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This Offering Memorandum is personal to each prospective purchaser and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities offered hereby. Distribution of this Offering Memorandum to any person other than the prospective purchaser and any person retained to advise such prospective purchaser with respect to its purchase is unauthorized, and any disclosure of any of its contents without the issuer’s prior written consent is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and also agrees to make no photocopies or electronic copies of this Offering Memorandum or any documents referred to or incorporated in this Offering Memorandum.

October 31, 2024



VALIDUS – VRG MOMENTUM FUND

CONFIDENTIAL OFFERING MEMORANDUM

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

MINIMUM INITIAL INVESTMENT

Class A Units: \$100,000
Class B Units: \$100,000
Class I Units: \$100,000
Class X Units: \$100,000

Validus – VRG Momentum Fund (the “Fund”) is an open-end investment fund established as a trust under the laws of the Province of Ontario on September 13, 2024. The objective, strategies, and restrictions of the Fund are described in this Offering Memorandum.

The investment objective of the Fund is to seek to achieve medium-term capital appreciation by employing advanced quantitative momentum strategies. The Fund aims to identify and capitalize on market trends, dynamically adjusting exposures based on comprehensive risk and trend metrics. This approach not only seeks superior returns but also enhances diversification, improving the risk/reward profile of traditional investment portfolios, all as more particularly described herein.

The Fund is represented by trust units (the “Units”) with equal rights and privileges. The various classes of Units offered pursuant to this Offering Memorandum have the same investment objective, strategies, and restrictions but differ in respect of one or more features, such as management fees, performance fees, and minimum investment amounts, as set out herein. Validus NA Inc. (“Validus”) is the trustee (in such capacity, the “Trustee”) and the investment fund manager (in such capacity, the “Manager”) of the Fund, and serves as the portfolio adviser of the Fund. **Validus may also act as exempt market dealer in connection with the distribution of Units. The Fund may be considered a connected and/or related issuer of the Manager for the purposes of applicable Canadian securities laws. See “Conflicts of Interest”.**

The Fund is offering on a continuous basis an unlimited number of Units, issuable in Series (defined below), pursuant to exemptions from the prospectus and/or registration requirements of applicable securities laws (the “**Offering**”) to investors resident in any province or territory of Canada and such other jurisdictions outside of Canada as determined by the Manager in its discretion (the “**Offering Jurisdictions**”). The classes of Units (each, a “**Class**”) being offered are: Class A Units, Class B Units, Class I Units, and Class X Units of the Fund. Subscribers resident in Canada must qualify as “accredited investors” (as such term is defined in National Instrument 45-106 - *Prospectus Exemptions* and, in Ontario, in Section 73.3 of the *Securities Act* (Ontario)).

The minimum initial investment amount for Class A Units, Class B Units, Class I Units, and Class X Units of the Fund is \$100,000. The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. See “Details of the Offering”.

Class A Units of the Fund are available to all investors, excluding investors enrolled in fee-based programs, and commissions or other sales charges may be paid by the Manager to the applicable dealer in connection with the purchase and holding of Class A Units. Class B Units of the Fund are intended for friends and family of members of management, founders, and principals of the Fund. Class I Units are only available for purchase by certain institutional investors and such other persons as determined by the Manager, in its discretion. Class X Units are only available for purchase by members of management, founders, and principals of the Fund, and such other persons as determined by the Manager, in its discretion. See “Details of the Offering”.

The Units are being distributed to investors resident in the Offering Jurisdictions, pursuant to available prospectus and/or registration exemptions under applicable securities laws, subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. This offering may be suspended at any time and from time to time.

Subscriptions must be received by 4:00 p.m. (ET) on the day that is five (5) Business Days (as defined herein) prior to the Subscription Date (as defined herein), or on such other date as the Manager may permit, subject to the Manager’s discretion to refuse subscriptions in whole or in part (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received after such deadline). See “Purchase of Units”.

In respect of the first issuance of Units of each class, each class of Units will be offered at a price equal to the initial offering price of \$100.00, and, following the initial closing of the Offering of the class of Units, Units will be offered at a price equal to the Net Asset Value per Unit of the applicable Class (defined below) or Series, as applicable (see “Determination of Net Asset Value” for the definition of Net Asset Value and for more information). Each subsequent Series of a Class will be issued at a subscription price per Unit equal to the Net Asset Value per Unit of the Series 1 Units of the same class. At the end of the first calendar year, and subsequently after each calendar year, some or all Series of the same Class of Units may be rolled up into a single Series, at the sole discretion of the Manager.

All securities purchased pursuant to this Offering Memorandum are subject to restrictions on resale under applicable securities laws unless a further exemption may be relied upon by the investor or an appropriate discretionary order is obtained pursuant to applicable securities laws. The Units are also subject to redemption and resale restrictions under the Fund’s amended and restated declaration of trust dated as of October 31, 2024, as same may be amended, restated, and/or supplemented from time to time (the “Declaration of Trust”).

As there is no market through which the Units may be sold and none is expected to develop, it may be difficult or even impossible for a holder of Units to sell them. However, Units may be redeemed in accordance with the provisions of the Declaration of Trust as described in this Offering Memorandum. Redemptions may be limited or suspended in certain circumstances and/or redemption proceeds may be paid partly in cash and partly in kind if there is insufficient liquidity in the Fund. There are certain additional risk factors associated with investing in the Units. Subscribers are urged to consult with an independent legal advisor and to carefully review the Offering Memorandum and the Declaration of Trust (available upon request from the Manager) prior to subscribing for the Units. See “Redemption of Units”.

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

The Fund may be considered a connected and/or related issuer of the Manager for the purposes of applicable Canadian securities laws. See “Conflicts of Interest”.

If there is a misrepresentation in this Offering Memorandum, purchasers resident in Canada may, in certain circumstances, be provided with a remedy for rescission or damages. See “Purchasers’ Rights of Action for Damages and Rescission”.

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

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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “will”, “proposes”, “expects”, “estimates”, “intends”, “anticipates”, or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events, or results “may”, “could”, “would”, “might”, or “will” be taken, occur, or be achieved. All statements, other than statements of historical fact, that address activities, events, or developments that the Fund and the Manager believe, expect, or anticipate will or may occur in the future (including, without limitation, statements regarding any objective and strategies of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions, or beliefs of the Fund and the Manager based on information currently available to such persons. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Fund’s actual results, performance, or developments to be materially different from any future results, performance, or developments expressed or implied by 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. While the Fund and the Manager anticipate that subsequent events and developments may cause its views to change, except as may be required by applicable securities laws, each of the Fund and the Manager disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. These forward-looking statements should not be relied upon as representing the Fund’s or the Manager’s views as of any date subsequent to the date of this Offering Memorandum. Although the Fund and the Manager have attempted to identify important factors that could cause actual results, performance, or developments to differ materially from those described in forward-looking statements, there may be other factors that cause results, performance, or developments not to be as anticipated, estimated, or intended. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in economic and 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance, or developments could differ materially from those anticipated in such statements. Although the Fund and the Manager believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. The factors identified above are not intended to represent a complete list of the factors that could affect the Fund.

