information to the Fund in

order to permit the Fund to satisfy its CRS-related reporting obligations under the Tax Act. In the event that Unitholders do not supply certain information requested by the Fund, such Unitholders may be subject to penalties under the Tax Act. Information pertaining to Unitholders (and their investments in the Fund) may be provided to the CRA, and from the CRA to certain foreign revenue authorities.

The Fund, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any obligations imposed on it under the Tax Act in respect of CRS.

The Fund's ability to satisfy its obligations under Part XIX of the Tax Act depends on each Unitholder providing the Fund with any information, including information concerning the direct or indirect owners of such Unitholder, that the Fund determines is necessary to satisfy such obligations. **In its subscription agreement, each Unitholder will, amongst other things, agree to provide such information and documentation upon request from the Fund.** If a Unitholder provides information and documentation that is misleading, or it fails to provide the Fund (or its agents) with the requested information and documentation necessary in either case to satisfy the Fund's obligations under the Tax Act, then the Fund reserves the right to **(i) take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the Unitholder's Units; and (ii) hold back from any redemption proceeds, or deduct from the Net Asset Value in respect of the Unitholder's Units, any liabilities, costs, expenses, penalties or taxes caused (directly or indirectly) by the Unitholder's action or inaction.** Unitholders are encouraged to consult with their own tax advisors regarding the possible implications of CRS in respect of their interests in the Fund.

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

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

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

#### **RISK FACTORS**

There are risks associated with an investment in the Fund, as a result of, among other considerations, the proposed nature and operations of the Fund. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Fund is not intended as a complete investment program. There is a risk that an investment in the Fund will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. **The following does not purport to be an adequate summary of all the risks associated with an investment in the Fund.**

#### ***Investment Risk Rating***

The Investment Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is right for the investor. The Investment Manager's determination of the investment risk rating for the Fund is guided by the methodology recommended by the Fund Risk Classification Task Force of The Investment Funds Institute of Canada (the "Task Force"). The Task Force concluded that the most comprehensive, easily understood form of risk is the historical

volatility of a fund as measured by the standard deviation of its performance. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. A fund's risk is measured using rolling one, three and five year standard deviation and comparing these values against other funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods.

For new funds or funds which have a historical performance of less than three to five years, an appropriate benchmark index is used to estimate the expected volatility and therefore risk level of the fund. The Fund's benchmark is a 50% weighting in the S&P/TSX Composite Total Return Index and a 50% weighting in the S&P 500 Total Return Index in U.S. dollar terms. However, you should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Fund's and the Fund's benchmark's historical volatility may not be indicative of its future volatility.

In accordance with the methodology described above and comparing the calculated standard deviation of the Fund and its benchmark to the standard deviation range as recommended by the Canadian Securities Administration in the chart below, the Investment Manager has rated the Fund's investment risk as Low to Medium.

<b>Standard Deviation</b>	<b>CSA Fund Facts Investment Risk Scale</b>
0 – 6.0	Low
6.0 – 11.0	Low to Medium
11.0 – 16.0	Medium
16.0 – 20.0	Medium to High
>20.0	High

### ***Achievement of Investment Objective and No Guaranteed Return***

There can be no assurance that the Fund will be able to achieve its investment objective or that an investment in CAD Class Units or USD Class Units will earn any positive return in the short or long-term. The value of the CAD Class Units or USD Class Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the portfolio of the Fund. An investment in CAD Class Units or USD Class Units is more volatile and risky than some other forms of investments. All prospective Unitholders should consider an investment in the Fund within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

### ***Reliance on Investment Manager***

The Fund will be highly dependent upon the expertise and abilities of the Investment Manager. The loss of services of key personnel of the Investment Manager could adversely affect the Fund. Unitholders have no right to take part in the management of the Fund.

Substantially all decisions with respect to the management of the Fund's investments will be made exclusively by the Investment Manager (although it may delegate administrative responsibilities from time to time). The Investment Manager will make and implement decisions with respect to the investment of the assets of the Fund. The Investment Manager has substantial authority to identify, structure, execute, administer, monitor and liquidate the portfolio comprising the Fund's investment portfolio based on its

judgement. The ability of the Fund to identify attractive investment opportunities is substantially dependent upon the Investment Manager.

### ***Lack of Operating History***

The Fund is a relatively newly-formed investment vehicle with a short operating history and earnings record. The Fund has a limited history of business operations and has nominal assets. There is no assurance that the Fund will be able to successfully achieve its investment objective or operate profitably over the short or long-term. Investors will have to rely on the expertise and good faith of the Investment Manager to carry on the business of the Fund. There is currently no public market for Units and none is expected to develop.

