

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum (the "Offering Memorandum") constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities.

Continuous Offering

September 12, 2011
Updated January 02, 2024

ROMC FUND

Absolute Performance Series (and other performance fee related) Units
Relative Performance Series (and other performance fee related) Units
Salary Series Units

The Fund and units of the Fund offered under this Offering Memorandum are not offered outside of the Provinces of Alberta, British Columbia, Ontario and Quebec. The Fund and units of the Fund are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

ROMC Fund (the "**Fund**") is a unit trust formed under the laws of Ontario. The Fund will seek to generate income and long-term capital appreciation through investments primarily in equity securities. The Investment Manager will attempt to maximize the Fund's returns while protecting capital. The investment approach is based on a value investment strategy devised by McLean Asset Management Ltd., the investment manager of the Fund (the "**Investment Manager**").

The Fund was formed on September 14, 2007 and will continue until it is dissolved. The Fund is established by a declaration of trust (the "**Trust Agreement**") entered into by the Investment Manager and the Fund's initial Trustee. Each purchaser (a "**Unitholder**") of Units (the "**Units**") issued by the Fund will be bound by the terms of the Trust Agreement governing the Fund.

INITIAL SUBSCRIPTION PRICE: \$10.00 PER UNIT

MINIMUM INITIAL INVESTMENT: \$50,000 for individuals & \$150,000 for entities

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

There is no market through which the Units may be sold and none is expected to develop. 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 Units under applicable securities legislation. Redemptions will be suspended if there is insufficient liquidity in the Fund. There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisers to assess the income tax, legal and other aspects of the investment. Please see "Risk Factors" and "Resale Restrictions".

The securities offered hereby are offered exclusively by the Fund by way of a private placement. No person is authorized to give away 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.

Purchasers are urged to consult with an independent legal adviser prior to signing the subscription agreement for the Units and to carefully review the Offering Memorandum.

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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.

The Fund:	ROMC Fund (the " Fund "), a unit trust formed under the laws of the Province of Ontario.
Investment Manager:	McLean Asset Management Ltd. (the " Investment Manager "), a company incorporated under the laws of the Province of Ontario. See "The Investment Manager".
Trustee:	McLean Asset Management Ltd.
Investment Objectives and Strategies	The investment objective of the Fund is to generate long-term capital appreciation primarily through investments in equity securities. This, however, does not preclude the fund from making debt investments when the Investment Manager deems the risk/reward trade off to be in the investors' favour. The Investment Manager will attempt to maximize the Fund's returns while protecting capital. In seeking to achieve the Fund's investment objective, the Investment Manager will employ a fundamental value investing process. The Investment Manager will attempt to identify as investment candidates securities which are undervalued. The Investment Manager expects to construct a portfolio with a relatively limited number of securities. See "Investment Objectives and Strategies of the Fund".
The Offering:	The Fund is permitted to create an unlimited number of units (the " Units ") issuable in an unlimited number of classes and series. See "The Offering" and "Units of the Fund".
Minimum Individual Subscription	The Units are being distributed only pursuant to available securities exemptions. The minimum investment under such exemptions is \$50,000 for individuals (or such lesser amount as may be accepted by the Investment Manager and permitted under applicable securities laws) and \$150,000 for entities. See "Minimum Individual Subscriptions".
Subscriptions and Redemptions:	Subscriptions for Units will be accepted on a monthly basis, being on the first business day in each calendar month (a " Subscription Date "), subject to the Investment Manager's discretion to accept or refuse subscriptions in whole or in part on any date. The Investment Manager may fix an opening Net Asset Value of \$10.00 per Unit for the initial Units issued of a class and for each new series of Units. See "Subscriptions" and "Redemptions of Units".

Subscriptions and Redemptions (cont'd):	Unitholders will be permitted to redeem Units on a monthly basis, being on the first business day of each calendar month (each, a " Redemption Date ") pursuant to written notice that must be received by the Fund at least 3 days prior to the applicable Redemption Date and subject to the discretion of the Investment Manager to accept redemptions on other dates. The redemption price will equal the Net Asset Value per Unit of the applicable class and series of Units being redeemed, determined as of the close of business on the day preceding the Redemption Date.
Transfer or Resale:	Units may only be transferred with the consent of the Investment Manager and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. See "Resale Restrictions".
Payment of Expenses:	<p>The Fund shall be responsible for, and the Investment Manager shall be entitled to reimbursement from the Fund for, all costs and operating expenses actually incurred in connection with the business of the Fund, including but not limited to:</p> <ul style="list-style-type: none"> (i) administrative fees and expenses of the Fund, which include accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, all Unitholder communication expenses, organizational expenses, start up expenses, the cost of maintaining the Fund's existence, regulatory fees and expenses, all reasonable extraordinary or non-recurring expenses, and if paid as a fee, the Management Fee; and (ii) fees and expenses relating to the Fund's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees. <p>See "Fees and Expenses".</p>
Absolute Performance Series Fee:	Subject to the attainment of the High Water Mark (described below), the Investment Manager shall be entitled to receive from the series an annual performance fee (the " Performance Fee ") equal to 25% of the amount by which the Net Asset Value per series Unit exceeds a threshold annualized increase of 6% (the " Hurdle Rate ") over the High Water Mark.
Relative Performance Series Fee:	Subject to the attainment of the High Water Mark (described below), the Investment Manager shall be entitled to receive from the series an annual performance fee (the " Performance Fee ") equal to 33 1/3% of the amount by which the Net Asset Value per series Unit exceeds The MSCI World Equity Index gross return in Canadian dollars (the " Hurdle Rate ") over the High Water Mark.
High Water Mark:	The " High Water Mark " for a performance series Unit as at any date means, (i) during the fiscal year in which the Unit is issued, its subscription price; (ii) during the subsequent fiscal year, the greater of its subscription price or the Net Asset Value per Unit as of the first day of such subsequent fiscal year if the Investment Manager received a Performance Fee in respect of such Unit for the prior fiscal year; and (iii) during all subsequent fiscal years, the higher of the Net Asset Value per Unit as at the first day of such fiscal year and any previous fiscal year.