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SUMMARY

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

The Fund:	Validus – VRG Momentum Fund (the “ Fund ”) is an open-end investment fund established as a trust under the laws of the Province of Ontario on September 13, 2024 and is governed by an amended and restated declaration of trust dated as of October 31, 2024, as same may be amended, supplemented, or amended and restated from time to time (the “ Declaration of Trust ”). See “The Fund”.
Trustee, Manager, and Adviser of the Fund:	<p>Validus NA Inc., a corporation amalgamated under the laws of Canada, will act as the trustee (in such capacity, the “Trustee”) and the investment fund manager (in such capacity, the “Manager”) of the Fund, and will serve as the portfolio adviser of the Fund.</p> <p>The Manager is registered as an investment fund manager in Ontario, Québec, and an exempt market dealer in Ontario. The Manager is also registered as a commodity trading manager under the <i>Commodity Futures Act</i> (Ontario), and as a portfolio manager and derivatives portfolio manager in the Province of Québec. See “The Manager”.</p>
The Offering:	<p>The Fund is offering on a continuous basis an unlimited number of Units (defined below), issuable in Series (defined below), pursuant to exemptions from the prospectus and/or registration requirements of applicable securities laws (the “Offering”) to investors resident in any province or territory of Canada and such other jurisdictions outside of Canada as determined by the Manager in its discretion (the “Offering Jurisdictions”). The classes of Units (each, a “Class”) being offered are: Class A Units, Class B Units, Class I Units, and Class X Units of the Fund.</p> <p>Subscribers resident in Canada must qualify as “accredited investors” (as such term is defined in National Instrument 45-106 - <i>Prospectus Exemptions</i> (“NI 45-106”) and, in Ontario, in Section 73.3 of the <i>Securities Act</i> (Ontario)).</p> <p>The minimum initial investment amount for Class A Units, Class B Units, Class I Units, and Class X Units of the Fund is \$100,000. The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation.</p> <p>The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund, and/or to discontinue the Offering at any time and from time to time. See “Details of the Offering”.</p> <p>A Unitholder may make an additional investment in the same Class of Units in an amount not less than \$100,000, provided that at such time the Unitholder is an “accredited investor” (as such term is defined in NI 45-106 and, in Ontario, in Section 73.3 of the <i>Securities Act</i> (Ontario)). See “Details of the Offering”.</p>
Units of the Fund:	<p>There are four (4) Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class B Units, Class I Units, and Class X Units. Each Class has the same investment objective, strategies, and restrictions but differs in respect of one or more features, such as management fees, performance fees, and minimum investment amounts, as set out herein.</p> <p>Class A Units of the Fund are available to all investors, excluding investors enrolled in fee-based programs, and commissions or other sales charges may be paid by the Manager to the applicable dealer in connection with the purchase and holding of Class A Units. Class B Units of the Fund are intended for friends and family of members of</p>

management, founders, and principals of the Fund. Class I Units are only available for purchase by certain institutional investors and such other persons as determined by the Manager, in its discretion. Class X Units are only available for purchase by members of management, founders, and principals of the Fund, and such other persons as determined by the Manager, in its discretion. See “Details of the Offering”.

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

Series Roll-Up:

At the end of each year, and following the payment of all fees and expenses of the Fund, the Manager may determine that some or all Series of the same Class of Units will be redesignated as Series 1 Units (or other Series, in the discretion of the Manager) in order to reduce the number of outstanding Series of each Class. This will be accomplished by issuing additional Series 1 Units, and consolidating or subdividing the number of Units of each applicable Series so the aggregate Net Asset Value of Units held by a Unitholder does not change. Unitholder’s rights will not be affected in any way as a result of this process. See “Description of Units - Series Roll-Up”.

Offering Price:

Units shall be initially offered at \$100.00 per Unit. Thereafter, Units of a Class shall be offered on a continuous basis at the Net Asset Value per Unit of the applicable Class or Series, as applicable, as of each Subscription Date. Fractional Units will be issued up to a maximum of three decimal places. See “Purchase of Units”.

Investment Objective of the Fund:

The investment objective of the Fund is to seek to achieve medium-term capital appreciation by employing advanced quantitative momentum strategies. The Fund aims to identify and capitalize on market trends, dynamically adjusting exposures based on comprehensive risk and trend metrics. This approach not only seeks superior returns but also enhances diversification, improving the risk/reward profile of traditional investment portfolios, all as more particularly described herein.

There can be no assurance that the investment objective will be achieved, losses may be incurred, and investment results may vary substantially over time. See “Investment Objective and Strategies of the Fund.”

Investment Strategies of the Fund:

The Fund will seek to achieve its investment objective by utilizing proprietary momentum investment strategies using quantitative investment processes that are designed to: (i) identify and capitalize on the continuation of existing market trends; and (ii) monitor market movements and periodically adjust exposures based on risk and trend metrics.

The Fund intends to pursue two parallel investment strategies:

- a microeconomic strategy (the “**Micro Strategy**”) focused on long-only investments in listed global equities and exchange-traded funds (ETFs); and
- a macroeconomic strategy (the “**Macro Strategy**”) focused on long/short investments in global futures contracts.

See “Investment Strategies ”.

Use of Leverage:

The Fund may borrow money for investment purposes and the Manager may use leverage with the goal of optimizing returns of the Fund and will generally be employed with the aim of translating high risk-adjusted returns into high absolute returns. In addition, the Fund has the authority to borrow money to pay redemptions and for cash management purposes. The Fund may borrow funds from brokerage firms

and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using options, swaps and other derivative instruments. The investment strategies utilized by the Manager may employ leverage when deemed appropriate by the Manager, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments. See “Investment Objective and Strategies of the Fund - Use of Leverage” and “Risk Factors - Leverage”.

Currency Hedging:

The working currency of the Fund is the Canadian dollar. The underlying investments held in the portfolio of the Fund may be denominated in U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against other currencies could cause the value of the underlying investments to diminish or increase irrespective of performance. The Fund does not currently intend to engage in currency hedging transactions with the aim of offsetting this exposure. However, the Fund may, in the future, consider using various hedging strategies to manage the currency exposure resulting from the purchase and sale of securities and derivatives contracts across several different countries and markets. Such strategies would rely on the purchase or sale of currency futures, forwards and/or spot currency transactions. Although the Fund may enter into hedging transactions, it is not obliged to, and will only do so as determined by the Manager in its sole discretion. There can be no assurance that such hedging transactions, if conducted, will be successful. Without regard to movements in the currency exchange rate as between the Canadian dollar and the applicable currency(ies), several factors may result in the returns not being equal, including, but not limited to, the expenses incurred in hedging the currency and the timing of an investor’s investment or amounts payable to investors relative to when the Fund is able to hedge the currency as applicable. See “Currency Hedging”.

Net Asset Value:

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

Suspension of Calculation of Net Asset Value:

The Fund may suspend the calculation of Net Asset Value of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange, or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; (ii) for the whole or any part of a period during which any securities exchange or similar electronic system on which a substantial part of the assets of the Fund are traded is closed, otherwise than for ordinary holidays, or dealings on such securities exchange or similar electronic system are restricted or suspended; or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws. In addition, redemption of Units may be limited or suspended in certain circumstances. See “Determination of Net Asset Value - Suspension of Calculation” and “Redemption of Units – Suspension of Redemption”.

Purchase Procedure:

A subscription for Units must be made by completing and executing the subscription agreement and power of attorney form (a “**Subscription Agreement**”) and by forwarding to the Manager such completed form in accordance with the Subscription Agreement. An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription

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

Subscriptions for Units will be accepted: (a) on any Valuation Date that the Units are available for subscription; or (b) on such other date as the Manager may permit (each a **“Subscription Date”**), subject to the Manager’s discretion to refuse subscriptions in whole or in part. Units will be deemed to be issued as of the next Business Day following the applicable Subscription Date. 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 applicable Subscription Date.

In order for Units to be issued as of a particular Subscription Date, a completed Subscription Agreement must be received by the Manager no later than 4:00 p.m. (ET) on the day that is five (5) Business Days prior to the Subscription Date (such date, the **“Subscription Deadline Date”**) (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received after such deadline).

Payment of subscription amounts must be provided by the Subscriber directly on or before 12:00 p.m. (ET) on the Subscription Deadline Date or, in the case where a registered dealer (a **“Registered Dealer”**) acts as agent for an investor, from the Subscriber’s account at the Subscriber’s Registered Dealer not later than 12:00 p.m. (ET) on the specified settlement date.

Units will be issued in Series. On the first closing, Units designated by the Trustee as Series 1 Units of each Class shall be issued. On each successive Subscription Date on which Units are issued, a new Series of Units of the applicable Class will be issued. It is in the discretion of the Trustee to change this policy.

Each Class of Units will be offered at a price equal to the initial offering price of \$100.00 per Unit.

Units of the Fund are offered by the Manager directly and through Registered Dealers.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the Manager the covenants and representations contained in the Subscription Agreement delivered by the investor to the Manager at the time of initial investment in the Fund. See **“Purchase of Units”**.