### ***Illiquidity of Units***

While Unitholders may redeem their Units as described herein, under certain conditions redemptions may be temporarily restricted or suspended. Unitholders requesting redemptions may therefore potentially experience delays in receiving redemption payments. An investment in Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to this investment.

### ***Nature of Units***

Securities such as the Units share certain attributes common to both equity securities and debt instruments. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The Units represent an undivided fractional interest in the Fund. Unitholders of the Fund will have no right to participate in the day-to-day operations of the Fund.

### ***Fees and Expenses***

The Fund is obligated to pay management fees and other expenses regardless of whether the Fund realizes a profit. Under certain circumstances, the Fund may be subject to significant indemnification obligations in respect of the Trustee, the Investment Manager or certain affiliated parties.

### ***Fund of Fund Risk***

The Fund may invest directly in, or obtain exposure to, other mutual funds and/or ETFs as part of their investment strategy. Consequently, the Fund is also subject to the risk of the underlying funds. If an underlying fund suspends redemptions, the Fund may be unable to value part of its portfolio related to the investment in the underlying fund and may be unable to redeem its investment in the underlying fund, which may have an adverse impact on the Fund's ability to satisfy redemption requests from its Unitholders.

### ***Risks Arising from Multiple Classes of Units***

Since the Fund may have multiple Classes of Units, each Class will be charged, as a separate Class, any expenses such as Management Fees that are specifically attributable to that Class. However, all other expenses of the Fund generally will be allocated among the various Classes of Units in a fair and equitable manner, and a creditor of the Fund may seek to satisfy its claims from the assets of the Fund as a whole, even though its claim relates only to a particular Class of Units.

### ***Class Risk with respect to the USD Class Units***

With respect to USD Class Units, the Investment Manager intends to hedge against movements of the Canadian dollar relative to the U.S. dollar. While the Investment Manager will attempt to hedge this risk

there can be no guarantee that it will be successful in doing so. Hedging transactions will be attributable to a specific Class, in this case, the USD Class Units. The costs and gains/losses of hedging transactions will accrue solely to the relevant hedged USD Class Units and will be reflected in the Class Net Asset Value per Unit of that Class. Investors should note that there is no segregation of liability between Classes of Units. Unitholders are therefore exposed to the risk that hedging transactions undertaken with respect to one Class may unfavorably impact the Net Asset Value of another Class.

### ***Investment Manager Must Follow Certain Trading Policies***

As a result of the application of applicable Canadian securities laws, the Investment Manager has adopted certain trading policies to which it must adhere in respect of the investment activities by the Fund. These internal trading policies may be amended or rescinded in the future due to changes relating to the Investment Manager or changes in applicable securities laws.

### ***Monthly Distributions***

The Investment Manager can give no assurances that it will meet its stated monthly targeted distribution rate.

### ***Potential Conflicts of Interest***

The Investment Manager is required to satisfy a standard of care in exercising its duties with the Fund. However, neither the Investment Manager nor its partners, officers, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Fund (including any Underlying Funds). Certain inherent conflicts of interest arise from the fact that the Investment Manager and its affiliates may carry on investment activities for other clients (including investment funds sponsored by the Investment Manager and its affiliates; which may include the Underlying Funds) or on a proprietary basis in which the Fund will have no interest. Future investment activities by the Investment Manager, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Investment Manager and its affiliates may also engage in the promotion, management or investment management of any other fund or trust (including any Underlying Funds) or engage in other activities. In addition, partners, officers and employees of the Investment Manager may act as partners, directors or officers of other entities that provide services to other investment funds or clients (including any Underlying Funds).

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

Investment decisions for the Fund will be made independently of those made for other clients, comprising other funds or managed accounts under the Investment Manager's responsibility (including any Underlying Funds). However, the Investment Manager may make the same investment for the Fund and for one or more of its other clients (including any Underlying Funds). If the Fund and one or more of the other clients (including any Underlying Fund) of the Investment Manager are engaged in the purchase or sale of the same security, the transactions will generally be effected on an equitable basis. However, the Investment Manager may determine from time to time that some investment opportunities are appropriate for certain clients and not others, including the Fund, due to differing objectives, time horizons, liquidity needs or

availability, tax consequences and assessments of general market conditions and of individual securities. The Investment Manager may also occasionally determine it to be necessary to allocate limited investment opportunities among the Fund and any other funds or managed accounts under its responsibility (including any Underlying Funds), on a basis deemed appropriate by the Investment Manager. Certain funds or managed accounts may therefore show a gain or a loss that would otherwise not be present within other funds or accounts managed by the Investment Manager.