Salary series Fee:	The Investment Manager shall be entitled to receive from the series an annual fee of \$500,000.00 + HST, paid quarterly in arrears.
Distributions:	Distributions will be made at such times and in such amounts as the Investment Manager in its sole discretion, may determine from time to time. The Fund intends to distribute sufficient net income (including net realized capital gains, if any) to its Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any available loss carry forwards and capital gains refunds. See "Distributions and Reinvestment".
Fiscal Year End:	December 31 in each year.
Financial and Net Asset Value Reporting:	<p>Audited financial statements will be provided within ninety (90) days of each fiscal year end. Unaudited financial information will be provided on a semi-annual basis within sixty (60) days of the end of the relevant interim financial period. Information respecting the net asset value per Unit will be provided on a quarterly basis. See "Financial Reporting".</p> <p>The Fund is not subject to the reporting requirements of National Instrument 81-106 <i>Investment Fund Continuous Disclosure</i>.</p>
Tax Considerations:	There are important tax consequences to acquiring, holding and disposing of Units. See "Canadian Federal Income Tax Consequences" and "Eligibility for Investment".
Risk Factors:	Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by the Investment Manager. See "Risk Factors".
Dealer Compensation:	<p>The Investment Manager does not currently have a monthly servicing commission agreement between the Fund and any registered dealers. The Investment Manager reserves the right to begin such agreements at any time.</p> <p>The Investment Manager may pay additional compensation from its own account to registered dealers, individuals and companies who refer Unitholders to the Fund on a case-by-case basis. Any such arrangements will be made in accordance with applicable legislation. Such payments may be modified or discontinued by the Investment Manager at any time. See "Dealer Compensation".</p>
Auditors:	Cooper & Company Ltd.
Prime Brokers:	<p>National Bank Independent Network (NBIN)</p> <p>The Investment Manager reserves the right to appoint a replacement prime broker and even appoint more than one prime broker.</p>

THE FUND

ROMC Fund (the "**Fund**") is a unit trust formed under the laws of Ontario. The Fund was formed on September 14, 2007 and will continue until it is dissolved. The Fund is established by a declaration of trust (the "**Trust Agreement**") entered into by McLean Asset Management Ltd. (the "**Investment Manager**") and David McLean, Trustee.

The principal place of business of the Fund and of the Investment Manager is 1 Richmond Street West, Suite 701, Toronto, Ontario M5H 3W4.

The interest of each investor in the Fund (a "**Unitholder**") will represent the same proportion of the total interest of all Unitholders as the Net Asset Value of Units held by such Unitholder is of the total Net Asset Value of the Fund.

BUSINESS OF THE FUND

The Fund was formed to invest in securities in accordance with the investment objective of the Fund. The Fund will seek to achieve long-term capital appreciation through investments primarily in equity securities. The Investment Manager will attempt to maximize the Fund's returns while protecting capital. See "Investment Objectives and Strategies of the Fund".

THE INVESTMENT MANAGER

The Investment Manager was incorporated under the laws of Ontario on 20 October 1998. The principal place of business of the Investment Manager is 1 Richmond Street West, Suite 701, Toronto, Ontario M5H 3W4. David McLean is the President, Chief Compliance Officer and a director of the Investment Manager.

The Investment Manager is responsible for the management and control of the business and affairs of the Fund on a day-to-day basis in accordance with the terms of the Trust Agreement. The Investment Manager is entitled to receive the Management Fees and Performance Fee (as defined and described under "Fees").

David McLean, President and Chief Compliance Officer (career highlights)

1989 - 1992 CIBC Investor Services (wholesaler for Hyperion Group of Funds)

1992 - 1994 London Business School (MBA)

1994 - 1997 Chemical Global Investors Limited - later merged into Chase Global Asset Management (portfolio manager and investment strategist)

1998 - present McLean Asset Management Ltd. (portfolio manager, investment fund manager and exempt market dealer)

FEES

Absolute Performance series

Subject to the attainment of the High-Water Mark (described below), the Investment Manager shall be entitled to receive from the series:

The Performance Fee is equal to 25% + HST of the amount by which the Net Asset Value per Unit as at the last Valuation Date (as defined herein) of the fiscal year exceeds a threshold annualized increase of 6% (the "**Hurdle Rate**") over the High Water Mark. The Performance Fee is accrued monthly and paid annually

from the net assets of the Fund. The Performance Fee will be paid by the Fund within a reasonable amount of time of the start of the new fiscal year of the Fund. Upon the redemption of Units within a calendar year, the accrued portion of the Performance Fee allocated to the redeemed Units will be payable by the Fund. The Investment Manager may elect to receive Performance Fees in cash or in Units of the Fund.

For the purposes of determining the Investment Manager's entitlement to a Performance Fee, the "**High Water Mark**" for a Unit as at any date means, (i) during the fiscal year in which the Unit is issued, its subscription price; (ii) during the subsequent fiscal year, the greater of its subscription price or the Net Asset Value per Unit as of the first day of such subsequent fiscal year if the Investment Manager received a Performance Fee in respect of such Unit for the prior fiscal year, and (iii) during all subsequent fiscal years, the higher of the Net Asset Value per Unit as at the first day of such fiscal year and any previous fiscal year.

Relative Performance series

Subject to the attainment of the High-Water Mark (described below), the Investment Manager shall be entitled to receive from the series:

The Performance Fee is equal to 33 1/3% + HST of the amount by which the Net Asset Value per Unit as at the last Valuation Date (as defined herein) of the fiscal year exceeds the MSCI World Equity Index gross return in Canadian dollars (the "**Hurdle Rate**") over the High Water Mark. The Performance Fee is accrued monthly and paid annually from the net assets of the Fund. The Performance Fee will be paid by the Fund within a reasonable amount of time of the start of the new fiscal year of the Fund. Upon the redemption of Units within a calendar year, the accrued portion of the Performance Fee allocated to the redeemed Units will be payable by the Fund. The Investment Manager may elect to receive Performance Fees in cash or in Units of the Fund.

For the purposes of determining the Investment Manager's entitlement to a Performance Fee, the "**High Water Mark**" for a Unit as at any date means, (i) during the fiscal year in which the Unit is issued, its subscription price; (ii) during the subsequent fiscal year, the greater of its subscription price or the Net Asset Value per Unit as of the first day of such subsequent fiscal year if the Investment Manager received a Performance Fee in respect of such Unit for the prior fiscal year, and (iii) during all subsequent fiscal years, the higher of the Net Asset Value per Unit as at the first day of such fiscal year and any previous fiscal year.

Salary series

The Investment Manager shall be entitled to receive from the series an annual fee of \$500,000.00 + HST, paid quarterly in arrears.