Redemption of Units:

Each Unit shall be redeemable at the option of the holder on a monthly basis, pursuant to a written redemption request that must be received by the Manager in accordance with the provisions set forth below. The current redemption dates of the Fund (each, a **“Redemption Date”**) are the last Business Day of each month and/or such other date or dates as the Manager may permit. A written redemption request must be received by the Manager no less than five (5) Business Days prior to the applicable Redemption Date (such date, the **“Redemption Notice Deadline”**), or such shorter period as the Manager may, in its discretion, approve.

Redemption requests are irrevocable unless the Manager, in its sole discretion, permits a redemption request to be withdrawn or unless a redemption request is not honoured on the applicable Redemption Date, in which case it may be withdrawn at the option of the holder within 30 calendar days following such Redemption Date. If a redemption request is not honoured on the applicable Redemption Date and is not withdrawn during the required time period, the redemption request will remain in full force and effect and will be carried over to each next subsequent Redemption Date until honoured

in full, subject to the Manager's ability to permit a redemption request to be withdrawn in the Manager's sole discretion.

The Fund will redeem all or any part of the Units of a Class held by a Unitholder at the applicable Net Asset Value per Unit determined as of the applicable Redemption Date following receipt of the redemption request. All redemption requests received after 4:00 p.m. (ET) on the Redemption Notice Deadline (or such other shorter deadline as the Manager may, in its discretion, approve) will be processed at the applicable Net Asset Value per Unit calculated as of the next Redemption Date in the following month.

Proceeds of redemption (less any applicable fees and deductions as provided herein and provided in the Declaration of Trust) shall be paid as soon as is practicable following the relevant Redemption Date. Redemption proceeds will be paid in Canadian dollars.

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

Suspension of Redemptions:

The Manager may suspend or postpone, or continue a suspension of or postponement of, the right of redemption of Units of the Fund, in full or in part on a *pro rata* basis, during: (i) any period in which there has been a suspension in the calculation of the Net Asset Value of the Units; or (ii) any period in which there are insufficient liquid assets in the Fund to fund redemptions entirely in cash or in which the liquidation of assets of the Fund would be to the detriment of the Fund generally or is not reasonably practicable as determined by the Manager. If the Manager suspends or postpones the right of redemption of Units in full or in part, a Unitholder may either withdraw its redemption request within 30 calendar days following the applicable Redemption Date or receive payment based on the applicable Net Asset Value per Unit for each subsequent Redemption Date on which the redemption request is honoured, in full or in part, where such redemption requests shall take priority over subsequent redemption requests submitted for Redemption Dates following the Redemption Date for which redemptions were suspended or postponed. For greater certainty, if the Manager suspends or postpones the right of redemption of Units, the Fund may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption shall be made *pro rata* according to the aggregate number of Units tendered for redemption by each such Unitholder. See "Redemption of Units – Suspension of Redemption".

Eligibility for Investment:

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

Distributions and Automatic Reinvestment of Distributions:

Subject to the Manager's discretion to make distributions of cash, any distributions with respect to Units (less any amounts required by law to be deducted therefrom) are expected to automatically be reinvested for the account of each Unitholder in additional Units at the applicable Net Asset Value per Unit. No sales charge shall be payable by a Unitholder in connection with any such reinvestment.

There can be no assurance that any cash distributions will be paid to holders of Units. Accordingly, the Fund is not a suitable investment for any investor who requires regular cash distributions.

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. Such distributions, if any, are paid as of the last Business Day of the calendar year, and at such other times as may be determined by the Manager. Subject to the Manager's discretion to make distributions of cash, all such distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units at the applicable Net Asset Value per Unit. Following such distributions and reinvestments, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. No sales charge shall be payable by a Unitholder in connection with any such reinvestment.

Distributions, if any, will be made to registered Unitholders determined as of the close of business on the record date of the distribution. All distributions payable in respect of a Class of Units will be made on a *pro rata* basis to Unitholders of that Class. Distributions, if any, will be paid in Canadian dollars.

Other than as set forth above, the Fund does not intend to make any distributions on the Units. See "Distribution Policy".

**Canadian Federal Income
Tax Considerations:**

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

Each investor should satisfy itself as to the tax consequences of an investment in Units by obtaining advice from its tax advisor. For a detailed summary of certain of the Canadian federal income tax considerations generally relevant to investors, see "Certain Canadian Federal Income Tax Considerations".

Financial Reporting:

The Fund intends to make available and, where requested, to deliver audited financial statements to Unitholders after the end of each fiscal year end commencing for the fiscal year ending in 2024. See "Reporting to Unitholders".

**Release of Confidential
Information:**

Under applicable securities and anti-money laundering legislation, the Manager and/or the Administrator are required to collect and may be required to release confidential information about Unitholders and, if applicable, about the beneficial owners of corporate Unitholders, to regulatory or law enforcement authorities.

Risk Factors:

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

See “Risk Factors”.

Certain Risk Factors Applicable to the Fund

- Reliance on Manager
- Dependence of Manager on Key Personnel
- Liquidity, Marketability, and Transferability of Units
- Nature of Units
- Limited Ability to Liquidate Investment
- Possible Effect of Redemptions
- Taxation of the Fund
- Foreign Tax Reporting
- In-Kind Distributions
- Charges to the Fund
- Public Health Crises and Other Events Outside the Control of the Fund
- Electronic Trading
- Conflicts of Interest
- Illiquidity
- Suspension of Trading
- Not a Mutual Fund Offered by Prospectus
- No Operating History
- Class Risk
- Unitholder Liability
- The Units are not Insured and Insurance Risk
- Unitholders not Entitled to Participate in Management
- Possible Negative Impact of Regulation of Funds
- Enforcement of Legal Rights
- Past Performance
- Potential Indemnification Obligations
- Operational Risk
- Currency Risk
- Restrictions on Certain Unitholders and Liquidity of Units

Certain Risk Factors Applicable to the Fund

- No Assurance of Achieving Investment Objective
- Reliance on Investment Technologies
- Investment and Trading Risks in General
- General Economic and Market Conditions
- Market Risks and Liquidity
- Securities Believed to be Undervalued or Incorrectly Valued Risk
- Availability of Investment Strategies
- Fluctuation in Value of the Portfolio Securities
- Credit
- Changes in Investment Strategies
- Risks of Executing Investment Strategies
- Portfolio Turnover
- Fixed Income Securities
- Equity Securities
- Derivative Instruments
- Short Sales
- Hedging

- Leverage
- Trading Errors
- Counterparty and Settlement Risk
- Foreign Markets / Currency
- Regulatory and Legal Risk

Administrator:	SGGG Fund Services Inc. 121 King Street West, Suite 300 Toronto, Ontario, M5H 3T9 (the “ Administrator ”)
Prime Broker:	Interactive Brokers Canada Inc. (Toronto, Ontario) serves as the prime broker and custodian for, and may receive fees from, the Fund in relation to the trading activities of the Fund. The Fund may appoint other prime-brokers from to time to time.
Auditors:	Ernst & Young LLP Toronto, Ontario
Legal Counsel:	McMillan LLP Toronto, Ontario
Year-End:	December 31
Statutory and Contractual Rights of Action:	Purchasers of Units are entitled to the benefit of certain statutory or contractual rights of action. See “Purchasers’ Rights of Action for Damages and Rescission”.

SUMMARY OF FEES AND EXPENSES

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

Type of Fee

Description

Fees and Expenses of the Fund

Management Fees:

The Fund shall pay the Manager a management fee (the “**Management Fee**”) based upon the Class Net Asset Value of each Class of Units, excluding with respect to Class I and Class X Units. The Manager will receive an annual fee equal to 2.00% of the aggregate Class Net Asset Value of each of the Class A Units and Class B Units. The Management Fee is calculated and paid monthly in arrears and as at any other day as the Manager may determine.

No management fee is payable with respect to Class X Units. With respect to Class I Units, the management fee is negotiated between the Manager and each investor and paid directly by the investor to the Manager pursuant to a separate Class I agreement between the Manager and investor.