The Investment Manager and its partners, and their respective directors, officers, employees, agents and associates of the Investment Manager who have access to, or participate in formulating and making decisions on behalf of the Fund or advice to be given to the Fund (each, a “Responsible Person”) or affiliates of such Responsible Persons are also partners, directors or officers of the Underlying Funds. The Fund’s investment in an Underlying Fund creates a potential conflict of interest for the Investment Manager relating to the voting of the units of the Underlying Fund held by the Fund in that certain officers and directors of the Investment Manager may be a substantial security holder of the Investment Manager and also may have a significant interest in the Underlying Fund. The Investment Manager intends to address this potential conflict of interest by not voting any units of the Underlying Fund held by the Fund (should the requirement for a vote arise); rather, the Investment Manager will make arrangements to permit Unitholders of the Fund to exercise the votes attaching to the Fund’s investment in the Underlying Fund.

The investment by the Fund in units of an Underlying Fund will not result in any duplication of management fees and performance fees to the Fund or the investors of the Fund and the Investment Manager will not receive any management fees or performance fees in respect of the units of the Underlying Fund to be purchased by the Fund.

### ***Taxation of the Fund***

If the Fund were to cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects. More generally, there can be no assurance that income tax laws and the treatment of the Fund will not be changed in a manner which adversely affects Unitholders and the Fund

### ***Tax Risk***

If the Fund experiences a “loss restriction event” (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Fund will be subject to 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 affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary of the Fund, and a group of persons is deemed not to become a majority-interest group of beneficiaries of the Fund, if the Fund meets certain investment requirements and qualifies as an “investment fund” under the applicable rules in the Tax Act.

### ***US FATCA Compliance***

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 CRA, in order to avoid FATCA Withholding Tax being imposed on



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

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

### ***Potential Liability of Unitholders***

The Trust Agreement provides that no Unitholder shall be subject to any personal liability for the satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Fund or the Trustee, but rather only the Fund property is intended to be liable and subject to levy or execution for such satisfaction.

### ***Changes in Applicable Law***

Legal, tax and regulatory changes may occur that can adversely affect the Fund and Unitholders.

### ***Not offered by Prospectus***

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

### ***Effect of Redemption***

The Investment Manager may be required to liquidate positions more rapidly than would otherwise be desirable if there are substantial Unitholder redemptions within a short period of time. This could adversely affect the value of the remaining Units of the Fund. In addition, reductions in the asset base of the Fund could make it more difficult to achieve the Fund's investment objectives.

### ***Investment Strategy of the Fund***

There is no guarantee that the investment strategies or programs used by the Fund will be successful, and investment results may vary substantially over time. Past performance may not be indicative of future results. The securities and instruments in which the Fund may invest may be illiquid and adversely affected by exchange regulations or the risk of failure of any of the exchanges on which such instruments trade or their clearing houses, if any. The Fund may be adversely affected by changes in applicable law. Some of the additional risks associated with the Fund are described below.

### ***Use of Leverage***

The Fund may use leverage, including purchasing securities with borrowed funds, selling securities short and derivatives to make investments. If such investments decline in value, the loss will be magnified if the Fund has borrowed money to make its investments. The Fund may not be able to repay borrowings or it may be forced to sell investments at a disadvantageous time in order to repay borrowings. Costs incurred in connection with the use of leverage may not be recovered by income or appreciation in the investments purchased, and may be lost in the event of a decline in the market value of such securities. In the event of a precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt. The Fund may elect to sell its more liquid assets first to repay borrowings, thus increasing its concentration in less liquid securities.

### ***Short Selling***

The Fund may engage in short-selling of securities. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the security sold short increases. Any gains are decreased by the amount of any payment or interest that Fund may be required to pay with respect to the borrowed securities. Short sales may only be maintained if the securities can be borrowed. It may not be possible at times for the Fund to borrow the securities it wishes to sell short or maintain the borrowing of a security sold short. The borrowed securities may need to be returned on short notice. If the securities cannot remain borrowed the Fund could be required to cover the short sale by borrowing the security elsewhere or by purchasing securities at a higher price than the short sale transaction thereby creating a loss. If the price of a security that has been sold short increases, there is theoretically no limit to the loss that could be incurred in covering a short sale, as there is no limit on how much the price of a stock may appreciate before the short position is closed out.

### ***Derivatives***

The Fund may purchase and sell options or enter into other derivative transactions. These transactions may be used for any purpose, including hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or group of securities. Use of derivatives in generally presents additional risks. If used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose it to the risk of loss. Risks associated with options or other derivative instruments may differ from the risks associated with the underlying assets. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

The Fund may employ various options strategies to increase its income return including but not limited to, uncovered and covered call and put writing. The derivatives that the Fund may use in this regard are clearing corporation and over-the-counter (OTC) options or forwards. The uncovered selling of an option general exposes the seller to unlimited risk. The ability of the Fund to close out a position as a purchaser or writer of a listed put or call option is dependent, in part, upon the liquidity of the option market.