INVESTMENT OBJECTIVES AND STRATEGIES OF THE FUND

Investment Objective

The investment objective of the Fund is to generate long-term capital appreciation through investments primarily in equity securities. The Investment Manager will attempt to maximize the Fund's returns while protecting capital. Before a fundamental change is made to the investment objective of the Fund, the prior approval of Unitholders is required.

Investment Strategy

In seeking to achieve the Fund's investment objective, the Investment Manager will employ a value-based fundamental research process. Securities the Investment Manager discovers to be undervalued will be considered as investment candidates. In select situations the Investment Manager may choose to short a security if, in the opinion of the Investment Manager, the risk/reward of shorting that security is prudent.

The Investment Manager believes that concentrating the portfolio in fewer investments affords the best opportunity to achieve its investment objectives of maximizing returns while preserving capital.

The level of net exposure in the Fund's portfolio at any given time is a function of the Investment Manager's ability to identify attractive investments. Its investments may at any time include long or short positions in publicly traded domestic or foreign common stocks, trust units, preferred stocks, stock warrants and rights, convertible securities, securities of private issuers, and other securities or financial instruments including those of investment companies. In addition, the Fund may buy and/or write options of any or all types. The Fund may also engage in short sales of securities, 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 Investment Manager also intends to utilize currency futures and forwards as a means of hedging currency exposure and risk in the securities and businesses in which the Fund has invested.

There can be no assurances that the Fund will achieve its investment objective.

The Investment Manager may at any time adopt new strategies or deviate from the foregoing guidelines as market conditions dictate. While the Investment Manager typically will try to minimize risk 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.

Risk Management and Control

The Investment Manager does not subscribe to the academic and conventional view that the "risk" of a stock or portfolio is best measured in terms of the volatility of its quoted market price, and hence in order to minimize risk, one must endeavour to minimize volatility. Rather, the Investment Manager believes that permanent capital impairment risk is minimized when the discount between the true intrinsic value of the portfolio and its quoted market price is maximized. As a result, the Investment Manager endeavours to minimize risk by maximizing this "margin of safety".

Proxy Voting Policy

The Investment Manager shall take reasonable steps to vote on behalf of the Fund all proxies received and may vote, abstain or withhold its vote in respect of any matter where it considers, in its sole discretion, that to do so is not detrimental to the interests of the Fund or investors in the Fund. The Investment Manager may refrain from voting where administrative or other procedures result in the costs of voting outweighing the benefits. The Investment Manager will maintain a record of all matters in respect of which it has voted proxies.

Forward-Looking Information

The foregoing disclosure of the Investment Manager's investment strategies and intentions 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 its investment strategies 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" below for a discussion of other factors that will impact the operations and success of the Fund.

THE OFFERING

The Units offered hereby are being offered to investors pursuant to the exemptions from prospectus and registration requirements contained in *National Instrument 45-106 - Prospectus and Registration Exemptions* ("**NI 45-106**"). The Investment Manager is permitted to create an unlimited number of Units issuable in an unlimited number of classes and series. A new series of Units may be issued on each successive Subscription Date on which Units are issued.

The Investment Manager will accept subscriptions for Units on the first business day of each calendar month and such other dates as the Investment Manager may approve (each, a "**Subscription Date**"), subject to applicable law, provided a duly completed subscription form and subscription proceeds are received by the Investment Manager by the close of business on the business day prior to the relevant Subscription Date. It is intended that each new series of Units will be issued at an opening Net Asset Value per Unit for each series of \$10.00, although it is in the discretion of the Investment Manager to change this policy (Unitholder rights will not be affected in any manner by any such change).

MINIMUM INDIVIDUAL SUBSCRIPTIONS

The minimum initial investment in the Fund is \$50,000 for individuals (or such lesser amount as the Investment Manager may in its discretion accept and which is permitted under applicable securities laws) and \$150,000 for entities. Subsequent additional investments are subject to acceptance or rejection by the Investment Manager and may be subject to statutory minimum requirements.

This minimum investment amount is net of any front-end commissions which may be paid by a Unitholder to his or her dealer.

WHO SHOULD INVEST

Some of the key characteristics of prospective Unitholders who would find the Fund to be a suitable investment include:

1. Investors with a long-term investment horizon; 5 years or longer.
2. Business-oriented investors, not speculators.
3. Investors whose investment strategy is focused on absolute returns.

SUBSCRIPTIONS

Subscriptions for Units must be made by completing and executing the subscription form provided by the Investment Manager and available at www.mamgmt.com and by forwarding to the Administrator such form together with a cheque (or other form of funds transfer acceptable to the Investment Manager) representing payment of the subscription price. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Investment Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the investor will be returned without interest or deduction. Investors may forward completed subscriptions directly to the Administrator. The Administrator's contact details are as follows:

Damelin Financial Services Inc., 405 - 391 Brunswick Avenue, Toronto, Ontario M5R 2Z2

Telephone: 647-360-4771

Email: mark@damelinfinancialservices.com

Prospectus Exemptions

Units are being sold under available exemptions from the prospectus and registration requirements under NI 45-106, which has been adopted by the securities regulatory authorities in each of the provinces and territories of Canada. Units will be sold pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3, 2.5, 2.7 and 2.10 of NI 45-106.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors purchasing as principal and who are "accredited investors" as defined in NI 45-106.

Subscribers will be required to make certain representations in the Subscription Agreement and the Investment Manager will rely on such representations to establish the availability of the exemptions from prospectus requirements described above.

No subscription will be accepted unless the Investment Manager is satisfied that the subscription is in compliance with applicable securities laws.

REDEMPTIONS

Units may be redeemed by a Unitholder on the first business day of each calendar month, or such other date as the Investment Manager in its absolute discretion may determine (each a "**Redemption Date**"). Redemption requests will only be considered if the Investment Manager or the Administrator receives a written request for such redemption at least 3 days prior to the proposed Redemption Date.

Upon redemption of a Unit, the Unitholder will receive an amount equal to the Net Asset Value of such Unit as at the close of business on the Redemption Date.