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

Performance Fee:

The Fund will pay to the Manager a performance fee that will be calculated and accrue monthly and be paid annually (the “**Performance Fee**”), plus applicable taxes, if any, as described below.

The Performance Fee is calculated on a Series-by-Series and Class-by-Class basis in respect of the following Classes of Units: Class A Units. No Performance Fee is payable by the Fund to the Manager in respect of any Class B Units, Class I Units, or Class X Units. With respect to Class I Units, the performance fee is negotiated between the Manager and each investor and paid directly by the investor to the Manager pursuant to a separate Class I agreement between the Manager and investor.

In calculating the Performance Fee for a fiscal year in respect of a Series or a Class of Units, the Fund shall determine the positive difference (“**Excess Amount**”), if any, between the Series Adjusted Net Asset Value per Unit of such Series of Units and the Series High-Water Mark for each such Series of Units, calculated on such Valuation Date or Redemption Date (or prorated for partial periods of less than twelve months).

The Performance Fee for a fiscal year in respect of a Series or Class of Units shall be an amount equal to 20% in respect of Class A Units of the Excess Amount multiplied by the number of Units of that Series or Class outstanding on such Valuation Date or Redemption Date (or prorated for partial periods of less than twelve months).

If the aggregate Excess Amount of a particular Series of Units in any year is negative (a “**Series Negative Return**”), then no Performance Fee will be paid in that year in respect of that Series of Units. The Series High-Water Mark for a Series of Units does not reset. Any Series Negative Return has to be recovered before a Performance Fee is paid in respect of that Series of Units in any subsequent period.

“**Series Adjusted Net Asset Value**” of a Unit on any date is equal to the Series Net Asset Value per Unit of such Unit on such date, calculated based on a Series Net Asset Value before performance fees are accrued on such date and calculated before deduction of the performance fees, if any, payable in respect of such Unit on such date, plus the amount of any distributions payable in

respect of such Unit since the date as at which the Series High-Water Mark of such Unit was established.

“Series High-Water Mark” for a Unit as at any date means, initially, its subscription price, and thereafter shall be adjusted from time to time to equal its Series Net Asset Value per Unit immediately following the payment of a performance fee in respect of such Unit. The Series High-Water Mark for a Unit is adjusted on a *pro rata* basis for redemptions of the particular series and/or class of the Unit. The Series High-Water Mark of a Unit will be appropriately adjusted in the event of a consolidation or subdivision of Units.

Establishment and Operating Expenses of the Fund:

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including, but without limitation, the fees and expenses of legal counsel and the Fund’s auditors, except to the extent that the Manager agrees to pay any such expenses from time to time. The Fund intends to amortize these costs over the five year period following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including, but not limited to, fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund’s bank accounts, custodial, prime broker, and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses that are directly related to the maintenance and management of the Fund, and all taxes, assessments, or other regulatory and governmental charges levied against the Fund. The Fund is also responsible for fees and expenses relating to the Fund’s portfolio investments, if any, 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. The Fund is generally required to pay applicable sales taxes on the Management Fee and on most administration expenses that it pays. Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes.

See “Fees and Expenses Relating to the Fund - Establishment and Operating Expenses of the Fund”.

Sales Commissions and Fees

Dealer Compensation:

In respect of a purchase of any other Class of Units, the Manager may agree to pay sales commissions and/or other fees, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept such commission or fee. Commissions or fees may be modified or discontinued by the Manager at any time. No sales commission will be payable in respect of Units purchased through the Manager in its capacity as exempt market dealer in connection with the distribution of the Units in the Offering Jurisdictions.

See “Dealer Compensation”.

GLOSSARY

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

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

“Administration Agreement” means the administration agreement between the Manager and the Administrator, as may be amended from time to time.

“Administrator” means SGGG Fund Services Inc., the record-keeper and fund administrator of the Fund, or such other entity that is appointed the record-keeper and fund administrator of the Fund from time to time.

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

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

“Canadian IGA Legislation” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Foreign Tax Reporting”.

“Capital Gains Refund” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of the Fund”.

“Class” means a particular class of Units.

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

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

“Consulting Agreement” means the consulting agreement dated as of October 31, 2024 between VRG and the Manager pursuant to which VRG provides consulting services to the Manager as described under “Services Provided by VRG”.

“CRA” means the Canada Revenue Agency.

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

“FATCA” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – U.S. Foreign Account Tax Compliance Act”.

“FATCA Tax” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – U.S. Foreign Account Tax Compliance Act”.

“financial institution” has the meaning given to such term in section 142.2 of the Tax Act.

“Fund” means Validus – VRG Momentum Fund, an open-end investment trust established under the laws of the Province of Ontario on September 13, 2024.

“IGA” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – U.S. Foreign Account Tax Compliance Act”.

“Investment Assets” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of the Fund”.

“IRS” means the U.S. Internal Revenue Services.

“License Agreement” means the technology license agreement dated as of October 31, 2024 between VRG and the Manager pursuant to which the Manager licenses use of the Platform, as described under “Services Provided by VRG”.

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

“Manager” means Validus NA Inc., a company amalgamated under the laws of Canada and the manager of the Fund or, if applicable, its successor.

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

“Material Fact” has the meaning given to such term in “Purchasers’ Rights of Action for Damages and Rescission”.

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

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

“Net Asset Value per Unit” means the Net Asset Value attributable to each Unit of the applicable Class or Series.

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

“Newfoundland and Labrador Act” means the *Securities Act* (Newfoundland and Labrador), as amended.

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

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

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

“Offering” means the offering of Units of the Fund on a continuous basis to investors in the Offering Jurisdictions.

“Offering Jurisdictions” means, collectively, the provinces and territories of Canada and such other jurisdictions outside of Canada as determined by the Manager in its discretion.

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

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

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

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

“Platform” means the proprietary technology trading platform licensed from VRG pursuant to the License Agreement, which informs the investment strategies utilized by the Fund. See “Investment Objective and Strategies of the Fund” and “Services Provided by VRG”.

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

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

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

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

“Series” means a particular series of a Class of Units.

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

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

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

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

“Subscription Date” means any Valuation Date that the Units are available for subscription or such other date as the Manager may permit.

“Subscription Deadline Date” means the day that is five (5) Business Days prior to the applicable Subscription Date.

“Subscription Receipt” means interim subscription receipts of the Fund.

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

“Trustee” means Validus NA Inc., a company amalgamated under the laws of Canada and the trustee of the Fund or, if applicable, its successor.

“Units” means the trust units of the Fund, and each a **“Unit”**.

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

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

“Valuation Date” means the last calendar day of any month and/or any other day as determined from time to time by the Manager.

“Valuation Time” means 4:00 p.m. (ET) or such other time as the Manager, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value of the Fund and/or a Class or Series of Units, as applicable.

“VRG” means VRG Technologies Corp., a corporation incorporated under the laws of the Province of Ontario.

THE FUND

Validus – VRG Momentum Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario on September 13, 2024 and is governed by an amended and restated declaration of trust dated as of October 31, 2024, as same may be amended, supplemented, or amended and restated from time to time (the “**Declaration of Trust**”). Validus NA Inc. is the trustee (in such capacity, the “**Trustee**”) and the investment fund manager (in such capacity, the “**Manager**”) of the Fund and is responsible for the management and administration of the Fund. The principal office of the Fund and the head office of the Manager of the Fund are situated at 55 University Avenue, Suite 302, Toronto, Ontario, Canada M5J 2H7.

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

THE TRUSTEE

Pursuant to the Declaration of Trust, the Trustee acts on behalf of all Unitholders in matters relating to the Fund. The principal office of the Trustee is located at 55 University Avenue, Suite 302, Toronto, Ontario, Canada M5J 2H7.