### ***Trading Errors***

In the course of carrying out trading and investing responsibilities on behalf of the Fund, Investment Manager personnel may make "trading errors". Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are typically distinguishable from errors in judgment, due diligence or other factors leading to a

specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by personnel of the Investment Manager. Consequently, the Investment Manager will (unless the Investment Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Fund, unless they are the result of conduct by the Investment Manager, which is inconsistent with the Investment Manager's standard of care.

### ***General Economic and Market Conditions***

Changes in economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances may adversely affect the Fund's operations and/or its investment returns. 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.

### ***Fixed Income Securities***

The Fund may invest in bonds or other fixed income securities of U.S., Canadian and other issuers. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). 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, to the extent that the Fund holds any 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.

### ***Credit Market Disruptions***

From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. These factors can result in leveraged strategies being required to sell positions – typically at a highly disadvantageous price – in order to meet margin requirements. Such conditions could cause a reduction in revenue or losses in the Fund's leveraged strategies.

### ***High-Yield Securities***

The Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. The market values of certain of these lower-rated and unrated debt securities tend to reflect changes in the issuer's own circumstances to a greater extent than do high-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are lower-rated securities. It is possible that a major economic recession could disrupt severely the market for such high-yield securities and may have an adverse impact on the value of such securities or the ability of the issuers of such securities to repay principal and pay interest thereon.

### ***Use of Prime Brokers***

Since the Fund may engage in short-selling of securities, some or all of the assets of the Fund may be held in one or more margin accounts with one or more prime brokers. These accounts may provide a lower level of segregation of assets than would be the case for a traditional custody account. The prime brokers may lend, pledge or hypothecate the assets of the Fund held in those accounts, which may result in potential loss. If a prime broker experiences financial difficulty, the assets of the Fund could become frozen or inaccessible, resulting in illiquidity of the Fund and inability to undertake its investment strategies, and the Fund could experience losses if such prime broker has insufficient assets to satisfy the claims of its creditors.

### ***Portfolio Turnover***

The Investment Manager adjusts the proportions of investments held in the Fund on a relatively frequent basis. In order to do so, the Investment Manager actively trades on a frequent ongoing basis, such that the operation of a Fund may result in a high, annual portfolio turnover rate. The amount of leverage that a Fund operates at also exaggerates the turnover rate of the Fund. The Investment Manager has not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Investment Manager, investment considerations warrant such action. The high rate of portfolio turnover of the Fund involves correspondingly greater expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs), and the greater the chance that a Unitholder receiving distributions of income or capital gains from the Fund in a year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

### ***Special Situation Investing***

The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including management or shareholder opposition, government intervention, an attempt by a third party to acquire the offeror, market conditions resulting in material changes in securities prices, compliance with any applicable legal requirements and inability to obtain adequate financing. Additionally, such investment can result in a distribution of cash or a new security the value of which is less than the purchase price of the security in respect of which such distribution is received. Similarly if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss.

### ***Hedging***

Although a hedge is intended to reduce risk, it may not eliminate risk entirely. A hedging strategy may not be effective under certain market conditions arising from adverse economic, political or other disruptive events. A hedge can result in a loss in these cases.

The Canadian dollar value of the Fund's net assets attributable to its USD Class Units will be hedged back to U.S. dollars. The returns on the USD Class Units will differ from the returns on the Fund's other Classes of Units because the entire effect of this currency hedging, as well as the costs associated with employing the hedging strategy, will be reflected only in the Class Net Asset Values of the applicable USD Class Units. Hedging will limit the opportunity for gain as a result of an increase in the Canadian dollar relative to the U.S. dollar. Therefore, generally, the USD Class Units will not benefit from an increase in the value of the Canadian dollar against the U.S. dollar.

### ***Illiquidity of Underlying Investments***

Certain securities in which the Fund may invest may be unlisted, distressed or otherwise illiquid and difficult to value. The valuation of these securities is subject to a significant amount of subjectivity and

discretion. There is no guarantee that fair value will be realized by the Fund on the sale of these securities. Options and other derivative securities may themselves be illiquid at times, irrespective of the condition of the market of the underlying security, making it difficult to offset existing positions in order to either realize gains thereon, limit losses or change positions in the market.

### ***Performance Fees***

The Investment Manager will be paid performance-based fees. Performance-based fees may create an incentive for the Investment Manager to engage in investment strategies and make investments that are more speculative than would be the case in the absence of such fees.