The Fund may suspend redemption of the Units for any period when normal trading is suspended on any security or exchange which represents more than 5% by value or underlying market exposure of the Net Asset Value of the Fund, and at such other times as the Investment Manager is of the opinion that the Net Asset Value cannot reasonably be determined. In the event of a suspension of redemption, the Investment Manager will give notice to Unitholders of such suspension. Redemption requests which are rejected as at a Redemption Date will be accepted on the next Redemption Date on which redemption requests are honoured in priority to redemption requests made after the deadline for redemption requests in respect of such earlier Redemption Date. Partial redemptions on a Redemption Date will be made on a pro rata basis. Redemption requests are irrevocable unless they are not honoured on a Redemption Date, in which case they may be withdrawn within 15 days following such Redemption Date.

The Investment Manager has the right to require a Unitholder to redeem some or all of the Units owned by such Unitholder on a Redemption Date at the Net Asset Value per Unit thereof, by notice in writing to the Unitholder given at least 30 days before the designated Redemption Date, which right may be exercised by the Investment Manager in its absolute discretion.

RESALE RESTRICTIONS

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by investors is subject to restrictions. An investor should refer to applicable provisions in consultation with a legal adviser. Furthermore, no transfers of Units may be effected unless the Investment Manager, in its sole discretion, approves the transfer and the proposed transferee. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units.

Investors are advised to consult with their advisers concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and the Trust Agreement.

NET ASSET VALUE

The Net Asset Value of the Fund and the Net Asset Value Per Unit of each class and series of Units as of the last business day of each calendar month (each a "**Valuation Date**") will be determined as of 4:00 p.m. (Toronto time) on the tenth business day following each calendar month by the Investment Manager or its delegate.

The Net Asset Value of each series will increase or decrease proportionately with the increase or decrease in the Net Asset Value of the Fund, and the Net Asset Value per Unit shall be determined by dividing the Net Asset Value of each series by the number of Units of such series outstanding. All changes in Net Asset Value (i.e. all income and expenses, and all unrealized gains and losses) of the Fund shall accrue to or be borne proportionately by each class and series of Units based on their respective Net Asset Values, except as follows: (i) subscription proceeds received by the Fund in respect of a series of Units shall accrue to the Net Asset Value of such series; (ii) all redemption proceeds paid out by the Fund in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; and (iii) the management fee and redemption fee payable to the Investment Manager in respect of a Unit of a series shall be deducted from the Net Asset Value of such series. The Net Asset Value per Unit of each class and series shall be calculated by dividing the Net Asset Value of such respective classes and series by the number of Units of such classes and series then outstanding.

Valuation Principles

The fair market value of the assets and the amount of the liabilities of the Fund shall be calculated in such manner as the Investment Manager, or any third party engaged by the Investment Manager (the "Valuator"), shall determine from time to time, subject to the following:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on a date before the Valuation Date as of which the Net Asset Value is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that:
 - (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of one year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition), or the value shall be calculated in accordance with subsection (c);
 - (ii) any interest or other amount due in respect of an obligation in respect of which the issuer has ceased paying interest or has otherwise defaulted shall be excluded from such calculation; and
 - (iii) if the Investment Manager or the Valuator has determined that any such deposit, bill, demand note or account receivable is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Valuator determines to be the fair value thereof.
- (b) The value of any security, option or commodity which is listed or traded upon a stock exchange shall be determined by taking the last sale price on the Valuation Date, or lacking any such sales, the average of the bid and ask on the Valuation Date. In the event of an extraordinary closing bid and closing ask price spread, the value shall be determined by the Valuator but shall not be greater than the closing ask price nor less than the closing bid price, as at the Valuation Date, all as reported by any means in common use.

- (c) The value of any security or financial instrument which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer in such securities or financial instruments, unless the Valuator determines that the bid or offer price more accurately reflects the value of the security or financial instrument.
- (d) The value of any security, option or commodity which is not listed or traded on a recognized exchange or the resale of which is restricted by reason of a representation, undertaking or agreement by the Fund or by the Fund's predecessor in title shall be determined on the basis of such price or yield equivalent quotations (which may be public quotations or may be obtained from major market makers) as the Valuator determines best reflects its fair value.
- (e) Any market price or asset value reported in a currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange at the time of valuation.
- (f) The value of listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Valuator and investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Valuator.
- (g) The value of any security or property or other item relevant to the determination of Net Asset Value, to which in the opinion of the Valuator the principles of this Part cannot be reasonably applied (whether because no price or bid or ask or yield equivalent quotations are available as above provided, or because of a trading halt or for any other reason), shall be the fair value thereof determined in good faith in such manner as the Valuator from time to time adopts.
- (h) The Investment Manager may determine such other rules as it deems necessary from time to time.

MANAGEMENT OF THE FUND

Fiduciary Responsibility of Investment Manager

Under the Trust Agreement, 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 to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Fund will indemnify the Investment Manager and its directors, officers, employees and agents for any liabilities incurred by them in respect of the execution of their duties, responsibilities, powers or authorities under the Trust Agreement, unless the liabilities are attributable to their willful misconduct, bad faith or negligence in the performance of their obligations.

Liability of Investment Manager

The Fund is required to indemnify the Investment Manager for losses or damages suffered by the Investment Manager resulting from any act or omission of the Investment Manager on behalf of the Fund or in furtherance of the Fund's business, unless the Investment Manager failed to act honestly, in good faith and in the best interests of the Fund and in connection therewith, failed to exercise the degree of due diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Investment Manager is obligated to exercise its powers and carry out its duties in the foregoing manner.

Removal of Investment Manager

If the Investment Manager at any time resigns, becomes insolvent or bankrupt, the Trust Agreement and the Fund will terminate unless within a period of 90 days of the happening of such event the Trustee(s) appoints a new manager whose appointment must be approved by a majority of Unitholders, if required by the Trust Agreement, and who may be an affiliate of the Investment Manager or the Trustee(s). Pending such appointment, the Trustee(s) may appoint an interim manager, who may be an affiliate of the Trustee(s), and upon the appointment of the new manager, all the rights, interest, duties and obligations of the former manager under the Trust Agreement will vest in the new manager.

The Trustee(s)

The Trustee(s) may assign or delegate the performance of the trust and powers vested in it under the Trust Agreement. The Trustee(s) or any successor appointed pursuant to the terms of the Trust Agreement may resign upon 90 days' written notice to Unitholders during which period the Manager shall forthwith arrange for successor Trustee(s). If the Manager is unable to arrange for successor Trustee(s), Unitholders may appoint a successor to the Trustee(s) at a meeting called to obtain their consent. If no successor Trustee(s) is appointed, the Fund will be terminated.