The Trustee, and any successor trustee, must be a resident of Canada for tax purposes. The Trustee may resign upon 90 days’ written notice to the Unitholders and may be removed on 60 days’ written notice in the event the Trustee is in material breach or material default of the provisions of the Declaration of Trust, and, if capable of being cured, such breach or default has not been cured within 20 Business Days’ from written notice to the Trustee of such breach or default if such removal has been approved by an extraordinary resolution of the Unitholders (being resolutions approved by more than 66 2/3% of the votes duly cast by Unitholders at a meeting or written resolutions signed by Unitholders holding more than 66 2/3% of the aggregate number of applicable Units, all in accordance with the Declaration of Trust). The Trustee shall be deemed to have resigned in certain circumstances including upon the dissolution, insolvency, or bankruptcy of the Trustee, or if the Trustee ceases to be a resident in Canada for the purposes of the Tax Act. If the Trustee resigns or is deemed to resign, a successor trustee shall be appointed by the Manager to fill such vacancy and the replacement trustee, other than an affiliate of the Manager or a registered trust company nominated by the Manager, shall be elected by majority vote at a special meeting of the Unitholders called to approve such appointment. The Trustee may be replaced with an affiliate of the Manager or a registered trust company nominated by the Manager without requiring such replacement trustee to be elected or otherwise approved or consented to by Unitholders. If, after the resignation or removal of the Trustee, no successor has been appointed within 90 days, the Unitholders may elect a successor trustee by majority vote at a meeting of Unitholders called for such purpose. In each case, if, upon the expiry of a further 30 days, neither the Manager nor the Unitholders of the Trust have appointed a successor Trustee, the Fund shall terminate.

The Declaration of Trust provides that the Trustee shall not be liable to the Fund or to any Unitholder for any loss or damage relating to any matter regarding the Fund except in cases where the Trustee fails to act honestly and in good faith and in the best interests of Unitholders to the extent required by the laws applicable to trustees, or breaches its standard of care. In performing its obligations and duties, the Trustee must act honestly and in good faith, with a view to the best interests of Unitholders, and must exercise the degree of care, diligence, and skill that a reasonably prudent trustee would exercise in comparable circumstances. Furthermore, the Trustee shall not be liable for any acts or omissions based on reliance upon the instructions of the Manager, the custodian (if not the Trustee), record keeper (if not the Trustee), any registrar or transfer agent of the Fund (unless the Trustee is acting in such capacity), or any person or organization to whom its responsibilities are delegated. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees, or agents, in respect of certain liabilities incurred by any of them in carrying out the Trustee’s duties.

As long as the Trustee is the manager of the Fund or an affiliate thereof, the Trustee will not receive fees from the Fund but is entitled to be reimbursed for all out-of-pocket expenses that are properly incurred by the Trustee in connection with the performance of its duties.

MANAGEMENT OF THE FUND

The Manager

The Manager is responsible for the management of the Fund pursuant to the Declaration of Trust. The Manager's responsibilities include the provision of general administrative and management services. The Manager has delegated certain administrative functions to the Administrator pursuant to the Administration Agreement. The Manager is also responsible for the offering and sale of Units of the Fund. Units of the Fund may also be purchased from a Registered Dealer.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budget and authorize the payment of operating expenses. If the Manager is in material breach or material default of its obligations under the Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 20 Business Days' notice of such breach or default to the Manager, the Fund shall give notice thereof to the Unitholders and the Unitholders may remove the Manager by an extraordinary resolution (being resolutions approved by more than 66 2/3% of the votes duly cast by Unitholders at a meeting or written resolutions signed by Unitholders holding more than 66 2/3% of the aggregate number of applicable Units, all in accordance with the Declaration of Trust) and appoint a replacement manager of the Fund.

The Manager shall be deemed to have resigned its rights, powers, duties, and responsibilities under the Declaration of Trust without notice in certain circumstances including upon the dissolution, insolvency, or bankruptcy of the Manager, or if the Manager ceases to be resident in Canada for the purposes of the Tax Act. The Manager may resign as manager of the Fund at any time on 90 days' written notice to the Trustee and the Unitholders. The Declaration of Trust contains provisions for the appointment of a successor manager in the event of the removal or resignation of the Manager. If no successor manager is appointed, the Fund will be terminated. If the Manager resigns or is removed, a replacement manager shall forthwith be appointed by the Trustee or the resigning Manager and, unless the replacement manager is the trustee of the Fund or an affiliate of the trustee of the Fund or the resigning Manager, such appointment must be approved by a majority of the votes cast by Unitholders at a meeting called for such purpose.

The Manager and its directors, officers, partners, employees, and agents shall not be liable to the Fund for any loss or damage relating to any matter regarding the Fund, except in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care, or by any material breach or material default by the Manager of its obligations under the Declaration of Trust. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Manager and indemnifying the Manager, and any of its officers, partners, employees, and agents.

The Manager is responsible for providing investment advisory services to the Fund and is responsible for acquiring the securities comprising the portfolio of the Fund and maintaining the portfolio in accordance with the investment objective of the Fund. The Manager's responsibilities include investment management services, investment analysis, selection of dealers or brokers and the negotiation of commissions, recommendations and investment decision making. The Manager will also receive all subscriptions and notices of redemption, accept or reject subscriptions and notices of redemption, complete all necessary forms required under the relevant securities legislation and regulations and submit such subscriptions, notices of redemption and associated forms for processing, as well as performing and keeping all records with respect to the "know your client" and "suitability" assessment of all direct subscribers for Units in the Fund with respect to which the Manager acts as dealer in accordance with all applicable securities laws.

The Manager is registered as an investment fund manager in Ontario, Québec, and an exempt market dealer in Ontario. The Manager is also registered as a commodity trading manager under the Commodity Futures Act (Ontario), and as a portfolio manager and derivatives portfolio manager in the Province of Québec. In the U.S., the Manager is registered with the Commodity Futures Trading Commission as a commodity trading advisor. This registration is administered through the National Futures Association.

The principal place of business of the Manager is 55 University Avenue, Suite 302, Toronto, Ontario, Canada M5J 2H7. The name and municipality of residence of the directors and officers of the Manager actively involved in the management of the Fund, and the office held by them (being their principal occupations), are set out below.

Officers, Directors, and Key Investment Personnel of the Manager

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

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Kambiz Kazemi Toronto, Canada	CFA, Chief Investment Officer, Chief Compliance Officer	Executive of the Manager
Ryan Brandham Toronto, Canada	CFA, Head of Capital Markets	Executive of the Manager

Kambiz Kazemi

Kambiz Kazemi has two decades of experience in financial markets. He started his career at Société Générale where he progressed to be Senior Vice President and co-head of the equity and commodities sales & trading group for Canada in 2007. Prior to joining Validus he was a partner La Financière Constance (acquired by Validus). He started investing in global markets as a portfolio manager at Polar Asset Management, one of Canada's leading alternative asset managers, where he helped successfully navigate the global financial crisis of 2008. Kambiz holds an MBA from McGill University, is a CFA charter holder and holds the P.Eng. designation.

Ryan Brandham

Ryan Brandham has more than 18 years' experience trading FX Options Products for multiple major Canadian banks, including managing a global FX Options trading business. During his career, Ryan has developed a reputation for client focus and has built quantitative trading tools to optimize trade idea generation, pricing and execution processes. Ryan holds a Bachelor of Commerce (Hons) degree from Queen's University and is a CFA charter holder.

About Validus

The Manager offers macroeconomic-driven and systematic investment strategies as well as risk management and hedging solutions. The Manager focuses in particular on advanced macroeconomic analysis, on applying scientific methods to understand the relationship between the price behavior of securities and the pricing of risk and derivative instruments across asset classes. This expertise is key to designing and its proprietary set of strategies and in designing solutions with the goal of delivering strong risk adjusted performance through a wide range of market regimes.

Services Provided by VRG

The Manager has entered into an arrangement with VRG Technologies Corp. (“VRG”) to provide to the Manager and the Fund certain consulting, sales, and marketing services and to license the use of a technology trading platform (the “Platform”) and provide consulting services in connection therewith (collectively, the “Services”). The Manager has entered into a technology license agreement dated as of October 31, 2024 with VRG (the “License Agreement”) to license the use of the Platform and has entered into a consulting agreement dated as of October 31, 2024 with VRG (the “Consulting Agreement”) with respect to the provision of consulting services by VRG. All fees payable to VRG for the Services shall be borne by the Manager, and are comprised of license fees payable pursuant to the License Agreement and consulting fees payable pursuant to the Consulting Agreement.