### ***Net Asset Value***

The calculation of the net asset value of the Fund will be based on estimated values provided by independent broker-dealers and/or the Investment Manager regarding investments, which may be illiquid and thinly traded. In certain circumstances estimated net asset values for such assets may be subject to later revision. No adjustments will be made to the net asset value of the Fund if those estimated values are subsequently determined to be inaccurate. The Fund, the Trustee and the Administrator are entitled to rely on such valuations without independent verification.

### ***Foreign Market Exposure***

The Fund may, at any time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Volume and liquidity in some foreign markets may be less than in Canada and the United States and, at times, volatility of price may be greater than in Canada or the United States. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy, and the effect of local market conditions on the availability of public information. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

### ***Foreign Currency Exposure***

Some of the investments of the Fund, at any time, will consist of securities denominated in currencies other than the Canadian dollar (primarily the U.S. dollar) and, accordingly, the Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. However, the Investment Manager may hedge the Canadian dollar exposure to the foreign currency in whole or in part. There can be no assurance that gains or losses on currency hedging transactions will be matched in timing or characterization with losses and gains on the securities valued in foreign currencies in which the Fund invests.

In addition, movements in the exchange rate between the U.S. dollar and the Canadian dollar value of the net assets attributable to the USD Class Units of the Fund could reduce the U.S. dollar value of those Units. While the Fund seeks to hedge this exposure, any such hedging may not fully offset this risk.

Investors should note that an investment in USD Class Units may be more suitable for investors who want to invest in the Fund in U.S. dollars. The Canadian dollar value of the Fund's net assets attributable to its applicable USD Class Units will be hedged back to U.S. dollars in an attempt to minimize the effect of the fluctuations in the exchange rate between the Canadian dollar and U.S. dollar and to achieve substantially

similar performance and returns as the applicable CAD Class Units. However, the returns on the respective USD Class Units will differ from the returns on the respective CAD Class Units because the entire effect of this currency hedging, as well as the costs associated with the hedging strategy (such as derivative transaction costs and incentive fees), will be reflected in the Class Net Asset Values of the applicable USD Class Units only. As such, USD Class Units are intended for investors who wish to invest in the Fund, which is a Canadian denominated fund, in U.S. dollars but wish to minimize the effect of the fluctuations in exchange rate between the U.S. and Canadian currencies. There may be circumstances where the Fund may not be able to fully hedge at all times its Canadian dollar exposure back to U.S. dollars in respect of the applicable USD Class Units, in which case the fluctuations in exchange rate between the U.S. and Canadian currencies will affect the returns of the applicable USD Class Units. USD Class Units are not suitable for investors who want to speculate on changes in the exchange rate between the Canadian dollar and U.S. dollar.

## **REPORTING TO UNITHOLDERS AND MEETINGS OF UNITHOLDERS**

### **Reporting to Unitholders**

Unitholders will receive statements, at least annually, setting out such information as may be appropriate. Interim reporting to Unitholders will be at the discretion of the Investment Manager. However, the Investment Manager intends to publish the Class Net Asset Value per Unit for each Class as soon as it is available following each Valuation Date.

The fiscal year end of the Fund is December 31. Unitholders will be sent audited annual financial statements within ninety (90) days of year end and unaudited semi-annual financial statements within sixty (60) days of June 30, or as otherwise required by law. Unitholders will receive the applicable required tax form(s) within ninety (90) days of the end of the year to which such forms relate.

Each of the Investment Manager and the Trustee will keep or will cause to be kept adequate books and records reflecting the activities of the Fund. A Unitholder or its duly authorized representative will have the right to examine the books and records of the Fund during normal business hours at the offices of the Trustee or the Investment Manager from time to time. Notwithstanding the foregoing, a Unitholder shall not have access to any information which, in the opinion of the Trustee and the Investment Manager, should be kept confidential in the interests of the Fund.

Holders of Class I Units, Class J Units, Class W Units, Class UI Units, Class UJ Units and Class UW Units shall have the right to receive additional financial information of the Fund and reports relating to the investment activities and portfolio of the Fund as may be agreed to in writing from time to time with the Investment Manager.

### **Meetings of Unitholders**

The Fund will not hold regular meetings, however the Investment Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Investment Manager must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 50% of the outstanding Units of the Fund (or of a Class with respect to a Class meeting) in accordance with the Trust Agreement, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Investment Manager shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

Units of a Class shall vote separately as a Class if the notice calling the meeting so provides.

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

Any consent of Unitholders under the Trust Agreement must be given by not less than 50% of the Units or Units of a Class, as applicable.