The Trust Agreement provides that the Trustee(s) has a right of indemnification in carrying out its duties under the Trust Agreement except in cases of willful misconduct, bad faith or negligence or in cases where the Trustee(s) fails to act honestly and in good faith with a view to the best interests of Unitholders or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Trust Agreement contains provisions limiting the liability of the Trustee(s) and indemnifying the Trustee(s) in respect of certain liabilities incurred by it in carrying out its duties.

Meetings

Meetings may be called at any time by the Investment Manager or if requested by Unitholders of the Fund, or of a class or series of the Fund, representing no less than 50% of the Units outstanding of the Fund, class or series, as the case may be. Notice of meetings must be given in writing not less than 21 days before the date of the meeting. Certain changes to the Trust Agreement require the consent of Unitholders. See "Amendment of Trust Agreement" below.

A quorum at any resolution to be passed at a meeting consists of two Unitholders, represented in person or by proxy, holding not less than 10% of the outstanding Units entitled to vote at the meeting shall constitute a quorum. If there is not a quorum present at the meeting when called then, subject to certain limitations, no quorum requirement will apply at an adjournment of the meeting if notice of the adjourned meeting is given.

Amendment of Trust Agreement

Any provision of the Trust Agreement may be amended, deleted, expanded or varied with the consent of the Unitholders as a whole or as a class or series, as applicable, for any of the following purposes:

- (a) to change the amendment provisions of the Trust Agreement;
- (b) to make any change in the position, authority or responsibility of the Manager if such change is material;
- (c) subject to the terms of the Trust Agreement, to substitute any other person or company as manager in the place or stead of the Manager (other than an affiliate of the Manager) or any other person or company from time to time occupying that capacity, upon the resignation of the Manager;
- (d) to make any change in the investment policy of the Fund or to the Trust Agreement, if

such change is material or is otherwise required by the Trust Agreement; or

- (e) to make any change to the fee payable to the Manager;

together with the consent of the Trustee(s) if any change restricts any protection provided to the Trustee(s) or increases the responsibilities of the Trustee(s).

UNITS OF THE FUND

The Units

The Fund may issue an unlimited number of Units issuable in classes and series. Units may be designated by the Investment Manager as being Units of a series, and the opening Net Asset Value of each such series may be determined by the Investment Manager. Each issued and outstanding Unit of a series shall be equal to each other Unit of the same series with respect to all matters. The respective rights of the holders of Units of each series will be proportionate to the Net Asset Value of such series relative to the Net Asset Value of each other series. Each Unit carries with it a right to vote, with one vote for each whole Unit held. Fractional Units may be issued. A person wishing to become a Unitholder shall subscribe for Units by means of the Subscription Agreement. The acceptance of any such subscription in whole or in part shall be subject to the Investment Manager in its sole discretion.

The Investment Manager may in its discretion create different classes of Units. Each class may be subject to different management fees, different performance fees, and may have such other features as the Investment Manager may determine. The Investment Manager may establish criteria from time to time with respect to subscriptions of a class of Units. Any investor subject to such criteria who fails to satisfy the criteria may have his or her Units re-designated from one class to another (and amend the number of such Units so that the Net Asset Value of the Unitholder's aggregate holdings remains unchanged). The Investment Manager also has the discretion to subdivide or consolidate Units of one or more series from time to time, in a manner different than other series.

Units of a series of any Class may from time to time be consolidated or subdivided, and re-designated by the Investment Manager as Units of another series or renamed such that they have the same name as another series of the same class at the discretion of the Investment Manager.

Payment of Expenses

The Investment Manager will be entitled to be reimbursed by the Fund for legal, accounting, custodian, consulting and audit fees directly incurred by the Investment Manager and other costs incurred by the Investment Manager in connection with administering the Fund and providing periodic reports to the Unitholders. Neither the Investment Manager nor any of its respective affiliates will receive any fee for assisting in organizing the Fund. Transaction costs incurred in respect of the investment activities of the Fund will reduce the profits of the Fund in any given period.

Financial Reporting

The Investment Manager will provide to the Unitholders audited annual financial statements, including a balance sheet, statement of income or loss and such other information as is necessary for each Unitholder's income tax filings or as is material to the operations of the Fund, as required by applicable securities laws. See "Financial Reporting".

Valuations

The Investment Manager shall determine the Net Asset Value of the Fund in the manner described above under "Net Asset Value".

Redemption of Units

Unitholders may request the redemption of Units on the first business day of any calendar month in the manner, and subject to the restrictions, described above under "Redemption of Units".

Transfer of Units

Units of the Fund are only transferable with the approval of the Investment Manager.

DISTRIBUTIONS

The Fund will typically distribute to Unitholders at least annually, or more frequently as determined by the Trustee(s) from time to time, income and capital gains (net of applicable losses).

All distributions of the Fund will be automatically reinvested in the Fund. The Unitholder may, by written request, receive the distribution payment by cheque or electronic transfer.

DEALER COMPENSATION

A registered dealer, other than the Investment Manager, may charge a subscriber a front-end sales commission if purchasing through a dealer. Any such sales commission will be negotiated between the purchaser and his or her registered dealer and may be deducted by the Investment Manager from the subscription price.

The Investment Manager may enter into service agreements with registered dealers whereby the Investment Manager agrees to pay a periodic servicing commission to registered dealers whose clients hold Units of the Fund. The payments are calculated as at the Valuation Date and may be paid quarterly in arrears by the Investment Manager.

The Investment Manager may pay additional compensation from their own account to registered dealers, individuals and companies who refer investors to the Fund on a case-by-case basis. Any such arrangements will be made in accordance with applicable legislation. Such payments may be modified or discontinued by the Investment Manager at any time.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, at all relevant times, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") is resident in Canada, deals at arm's length, and is not affiliated, with the Fund and holds Units as capital property. Generally, Units will be considered to be capital property to a holder provided that the holder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain persons who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based upon the facts set out in this Offering Memorandum, the current provisions of the Tax Act, the Investment Manager's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") that have been made publicly available prior to the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the

Minister of Finance (Canada) prior to the date hereof (collectively, the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administrative or assessing practices of the CRA and does not take into account provincial, territorial, or foreign income tax legislation or considerations. There is no certainty that the Tax Proposals will be enacted in the form proposed or at all.