The Platform uses proprietary algorithms to perform volatility pattern evaluation and portfolio generation targeting equity trend detection, futures contract trend detection, and risk allocation sizing. The Platform's key components include: a proprietary Elastic Volatility Index (EVI); EVI market state mapping process; and artificial intelligence (AI) machine learning and dynamic portfolio generation (DPG). The Platform will inform the investment strategies utilized by the Fund, and will include trading signal generation, portfolio construction, portfolio rebalancing, and risk management that are fully program-based. See “Investment Objective and Strategies of the Fund”.

Pursuant to the License Agreement, VRG has granted to the Manager, subject to the terms of the agreement, a limited, irrevocable, exclusive, non-transferable, non-sublicensable, license fee-bearing right and license to use the Platform in connection with the investment strategies and other portfolio management and analysis related thereto with respect

to the Fund. The License Agreement shall remain in force until terminated in accordance with its terms. The License Agreement may be terminated: at any time by one party if the other party is in material breach of the License Agreement and such breach has not been remediated within the 60 day period following notice to the breaching party of such breach; by either party in the event of the insolvency, dissolution, or like situation of the other party; at the option of VRG, at any time following the third anniversary of the date of the License Agreement upon 90 days' written notice to the Manager; at the option of the Manager, upon 90 days' written notice to VRG if the Manager ceases to use the Platform or ceases to be the manager or portfolio manager of the Fund; at the option of VRG in the event of a change of control of the Manager that occurs following the third anniversary of the date of the License Agreement; at the option of the Manager in the event of a change of control of VRG; or as otherwise mutually agreed by the Manager and VRG. The License Agreement shall automatically terminate on termination of the Fund. The License Agreement contains provisions limiting the liability of VRG and the Manager and providing for certain indemnification rights between the parties as are customary for agreements of this nature.

The right of the Manager to use the Platform in connection with the Fund is subject to the License Agreement in all respects and the Fund relies on the licensing and availability of the Platform. No guarantee or representation is made that the Platform will continue to be available to the Fund in the future at the same terms or at all. In the event that the Fund is no longer able to license the Platform or if such technologies or similar technologies are not available at reasonable prices or on commercially reasonable terms, or at all, the Fund and its ability to achieve its investment objective may be materially adversely affected. See "Risk Factors – Reliance on Investment Technologies".

VRG provides the Manager with the following services pursuant to the Consulting Agreement: consulting services and support services to ensure the optimal utilization of intellectual property licensed by the Manager under the License Agreement; subject to compliance with applicable securities laws, provide to the Manager and/or the Fund sales and marketing support; and such other consulting services as may be agreed to by the parties from time to time. In executing its duties and responsibilities under the Consulting Agreement, VRG shall: (a) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Manager and the Fund; and (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. Under the Consulting Agreement, VRG (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly or indirectly out of any act or omission done or suffered by VRG in the performance of its duties under the Consulting Agreement unless such loss or damage arose out of the failure of VRG (or any of its directors, officers, employees and agents) to meet its standard of care in the performance of its duties thereunder or due to its negligence or wilful default. The Consulting Agreement shall remain in force until terminated in accordance with its terms. The Manager may terminate the Consulting Agreement immediately in the event of: the commission by VRG of any fraudulent act in the performance of any of its obligations or any deliberate misrepresentation under the Consulting Agreement; the persistent failure of VRG to perform its duties and discharge its obligations under the Consulting Agreement; the continuing malfeasance or misfeasance of VRG in the performance of its duties under the Consulting Agreement; the bankruptcy or insolvency of VRG, the passing of a resolution for its dissolution or the issuance of an order for its dissolution or the making of a general assignment for the benefit of its creditors; any action taken, or inaction, by VRG, its directors, officers, employees or representatives, or any other event which, in the opinion of the Manager, acting reasonably, has brought material disrepute to the Manager or the Fund; or in the event that any key person of VRG ceases to devote such business time and attention to the business and affairs of VRG as is necessary for VRG to satisfy its standard of care in connection with the Consulting Agreement. The Consulting Agreement may also be terminated by either party on 90 days' written notice. The Consulting Agreement shall automatically terminate on termination of the Fund.

Officers, Directors, and Key Personnel of VRG

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

<u>Name and Municipality of Residence</u>	<u>Position with VRG</u>	<u>Principal Occupation</u>
Bashar Alrehany Toronto, Canada	President & Chief Executive Officer	Executive of VRG
J R Kingsley Ward Toronto, Canada	Managing Partner	Executive of VRG

<u>Name and Municipality of Residence</u>	<u>Position with VRG</u>	<u>Principal Occupation</u>
Greg Cochrane Toronto, Canada	Managing Partner	Executive of VRG
Brock Bundy Toronto, Canada	Managing Partner	Executive of VRG
Peter Lood Ottawa, Canada	Chief Technology Officer	Executive of VRG
William Shin Ottawa, Canada	Chief Operating Officer	Executive of VRG

Bashar Alrehany

Bashar Alrehany has over 25 years' experience as a CEO and board member in the financial services, technology, and health care sectors. He was previously the CEO of Dow Jones Markets Canada and more recently was the CEO of BCA Research and the Ned Davis Group, which he led from 2003. In addition, to his role as Managing Director at VRG Capital Inc., Bashar is a board member of Infrastructure Ontario, and a member of the Advisory Board of Veritas Investment Research and Board member of Children Mental Health Ontario. He was also a board member of Euromoney Institutional Investor Plc.

Brock Bundy

Brock Bundy has more than 30 years' experience in the financial sector. He started his career with the RBC in 1988 and held numerous senior positions in both Canada and Japan as an Institutional Trader and then as a Corporate Lender. Most recently he has been a Managing Partner of VRG Capital Inc., a private equity firm, and he also sits on the investment committee of a private multi-billion dollar debt fund, along with a number of other Board Directorships. He is a Chartered Professional Accountant and a member of the Society of Management Accountants of Ontario. He earned his ICD.D designation from the Institute of Corporate Director's in 2017.

Peter Lood

Peter Lood has held senior positions at Scotia Bank within investment banking, financial engineering, and risk management in North America and Asia. As Chief of Trading and Risk Management, his team developed a portfolio of highly automated and discretionary trading strategies outperforming the S&P index benchmark for a groundbreaking financial engineering company. Peter is a pioneer in algorithmic trading; his start-up company, AFI, became a catalyst for a quantitative hedge fund with clients that included a prestigious North American pension fund. Peter has an Honors BA in Economics from Western University and attended INSEAD - The Business School for the World.

William Shin

William has global experience in launching and incubating successful ventures across multiple industries, including nutraceuticals, retail advertising, high-tech service delivery, and mobile gaming. His apps have achieved top 10 rankings and Apple's staff picks. He has served as CTO in both established companies and start-ups, bridging technical solutions with future business needs in big data analysis, quantitative trading, and operations. He holds a Bachelor of Science degree from Seoul National University. He earned his PMP designation from the Project Management Institute in 2011.

J R Kingsley Ward

Kingsley has over 30 years of experience initiating, structuring, and monetizing private equity investments. He is the managing partner of VRG Capital and serves as the Chairman of Clarus Securities Inc., DATA Communications Management Corp. (TSX: DCM), and is the Chairman and CEO of Simply Better Brands Corp. (TSXV: SBBC). He serves as a Director of HealWELL AI (TSX: AIDX), Dominion Lending Centers Group (TSX: DLCCG), and Globalive Technology Holdings Inc. Kingsley previously served as founder and former Director of IPEC Ltd., founder and former Chairman of Pareto Corporation (TSE: PTO), and was a former Director of PLM Group Ltd. (TSX: PGL) and

of Wheels Group Inc. (TSXV: WGI). He was the former Chairman of Jones Brown Holdings. Kingsley is also a Director of Polo Canada and has been actively involved in the Young Presidents' Organization (YPO) since 1999.