### **AMENDMENTS TO THE TRUST AGREEMENT AND TERMINATION OF THE FUND**

Any proposed change to the Trust Agreement that would adversely affect the Net Asset Value of the interest of the Unitholders as a whole and/or of a Class or series of the Fund, may only take effect upon either: (a) the approval of not less than a majority of the votes cast at a meeting of Unitholders of the Fund or of a Class or series of the Fund, as the case may be, duly called for the purpose of considering the proposed change (or by written resolution in accordance with the terms of the Trust Agreement); or (b) after 60 days' written notice of the proposed change has been given to the Unitholders in accordance with the terms of the Trust Agreement and each Unitholder has been given the opportunity to redeem all of such Unitholder's Units.

The Fund may be terminated on the occurrence of certain events stipulated in the Trust Agreement. The Trustee or the Investment Manager may resign as trustee or investment manager of the Fund, and if no successor is appointed, the Fund will be terminated. On termination of the Fund, the Investment Manager will distribute the assets of the Fund in cash or in kind in accordance with the Trust Agreement.

### **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, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Fund is a related issuer of the Investment Manager. The Investment Manager will earn fees from the Fund.

The Investment Manager may engage in activities as an investment fund manager, portfolio manager and exempt market dealer in respect of securities of related issuers but will do so only in compliance with Sections 13.5 and 13.6 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators.

### **STATEMENT OF RELATED REGISTRANTS**

Applicable securities legislation also requires securities dealers and advisers to inform their clients if the dealer or adviser has a principal shareholder, director or officer that is a principal shareholder, director or officer of another dealer or adviser and of the policies and procedures adopted by the dealer or adviser to minimize the potential for conflicts of interest that may result from this relationship.

The Investment Manager does not have any principal partner, director or officer that is a principal shareholder, director or officer of another dealer or adviser.

### **MATERIAL CONTRACTS**

The material contract of the Fund is the Trust Agreement, a copy of which may be inspected at the office of the Trustee during normal business hours.

### **PROMOTER**

EdgeHill Partners is the promoter of the Fund, having taken the initiative in its establishment.

### **VALUATIONS/RECORD KEEPER**

The Administrator, or such third party as the Investment Manager may appoint pursuant to the Trust Agreement, acts as valuation agent and record keeper of the Fund.

### **CUSTODIAN**

The custodian of the assets of the Fund shall be one or more financial institutions and/or their affiliates, in their role as prime broker to the Fund or such third party or parties as may be appointed by the Investment Manager pursuant to the Trust Agreement.

### **AUDITORS**

The auditors of the Fund are KPMG LLP, or such other party as the Investment Manager may retain.

### **STATUTORY AND CONTRACTUAL RIGHTS OF ACTION**

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

#### ***Ontario***

Section 130.1 of the *Securities Act* (Ontario) (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 under section 2.3 of NI 45-106 and in subsection 73.3(1) of the Ontario Act (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 in the event that an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases Units covered by the offering memorandum or any amendment to it has a right of action 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; and

- (d) 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 has,

without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual.

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.

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 business days of receiving the amended offering memorandum.

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.

### ***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 and (ii) every director of the issuer at the date of 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***

The Securities Act (New Brunswick) (the “**New Brunswick Act**”) provides that, subject to certain limitations, where this Offering Memorandum or any amendment thereto, which is provided to a purchaser of Units contains an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (a “misrepresentation”), a purchaser who purchases Units shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has, subject to certain defences, a right of action for damages against the Fund or may elect to exercise a right of rescission against the seller, in which case he shall have no right of action for damages, provided that:

- (a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered.

The right of action for rescission or damages described herein is conferred by section 150 of the New Brunswick Act and is in addition to and without derogation from any right the purchaser may have at law.

Pursuant to section 161 of the New Brunswick Act, no action shall be commenced to enforce a right of rescission unless such action is commenced not later than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

### ***Newfoundland and Labrador***

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that if this Offering Memorandum contains a misrepresentation, a purchaser who purchases Units offered by this 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; and

- (ii) every director of the Fund at the date of this 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, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

When a misrepresentation is contained in this 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 this 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 this 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 this 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 this 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 this 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 contractual 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.

#### ***Rights for Purchasers in 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 issuer;
  - (ii) the selling security holder on whose behalf the distribution is made;
  - (iii) every director of the issuer 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 issuer; 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 issuer, 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 issuer 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 issuer 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 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 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 issuer 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 issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation

- (a) was based on information previously publicly disclosed by the issuer;
- (b) was a misrepresentation at the time of its previous public disclosure; and

- (c) was not subsequently publicly corrected or superseded by the issuer 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 exemption contained in section 2.3 of NI 45-106 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.

## **APPENDIX A – SELLING RESTRICTIONS**

### **Restrictions on sales in selected jurisdictions**

The Fund believes the legends below are applicable and accurate. However such legends have not been prepared, verified or approved by legal counsel to the Fund in each jurisdiction.