This summary assumes that the Fund will not invest in shares of a corporation that would be a foreign affiliate of the Fund or securities that are "tax shelter investments" within the meaning of the Tax Act.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed by a Unitholder to acquire Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending upon the investor's particular circumstances, including the province or provinces, or territory or territories in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective investor. Prospective investors should consult their own tax advisor for advice with respect to the income tax consequences of an investment in Units, based on the investor's particular circumstances.

Status of the Fund

This summary assumes that the Fund will qualify as a "quasi mutual fund trust" as defined in the Tax Act at all relevant times. If the Fund were not to qualify as a quasi mutual fund trust, the income tax considerations as described below would in some respects be materially different.

Taxation of the Fund

In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on the amount of its net income for the year (computed in Canadian dollars in accordance with the Tax Act), including net realized taxable capital gains, 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 such interest was included in completing its income for a prior year) and dividends received in the year, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount.

The Investment Manager has advised that the Fund generally intends to deduct, in computing its income in each taxation year, a sufficient amount in order that the Fund will not be liable to pay income tax in respect of that year. However, there may be years in which the Fund does not deduct such sufficient amount and will be liable to pay income tax. Provided the Fund makes sufficient distributions in each year of its net income for tax purposes and net realized capital gains, it will generally not be liable in such year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that would be recoverable by it in such year by reason of the capital gains refund (as described below).

Generally, the Fund will include gains and deduct losses on income account in connection with its derivative activities and will recognize such gain or losses for tax purposes at the time they are realized by the Fund. The Investment Manager has advised that the Fund will make the election under subsection 39(4) of the Tax Act so that all Fund investments that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property. Accordingly, gains or losses realized by the Fund on the disposition of Canadian securities (as defined in the Tax Act) will be on capital account.

In computing its income for tax purposes, the Fund may generally deduct reasonable administrative and other expenses incurred to earn income, including interest on any borrowings generally to the extent borrowed funds are used for the purpose of earning income from its investments. All of the Fund's deductible

expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole.

The Fund will be entitled for each taxation year throughout which it is a quasi mutual fund trust 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 ("**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with redemption of Units.

Cost and proceeds of disposition of shares, dividends received, interest income and all other amounts will be determined for purposes of the Tax Act in Canadian dollars, converted where applicable, at the exchange rate quoted by the Bank of Canada at noon on the relevant day or at such other rate of exchange as is acceptable to the Minister. The Fund may realize gains or losses as a result of fluctuations in the value of foreign currencies relative to the Canadian dollar, which the Fund will be required to take into account in reporting its income.

The Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay or deemed to have paid income or profits tax to such countries. To the extent that such foreign tax paid or deemed to have been paid does not exceed 15% of such amount 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 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 Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that 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 the purposes of the Tax Act.

Certain rules in the Tax Act affect the taxation of specified investment flow-through entities ("**SIFTs**"), such as publicly traded income trusts and limited partnerships (other than certain real estate investment trusts), that are SIFT partnerships, and investors in those entities. Income attributable to a SIFT's "non-portfolio earnings" is taxed in a manner similar to income earned by a corporation, and distributions made by these entities to investors are taxed in a manner similar to dividends from taxable Canadian corporations and are deemed to be "eligible dividends" for the enhanced dividend tax credit if paid or allocated to a resident of Canada. Non-portfolio earnings are, generally, income (other than certain dividends) from, or capital gains realized on, "non-portfolio properties". If the Fund, or an underlying fund in which the Fund invests, holds interests in SIFT trusts or SIFT partnerships that are subject to this tax, the amount available for distribution to the Fund, and to Unitholders, may be reduced.

Taxation of Unitholders held in a Registered Plan

Generally, you pay no tax on earnings distributed to you from Units held in a registered tax plan such as a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Disability Savings Plan (RDSP), Deferred Profit Sharing Plan (DPSP), Registered Education Savings Plan (RESP) or held in a Tax Free Savings Account (TFSA) (referred to individually as a "Registered Plan" and collectively as "Registered Plans"), nor on any capital gains the plan makes from redeeming units or switching between Funds, as long as the proceeds remain in the plan. However, even when units of the Fund are a qualified investment for your Registered Plans, you may be subject to tax if a unit held in your RRSP, RRIF, or TFSA is a "prohibited investment". Generally, units of a Fund will not be a "prohibited investment" for your RRSP, RRIF or TFSA if you, your family (including your parents, spouse, children, siblings and in-laws) and other people or entities that do not deal at arm's length with you, in total, own directly or indirectly less than 10% of the value of the Fund. Distributions from a Fund may affect the tax costs of units of a Fund held by a Registered Plan under the Tax Act.

You will be taxed at your personal tax rate if you withdraw money from the Registered Plan. (You should consult your tax advisor with respect to the special rules that apply to RESP's). This does not apply if your units are held in a TFSA.

Taxation of Unitholders not held in a Registered Plan

Unitholders will generally be required to include in computing their income for a particular taxation year all net income and net taxable capital gains of the Fund, if any, paid or payable to them, and deducted by the Fund in computing its income for tax purposes, including distributions reinvested in additional Units. To the extent applicable, the Fund intends to make designations to ensure that the maximum portion of its foreign income, net realized capital gains and foreign creditable tax will be received by Unitholders as foreign income or taxable capital gains, as the case may be, or paid by Unitholders in the case of foreign creditable tax.

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 generally not 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 otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base of such Unit will be increased by the amount of such deemed capital gain.

The reclassification of Units as Units of another series of the Fund will generally not be considered to be a disposition for tax purposes and accordingly, the Unitholder will realize neither a gain nor a loss as a result of such reclassification. The Unitholder's adjusted cost base of the Units received for the Units of another series will equal the adjusted cost base of the latter Units.

On the disposition or deemed disposition of a Unit (including a sale or redemption of a Unit), the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Unitholder's income. The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units owned by the Unitholder as capital property immediately before that time. The cost to a Unitholder on the reinvestment of a distribution of the Fund will be equal to the amount reinvested.

One-half of any capital gain (a "**taxable capital gain**") realized by a Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an "**allowable capital loss**") realized by a Unitholder in a taxation year may be deducted from taxable capital gains realized by the Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, against taxable capital gains realized in such year, to the extent and under the circumstances provided for in the Tax Act.

If a Unitholder disposes of Units, and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has also acquired Units of any series within 30 days before or after the Unitholder disposes of the Unitholder's Units (such newly acquired Units being considered "substituted property"), the Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Unitholder will not be able to recognize the loss, and it would be added to the adjusted cost base to the owner of the Units which are "substituted property".