Greg Cochrane

Greg Cochrane has been a Managing Partner of VRG Capital since 2011. With VRG he has been a lead investor and a director in a number of public and private companies including Wheels Group, Capri Media Group, Jones Brown Insurance Brokerage and Founders Advantage Capital. Greg began his career with General Electric and then S.C. Johnson. In 1981 he bought into Mariposa Communications. By 1997, when the company was sold to Mosaic Group, he and his partner had built the largest event company in Canada. He was appointed President of Data Communications Management (DCM) and later served as CEO until March 2021. Greg is on the Foundation Board for Princess Margaret Cancer Center.

The services of each of the Manager and VRG are not exclusive to the Fund, and no provision in the Declaration of Trust prevents the Manager or any affiliate, from providing similar services to other investment funds and other clients or from engaging in other activities.

As at the date hereof, to the knowledge of the Manager, no officer, director, or substantial securityholder of the Manager holds, beneficially, directly or indirectly, a significant interest in the Fund, either individually or in the aggregate.

INVESTMENT OBJECTIVE AND STRATEGIES OF THE FUND

Investment Objective

The investment objective of the Fund is to seek to achieve medium-term capital appreciation by employing advanced quantitative momentum strategies. The Fund aims to identify and capitalize on market trends, dynamically adjusting exposures based on comprehensive risk and trend metrics. This approach not only seeks superior returns but also enhances diversification, improving the risk/reward profile of traditional investment portfolios, all as more particularly described herein.

There can be no assurance that the investment objective will be achieved, losses may be incurred, and investment results may vary substantially over time.

Investment Strategies

The Fund will seek to achieve its investment objective by utilizing proprietary momentum investment strategies using quantitative investment processes that are designed to: (i) identify and capitalize on the continuation of existing market trends; and (ii) monitor market movements and periodically adjust exposures based on risk and trend metrics.

The Fund intends to pursue two parallel investment strategies:

- a microeconomic strategy (the “**Micro Strategy**”) focused on long-only investments in listed global equities and exchange-traded funds (ETFs); and
- a macroeconomic strategy (the “**Macro Strategy**”) focused on long/short investments in global futures contracts.

In pursuing its investment strategies, the Fund may invest in a range of investments, including global futures contracts, listed individual company shares, index exchange traded funds (ETFs), money market ETFs, currencies (foreign exchange transactions), and government treasuries.

Because the trading strategies utilized by the Fund are proprietary and confidential, only a general description of the investment strategies and process can be included herein.

Investment Process

The investment strategies utilized by the Fund are quantitative and systematic, which means that trading signal generation, portfolio construction, portfolio rebalancing, and risk management are all fully program-based and

execution of the Fund's investment strategies is systematic. All facets of the predictive models, risk management, and trade allocation are fully automated. However, trading is scrutinized and approved by the portfolio management team of the Manager prior to execution, and all trades are reconciled by the Manager's portfolio management team on a daily basis. For this purpose, the Manager's portfolio management team monitors a variety of general market, political, and economic conditions, as well as trading, price, risk, and correlation data for the underlying securities and commodities with the aim of accounting for any exogenous variables that might appear and that might not be accounted by the quantitative investment strategies.

The investment technologies underlying the Fund's investment strategies are proprietary in nature, and the Manager's portfolio management team is researching improvements to existing strategies on an ongoing basis. New strategies may be developed that may contribute to the ensemble. Discretion of the Manager is anticipated to play a role in the evolution of the trading system as the Manager seeks to make improvements over time. The Fund's trading strategies should be expected to evolve over time in response to ongoing research and emergent innovation. As a result, the tools and strategies employed by the Manager in the future may differ substantially from those that are being used currently. As a result, the description of the Fund's investment strategies set out herein is not intended to be exhaustive or comprehensive and may change in the future. Neither the Fund, nor the Manager, nor the Trustee is under any obligation to and does not intend to provide Unitholders of notice of any such changes to the Fund's strategies.

The Fund does not intend to update this Offering Memorandum to reflect any changes to the Fund's investment strategies.

Investment Restrictions

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

- **Sole Undertaking.** The Fund will not engage in any undertaking other than the investment of the Fund's assets in accordance with the Fund's investment objective and, subject to the investment restrictions, such activities as are necessary or ancillary with respect thereto; and
- **"Mutual Fund Trust" Status.** The Fund will not make or hold any investment, undertake any activity or otherwise do (or fail to do) anything that would result in the Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act.

Use of Leverage

The Fund may borrow money for investment purposes and the Manager may use leverage with the goal of optimizing returns of the Fund and will generally be employed with the aim of translating high risk-adjusted returns into high absolute returns. In addition, the Fund has the authority to borrow money to pay redemptions and for cash management purposes. The Fund may borrow funds from brokerage firms and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using options, swaps and other derivative instruments. The investment strategies utilized by the Manager may employ leverage when deemed appropriate by the Manager, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments.

Borrowing for investment purposes is known as "leverage". Leverage is defined as the absolute market value of all long positions and short positions over net asset value. Leverage is defined as a factor (rather than an independent source of risk) that influences the rapidity with which changes in market risk, credit risk or liquidity risk change the value of an investment portfolio. Although leverage presents opportunities for increasing total investment return, it also has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Fund could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage, directly or indirectly could result in a loss that would be greater than if leverage were not employed. In addition, to the extent the Fund borrows money, the rates at which it can borrow may affect its operating results.

Currency Hedging

The working currency of the Fund is the Canadian dollar. The underlying investments held in the portfolio of the Fund may be denominated in U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against other currencies could cause the value of the underlying

investments to diminish or increase irrespective of performance. The Fund does not currently intend to engage in currency hedging transactions with the aim of offsetting this exposure. However, the Fund may, in the future, consider using various hedging strategies to manage the currency exposure resulting from the purchase and sale of securities and derivatives contracts across several different countries and markets. Such strategies would rely on the purchase or sale of currency futures, forwards and/or spot currency transactions. Although the Fund may enter into hedging transactions, it is not obliged to, and will only do so as determined by the Manager in its sole discretion. There can be no assurance that such hedging transactions, if conducted, will be successful. Without regard to movements in the currency exchange rate as between the Canadian dollar and the applicable currency(ies), several factors may result in the returns not being equal, including, but not limited to, the expenses incurred in hedging the currency and the timing of an investor's investment or amounts payable to investors relative to when the Fund is able to hedge the currency as applicable.

Risk Management

Risk management is a cornerstone of the Manager's investment strategies and is the cornerstone of any sustainable quantitative strategy. Risk is managed by for the Fund by the Manager in three ways: (i) the Fund's investment portfolio will hold a diverse basket of commodities and securities by design; (ii) the Fund's portfolio is monitored daily with the aim of ensuring that leverage exposure is reduced when the portfolio volatility expands due to adverse market conditions and/or any modifications to applicable margin requirements; and (iii) the Manager imposes position limits for both individual commodity future contracts and securities as well as at the overall portfolio level. These limits are conditioned on how it might expect the portfolio holdings to behave under extreme circumstances.

Statutory Caution

The foregoing disclosure of the Manager's investment strategies, techniques, and intentions may constitute "forward-looking information" for the purpose of applicable securities legislation, as it contains statements of the Manager's intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies and techniques in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies and techniques are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies and techniques 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.

DETAILS OF THE OFFERING

The Fund is offering on a continuous basis an unlimited number of Units, issuable in Series, pursuant to exemptions from the prospectus and/or registration requirements of applicable securities laws to investors resident in any province or territory of Canada and such other jurisdictions outside of Canada as determined by the Manager in its discretion. The Classes of Units being offered are: Class A Units, Class B Units, Class I Units, and Class X Units of the Fund. Subscribers resident in Canada must qualify as "accredited investors" (as such term is defined in National Instrument 45-106 - *Prospectus Exemptions* ("NI 45-106") and, in Ontario, in Section 73.3 of the *Securities Act* (Ontario)).

The minimum initial investment amount for Class A Units, Class B Units, Class I Units, and Class X Units of the Fund is \$100,000. The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time.