To the extent any of the confidentiality provisions contained in some legends below impose greater confidentiality restrictions than those already imposed herein, such additional confidentiality provisions shall be interpreted to apply only to the extent that such provisions are reasonably necessary to comply with the securities laws of the applicable jurisdiction.

#### **For prospective purchasers of Argentina**

This Offering Memorandum includes a private invitation to invest in securities. It is addressed only to you on an individual, exclusive, and confidential basis, and its unauthorised copying, disclosure, or transfer by any means whatsoever is absolutely and strictly forbidden. The Fund will not provide copies of this Offering Memorandum, or provide any kind of advice or clarification, or accept any offer or commitment to purchase the securities herein referred to from persons other than the intended recipient. The offer herein contained is not a public offering, and as such it is not and will not be registered with, or authorised by, the applicable enforcement authority. The information contained herein has been compiled by the Fund, who assumes the sole responsibility for the accuracy of the data herein disclosed.

#### **For prospective purchasers of The Bahamas**

The Units of the Fund shall not be offered or sold into The Bahamas except in circumstances that do not constitute an offer to the public. The Units of the Fund may not be offered or sold or otherwise disposed of in any way to persons deemed by the Central Bank of The Bahamas (the “**Bank**”) as resident for exchange control purposes without the prior written permission of the Bank.

#### **For prospective purchasers of Barbados**

The Units of the Fund shall not be offered or sold into Barbados except in circumstances that do not constitute an offer to the public. This document is made available on the condition that it is for the use only by the recipient and may not be passed onto any other person or be reproduced in any part. The Financial Services Commission has not in any way evaluated the merits of the Units of the Fund offered hereunder and any representation to the contrary is an offence.

#### **For prospective purchasers of the Brazil**

The Units of the Fund may not be offered or sold to the public in Brazil. Accordingly, the Units of the Fund have not been nor will be registered with the Brazilian Securities Commission - CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the Units of the Fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of Units of the Fund is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

#### **For prospective purchasers of the British Virgin Islands**

The Fund is not registered or recognised in the British Virgin Islands and as such Units in the Fund may not be offered to individuals in the British Virgin Islands. However, Units may be offered to British Virgin Islands Business Companies and/or persons who are not members of the public from outside the British

Virgin Islands. A British Virgin Islands Business Company is a company formed under or otherwise governed by the British Virgin Islands Business Companies Act, 2004 (British Virgin Islands).

#### **For prospective purchasers of the Cayman Islands**

The Fund does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, the Fund should not be subject to the supervision of any Cayman Islands authority. No invitation to the public in the Cayman Islands to subscribe for Units of the Fund is permitted to be made.

#### **For prospective purchasers of the European Economic Area (the “EEA”)**

As at the date of this Memorandum, the Fund has not been approved, notified or registered in accordance with the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) for marketing to professional investors in any member state of the EEA (each an “EEA Member State”). However, such approval may be sought or such notification or registration may be made in the future. Therefore, this Memorandum may only be transmitted to an investor in an EEA Member State at such an investor’s own initiative.

#### **For prospective purchasers of El Salvador**

This Offering Memorandum has been produced for the purpose of providing information about the Units of the Fund. This Offering Memorandum is made available on the condition that it is for the use only by the recipient and may not be passed on to any other person or be reproduced in any part. The Units of the Fund have not been and will not be offered in the course of a public offering or of equivalent marketing in El Salvador and therefore, the provisions of the Stock Market Law of 1994 (Ley del Mercado de Valores) as amended, relating to registration requirements and to prospectus requirements do not apply. The Units of the Fund have thus neither been registered for public distribution in El Salvador with the Stock Superintendency nor been the subject matter of a prospectus compliant with the Stock Market Law. Any subscription application by any person other than the initial recipient of the Offering Memorandum will be rejected.

#### **For prospective purchasers of Egypt**

The marketing of securities or funds may not be carried out by any means in Egypt, without obtaining a licence from the Egyptian Financial Supervisory Authority (the “EFSA”) in accordance with the provisions of Capital Market Law No. 95 of 1992 and its Executive Regulations (the “**Capital Market Law**”). Securities or fund units may be offered or sold in Egypt by means of a public offer or a private placement after the relevant prospectus being approved by EFSA in accordance with the provisions of the Capital Market Law. This is not a public or private placement offer and the marketing entity is not licensed in Egypt and any marketing activity will be carried out outside Egypt.

#### **For prospective purchasers of Hong Kong**

##### Warning

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. The Fund is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong by the Securities and Futures Commission of Hong Kong. Accordingly the distribution of this Offering Memorandum, and the placement of Units of the Fund in Hong Kong, is restricted. This Offering Memorandum may only be distributed, circulated or issued to persons who are professional investors under

the Securities and Futures Ordinance and any rules made under that Ordinance or as otherwise permitted by the Securities and Futures Ordinance.