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as net realized capital gains or as taxable dividends received from a taxable Canadian corporation and capital gains realized

on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

How we keep you informed

You will receive written confirmation when you buy or sell Units. Your trade confirmation shows details of the trade including the name of the Fund, the number of units purchased/redeemed and the purchase/redemption price.

You will also receive annual account statements from your registrar and transfer agent, which summarize the trading activity in your account and the market value of your Fund holdings as at the date of the statement. If your investment in a Fund is held in a nominee account with your broker or dealer, you will not receive these annual account statements.

If you hold securities outside of a Registered Plan, we will send you a tax slip showing all dividends and distributions that have been paid to you.

You will receive annual audited financial statements for each financial year of the Fund and semi-annual unaudited financial statements for the first six months of each year, all as required by applicable laws.

ELIGIBILITY FOR INVESTMENT

Provided the Fund qualifies at all relevant times as a "quasi mutual fund trust" within the meaning of the Tax Act, Units will be a qualified investment for trusts governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), deferred profit sharing plan ("DPSP") and a tax-free savings account ("TFSA").

Provided that the holder of a TFSA does not hold a "significant interest" (as defined in the Tax Act) in the Fund or any person or partnership that does not deal at arm's length with the Fund, and provided that such holder deals at arm's length with the Fund, the Units will not be a prohibited investment for a trust governed by a TFSA. Under proposed amendments to the Tax Act approved as part of the 2011 Federal Budget, the penalty tax for a TFSA holding a prohibited investment will be expanded to apply to investments acquired by RRSPs and RRIFs after March 22, 2011, if and when such proposals are enacted into law.

RISK FACTORS

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

Risks Associated with an Investment in the Fund

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Trust Agreement, including consent by the Investment Manager, and applicable securities legislation. See "Resale Restrictions". Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Investment Risk

An investment in the Fund is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Investors should review closely the investment objective

and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund.

Reliance on Investment Manager

The success of the Fund will be primarily dependent upon the efforts of the Investment Manager and its principals.

Not a Public Mutual Fund

The Fund is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio.

Changes in Investment Strategy

The Investment Manager may alter its strategy without prior approval by the Unitholders if the Investment Manager determines that such change is in the best interest of the Fund.

Valuation of the Fund's Investments

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

The Fund may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that an Unitholder who redeems all or part of its Units while the Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Investment Manager in respect of a redemption. In addition, there is risk that an investment in the Fund by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Investment Manager. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Investment Manager. The Fund does not intend to adjust the Net Asset Value of the Fund retroactively.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Charges to the Fund

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

Lack of Independent Experts Representing Unitholders

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

No Involvement of Unaffiliated Selling Agent

In addition to acting as the manager of the Fund, investors may purchase Units of the Fund from the Investment Manager in its capacity as dealer. Consequently, no outside selling agent unaffiliated with the Investment Manager has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Investment Manager.

Risks Associated with the Fund's Underlying Investments

General Economic and Market Conditions

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

Liquidity of Underlying Investments

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

Shorting

Selling a security short ("**shorting**") involves borrowing a security from an existing holder and selling the security in the market with a promise to return it at a later date. Should the security increase in value during the shorting period, losses will incur to the Fund. There is in theory no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Fund must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Fund may have to bid up the price of the security in order to cover the short, resulting in losses to the Fund.

Currency and Exchange Rate Risks

The Fund's cash assets may be held in currencies other than the Canadian dollar, and gains and losses from futures contracts and currency forwards will generally be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Fund will be denominated in non-Canadian currencies. The Fund nevertheless will compute and distribute its income in Canadian dollars. Thus changes in currency exchange rates may affect the value of the Fund's portfolio and the unrealized appreciation or depreciation of investments. Further, the Fund may incur costs in connection with conversions between various currencies.

Counterparty Risk

To the extent that any counterparty with or through which the Fund engages in trading and maintains accounts does not segregate the Fund's assets, the Fund will be subject to a risk of loss in the event of the insolvency of such person. Even where the Fund's assets are segregated, there is no guarantee that in the event of such an insolvency, the Fund will be able to recover all of its assets.

Leverage

The Investment Manager may use leverage. The Investment Manager does not believe it is necessarily prudent to rely on constant leverage as a method to improve portfolio performance over the long-term.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire Offering Memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

CONFLICTS OF INTEREST

Securities regulation requires that potential conflicts of interest be disclosed. Such potential conflicts are perceived to arise whenever a registrant such as the Investment Manager participates in the distribution of securities of a related or connected issuer.

In this case, because the Investment Manager is the manager of the Fund and because the Investment Manager earns fees from the ongoing management of the Fund's investment portfolio, the Fund is considered both a related issuer and a connected issuer of the Investment Manager. Details of this relationship and the fees earned by the Investment Manager are disclosed elsewhere in this Offering Memorandum.

Conflicts Of Interest Policy

The Investment Manager may engage in activities as a portfolio manager in respect of securities of related issuers but will do so in compliance with applicable securities laws.

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.

Fairness Policy

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

- (i) where orders are entered simultaneously for execution at the same price, fills are allocated on a pro rata basis;
- (ii) when transactions are executed at different prices for a group of clients, fills are allocated on an average price basis;
- (iii) in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed,

allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, including the funds; and

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

Soft Dollar Arrangements

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Investment Manager in exchange for brokerage business from the Investment Manager's managed accounts and investment funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Investment Manager will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

The Investment Manager intends to enter into soft dollar arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all soft dollar arrangements will benefit all clients at all times.

Statement of Related Registrants

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.

At this time, the Investment Manager has no related registrants.

PROCEEDS OF CRIME (MONEY LAUNDERING) 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 Investment Manager's attention, any director, officer or employee of the Investment Manager, or its professional advisers, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

FINANCIAL REPORTING

Within ninety (90) days after the end of each fiscal year or such other period as required by applicable law, the Investment Manager will forward to each Unitholder an annual report for such fiscal year consisting of (i) audited financial statements for such fiscal year; (ii) a report of the Auditors on such financial statements; and (ii) tax information to enable each Unitholder to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

The Investment Manager will forward to each Unitholder unaudited semi-annual financial information concerning the Fund within sixty (60) days of the end of the relevant interim financial period. Information

respecting the Net Asset Value Per Unit will be provided on a quarterly basis.