### **For prospective purchasers of India**

THE UNITS OF THE FUND ARE NOT BEING OFFERED TO THE INDIAN PUBLIC FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED PRIVATE AND INSTITUTIONAL INVESTORS. THE UNITS OF THE FUND ARE NOT REGISTERED AND/OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA OR ANY OTHER GOVERNMENTAL/ REGULATORY AUTHORITY IN INDIA. THIS OFFERING MEMORANDUM IS NOT AND SHOULD NOT BE DEEMED TO BE A 'PROSPECTUS' AS DEFINED UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013 (18 OF 2013) AND THE SAME SHALL NOT BE FILED WITH ANY REGULATORY AUTHORITY IN INDIA. PURSUANT TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND THE REGULATIONS ISSUED THERE UNDER, ANY INVESTOR RESIDENT IN INDIA MAY BE REQUIRED TO OBTAIN PRIOR SPECIAL PERMISSION OF THE RESERVE BANK OF INDIA BEFORE MAKING INVESTMENTS OUTSIDE OF INDIA, INCLUDING ANY INVESTMENT IN THE FUND. THE FUND HAS NEITHER OBTAINED ANY APPROVAL FROM THE RESERVE BANK OF INDIA OR ANY OTHER REGULATORY AUTHORITY IN INDIA NOR DOES IT INTEND TO DO SO AND HENCE ANY ELIGIBLE INVESTOR WHO IS RESIDENT OF INDIA WILL BE ENTIRELY RESPONSIBLE FOR DETERMINING ITS ELIGIBILITY TO INVEST IN THE UNITS OF THE FUND.

### **For prospective purchasers of Israel**

This Offering Memorandum has not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law"), as applicable. The securities are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum ("the Addendum") to the Securities Law, ("Sophisticated Investors") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing securities for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing securities for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing securities for themselves), members of the Tel-Aviv Stock Exchange (purchasing securities for themselves or for clients who are Sophisticated Investors), underwriters (purchasing securities for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, (other than formed for the specific purpose of an acquisition pursuant to an offer), with a shareholders equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Investment Advice Law) and securities traded on a stock exchange licensed under the Securities Law (together, "Liquid Assets") exceeds NIS 8 million (approximately US\$2.1 million); their level of income over each of the preceding two years exceeds NIS 1.2 million (approximately US\$300,000), or the level of income of their "family unit" exceeds NIS 1.8 million (approximately US\$470,000); or the aggregate value of all their Liquid Assets exceeds NIS 5 million (approximately US\$1.3 million) and their level of income over each of the preceding two years exceeds NIS 600,000 (approximately US\$160,000), or the level of income of their "family unit" exceeds NIS 900,000 (approximately US\$240,000); each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint

Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This Offering Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a securities is purchasing such securities for its own benefit and account and not with the aim or intention of distributing or offering such securities to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing securities for another party which is a Sophisticated Investor). Nothing in this Offering Memorandum should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995.

Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Offering Memorandum a recipient may be required by the Fund to provide confirmation that it is a Sophisticated Investor purchasing securities for its own account or, where applicable, for other Sophisticated Investors.

This Offering Memorandum does not constitute an offer to sell or solicitation of an offer to buy any securities other than the securities offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

#### **For prospective purchasers of Kuwait**

This Offering Memorandum is not for general circulation to the public in Kuwait. The Units of the Fund to be sold have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Units of the Fund to be sold in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Units of the Fund to be sold is being made in Kuwait, and no agreement relating to the sale of the Units of the Fund to be sold will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Units of the Fund to be sold in Kuwait.

#### **For prospective purchasers of Mexico**

The Units of the Fund have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking Commission and, as a result, may not be offered or sold publicly in Mexico. The Fund and any underwriter or purchaser may offer and sell the Units of the Fund in Mexico, to Institutional and Accredited Investors, on a private placement basis, pursuant to Article 8 of the Mexican Securities Market Law. Each investor shall be responsible for calculating and paying its own taxes, receiving any necessary tax advice and that neither the fund nor the marketing entity shall be deemed to have provided tax advice to the potential investor.

#### **For prospective purchasers of New Zealand**

This Offering Memorandum is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the FMCA) and does not contain all the information typically included in such offering documentation. This offer of Units in the Fund does not constitute “regulated offer” for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. The Units in the Fund may only be offered in New Zealand in accordance with the FMCA and the Financial Markets Conduct Regulations 2014.

**For prospective purchasers of Singapore**

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.