The Fund is not subject to the reporting requirements of National Instrument 81-106, Investment Fund Continuous Disclosure.

RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Securities legislation in certain of the provinces of Canada provide purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment thereto contains a misrepresentation.

For the purposes of this section, "misrepresentation" means: (a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of securities (a "material fact"); or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

The following is a summary of the statutory rights of rescission or damages, or both, under securities legislation in certain of the provinces of Canada, and as such, is subject to the express provisions of the legislation and the related regulations and rules. **Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor.**

Ontario and New Brunswick

If an offering memorandum, together with any amendment thereto, is delivered to a prospective purchaser and the offering memorandum, or any amendment thereto, contains a misrepresentation which was a misrepresentation at the time the securities were purchased, the purchaser will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the issuer for damages or, may elect to exercise the right of rescission against the issuer (in which case, the purchaser will have no right of action for damages against the issuer).

Securities legislation in each of these provinces provides a number of limitations and defences, including:

- (a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (b) in a case of an action for damages, the defendant will not 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
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered under the offering memorandum, or any amendment thereto.

The statutory right of action described above does not apply to the following purchasers of securities in Ontario:

- (a) a Canadian financial institution, as defined in Ontario Securities Commission Rule 45-501 - Ontario Prospectus and Registration Exemptions, or an authorized foreign bank named in Schedule III of the Bank Act (Canada);
- (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.

In New Brunswick, (a) if advertising or sales literature is relied upon by a purchaser in connection with a purchase of the securities, the purchaser shall also have a similar right of action for damages or rescission against the issuer, every promoter or director of the issuer and every person who, at the time of dissemination of the advertising or sales literature sells securities on behalf of the issuer; (b) if an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of securities, the purchaser has a right of action for damages against the individual who made the verbal statement subject to certain defenses available to such person.

No action shall be commenced to enforce the right of action described above unless the right is exercised within:

- (a) in case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action for damages, the earlier of:
 - (i) 180 days, in the case of Ontario purchasers, and one year, in the case of New Brunswick purchasers, after the date the purchasers first had knowledge of the facts giving rise to the course of action; and
 - (ii) three years, in the case of Ontario purchasers, and six years, in the case of New Brunswick purchasers, after the date of the transaction that gave rise to the cause of action.

Alberta, Nova Scotia and Prince Edward Island

If the offering memorandum, together with any amendment thereto is delivered to a purchaser (in Alberta, in reliance upon the minimum amount investment exemption in NI 45-106), or any advertising or sales literature in the case of purchasers of securities who are resident in Nova Scotia, contains a misrepresentation, a purchaser to whom the offering memorandum has been delivered and who purchases securities shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has the right of action for damages against (a) the issuer, (b) other seller in Nova Scotia, (c) subject to certain additional defences, against every director of the issuer, every director of the other seller in Nova Scotia, in each case, at the date of the offering memorandum and (d) every person or company who signed the offering memorandum, but may elect to exercise the right of rescission against the issuer (in which case the purchaser shall have no right of action for damages against the aforementioned persons or company).

Securities legislation in each of these provinces provides a number of limitations and defenses, including:

- (a) no person or company will be liable if it proves that the purchaser purchased the securities 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 securities 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 securities were offered under the offering memorandum, or any amendment thereto.

In Alberta and Prince Edward Island, no action shall be commenced to enforce the right of action discussed above more than:

- (a) in case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action for damages, the earlier of:
 - (i) 180 days after 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.

In Nova Scotia, no action shall be commenced to enforce the right of action discussed above unless an action is commenced to enforce that right not later than 120 days after the date on which payment was made for the security or after the date on which the initial payment for the security was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Saskatchewan and Manitoba

If an offering memorandum or any amendment thereto, sent or delivered to a purchaser contains a misrepresentation, a purchaser who purchases a security has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages,

- (a) in Saskatchewan, against, the (i) issuer, (ii) every promoter or director of the issuer at the time the offering memorandum or any amendment thereto was sent or delivered, (iii) 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, (iv) every person who or company that, in addition to the person or companies mentioned in (i) to (iii) above, signed the offering memorandum or any amendments thereto, and (v) every person or company that sells securities on behalf of the issuer under the offering memorandum or amendment thereto;
- (b) in Manitoba, against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum

or, may elect a right to exercise the right of rescission against the issuer (in which case the purchaser will have no right of action for damages against the aforementioned persons). Similar rights of action for damages and rescission are provided under the securities legislation of Saskatchewan in respect of a misrepresentation in advertising and sales literature disseminated or in case of a verbal misrepresentation made in connection with an offering of securities.

The Saskatchewan and Manitoba securities legislation provides a number of limitations and defences, including: (a) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in the case of an action for damages, no person or company 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; (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

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 from 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) one year in the case of Saskatchewan purchasers, and 180 days in the case of Manitoba purchasers, after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years in the case of Saskatchewan purchasers, and two years in the case of Manitoba purchasers, after the date of the transaction that gave rise to the cause of action.

Other Rescission Rights

In certain provinces, a purchaser of a security of a mutual fund may (where the amount of the purchase does not exceed an amount as prescribed by legislation), rescind the purchase by notice given to the registered dealer from whom the purchase was made within 48 hours after receipt of the confirmation for a lump sum purchase or within 60 days after receipt of confirmation for the initial payment under a contractual plan for the purchase.

General

The rights described above are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein. Each purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult a legal advisor.

The foregoing summaries are subject to the express provisions of the Securities Act (Ontario), the Securities Act (Alberta), the Securities Act (Nova Scotia), Securities Act (Saskatchewan), Securities Act (Manitoba), Securities Act (New Brunswick), Securities Act (Prince Edward Island), and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. These rights must be exercised by purchasers of securities within the prescribed time limits under applicable securities legislation.

Rights for Purchasers in British Columbia, Québec, Newfoundland and Labrador, the Northwest Territories, Nunavut and the Yukon Territory

Purchasers of securities pursuant to this Offering Memorandum who are resident in British Columbia, Québec, Newfoundland and Labrador, the Northwest Territories, Nunavut or the Yukon Territory, shall be granted a contractual right of action for damages or rescission if this Offering Memorandum, together with any amendments to it, contains a misrepresentation. The contractual right of action shall be granted on the same terms and conditions as the statutory rights of action for purchasers of securities who are resident in Ontario as described above.