A Unitholder may make an additional investment in the same Class of Units in an amount not less than \$100,000, provided that at such time the Unitholder is an "accredited investor" (as such term is defined in NI 45-106 and, in Ontario, in Section 73.3 of the *Securities Act* (Ontario)). The Manager may in its discretion accept additional subscriptions for lesser amounts subject to compliance with applicable securities legislation.

There are four (4) Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class B Units, Class I Units, and Class X Units. Each Class has the same investment objective, strategies, and

restrictions but differs in respect of one or more features, such as management fees, performance fees, and minimum investment amounts, as set out herein.

Class A Units of the Fund are available to all investors, excluding investors enrolled in fee-based programs, and commissions or other sales charges may be paid by the Manager to the applicable dealer in connection with the purchase and holding of Class A Units. Class B Units of the Fund are intended for friends and family of members of management, founders, and principals of the Fund. Class I Units are only available for purchase by certain institutional investors and such other persons as determined by the Manager, in its discretion. Class X Units are only available for purchase by members of management, founders, and principals of the Fund, and such other persons as determined by the Manager, in its discretion.

FEES AND EXPENSES RELATING TO THE FUND

Establishment and Operating Expenses of the Fund

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including, but without limitation, the fees and expenses of legal counsel and the Fund's auditors, except to the extent that the Manager agrees to pay any such expenses from time to time. The Fund intends to amortize these costs over the five year period following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including, but not limited to, fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund's bank accounts, custodial, prime broker, and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund's existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses that are directly related to the maintenance and management of the Fund, and all taxes, assessments, or other regulatory and governmental charges levied against the Fund. The Fund is also responsible for fees and expenses relating to the Fund's portfolio investments, if any, 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. The Fund is generally required to pay applicable sales taxes on the Management Fee and on most administration expenses that it pays. Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes.

Management Fees

The Fund shall pay the Manager a management fee (the "**Management Fee**") based upon the Class Net Asset Value of each Class of Units, excluding with respect to Class I and Class X Units. The Manager will receive an annual fee equal to 2.00% of the aggregate Class Net Asset Value of each of the Class A Units and Class B Units. The Management Fee is calculated and paid monthly in arrears and as at any other day as the Manager may determine.

No management fee is payable with respect to Class X Units. With respect to Class I Units, the management fee is negotiated between the Manager and each investor and paid directly by the investor to the Manager.

Performance Fee

The Fund will pay to the Manager a performance fee that will be calculated and accrue monthly and be paid annually (the "**Performance Fee**"), plus applicable taxes, if any, as described below.

The Performance Fee is calculated on a Series-by-Series and Class-by-Class basis in respect of the following Classes of Units: Class A Units. No Performance Fee is payable by the Fund to the Manager in respect of any Class B Units, Class I Units, or Class X Units. With respect to Class I Units, the performance fee is negotiated between the Manager and each investor and paid directly by the investor to the Manager pursuant to a separate Class I agreement between the Manager and investor.

In calculating the Performance Fee for a fiscal year in respect of a Series or a Class of Units, the Fund shall determine the positive difference ("**Excess Amount**"), if any, between the Series Adjusted Net Asset Value per Unit of such Series of Units and the Series High-Water Mark for each such Series of Units, calculated on such Valuation Date or Redemption Date (or prorated for partial periods of less than twelve months).

The Performance Fee for a fiscal year in respect of a Series or Class of Units shall be an amount equal to 20% in respect of Class A Units of the Excess Amount multiplied by the number of Units of that Series or Class outstanding on such Valuation Date or Redemption Date (or prorated for partial periods of less than twelve months).

If the aggregate Excess Amount of a particular Series of Units in any year is negative (a “**Series Negative Return**”), then no Performance Fee will be paid in that year in respect of that Series of Units. The Series High-Water Mark for a Series of Units does not reset. Any Series Negative Return has to be recovered before a Performance Fee is paid in respect of that Series of Units in any subsequent period.

“**Series Adjusted Net Asset Value**” of a Unit on any date is equal to the Series Net Asset Value per Unit of such Unit on such date, calculated based on a Series Net Asset Value before performance fees are accrued on such date and calculated before deduction of the performance fees, if any, payable in respect of such Unit on such date, plus the amount of any distributions payable in respect of such Unit since the date as at which the Series High-Water Mark of such Unit was established.

“**Series High-Water Mark**” for a Unit as at any date means, initially, its subscription price, and thereafter shall be adjusted from time to time to equal its Series Net Asset Value per Unit immediately following the payment of a performance fee in respect of such Unit. The Series High-Water Mark for a Unit is adjusted on a *pro rata* basis for redemptions of the particular series and/or class of the Unit. The Series High-Water Mark of a Unit will be appropriately adjusted in the event of a consolidation or subdivision of Units.

DETERMINATION OF NET ASSET VALUE

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

The Net Asset Value of the Fund and each Class and/or Series, as applicable, is determined by the Administrator in accordance with the Declaration of Trust and the Fund’s valuation policy, which is summarized in this Offering Memorandum.

The Net Asset Value of the Fund and each Class and/or Series, as applicable, as at the relevant Valuation Date, will be calculated by the Administrator on or about the 10th day following the relevant Valuation Date. For these purposes, “**Valuation Time**” means 4:00 p.m. (ET) or such other time as the Administrator, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value of the Fund and each Class and/or Series, as applicable, and “**Valuation Date**” means the last calendar day of any month and/or any other day as determined from time to time by the Manager.

The Net Asset Value as of any date shall equal the fair market value of the assets of the Fund as of such date, less an amount equal to the total Fund liabilities as of such date.

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

Valuation Principles

The value of the assets and the amount of the liabilities of the Fund (the net result of which is the “**Net Asset Value**” of the Fund) will be calculated in such manner as the Administrator, in consultation with the Manager, shall determine from time to time. The assets of the Fund will be valued using the following guidelines:

- **Cash** - The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to Unitholders of record on a date before the applicable Valuation Date), and interest accrued and not yet received on any Valuation Date is deemed

to be the full amount thereto, unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend or distribution received or interest is not worth such full amount, in which event, the Manager shall determine the reasonable value of such item.

- **Exchange traded securities** - The value of any security, option or future listed on any exchange on any Valuation Date shall be determined by the closing sale price on such Valuation Date or, if there is no sale price, the average between the closing bid and the closing ask price on such Valuation Date, all as reported by any report in common use or authorized as official by such exchange; provided that if such exchange is not open for trading on that Valuation Date, then on the last previous business day on which such exchange was open for trading. For any exchange traded security where daily limits are in effect, fair value shall be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.
- **Fixed Income** - The value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on the applicable Valuation Date at such times during the day as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest.
- **Currencies** - Any assets of the Fund valued in a foreign currency, and all liabilities and obligations of the Fund that are payable in a foreign currency, shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager.
- **Expenses** - All expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis.

If the above valuation principles cannot be reasonably applied, either because no price or yield equivalent quotations are available or for any other reason, the Manager may in its sole discretion value such security or asset of the Fund in such manner as it deems is fair and appropriate in the circumstances.

The Manager may determine such other rules as it deems necessary from time to time, which rules may deviate from Canadian generally accepted accounting principles (“GAAP”) and from International Financial Reporting Standards (“IFRS”).

Net Asset Value calculated in this manner will be used for the purpose of calculating the Manager’s (and other service providers’) fees and will be published net of all paid and payable fees and distributions. Such Net Asset Value will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with GAAP or IFRS, the financial statements of the Fund will include a reconciliation note explaining any difference between such published Net Asset Value and Net Asset Value for financial statement reporting purposes (which must be calculated in accordance with GAAP).

The valuations of the Fund will be based on the information available as of the applicable valuation date(s). However, at the time of annual audit, more accurate, updated, and/or audited valuation information may become available. As a consequence, the net asset values as contained in such financial statements may differ from the net asset values previously provided and the subscription price and redemption price determined with respect to a given valuation date. The Fund will not retroactively adjust any subscription price or redemption price to reflect amounts subsequently reported in any financial statements.

Series Net Asset Value per Unit

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

Suspension of Calculation

The Fund may suspend the calculation of Net Asset Value of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange, or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; (ii) for the whole or any part of a period during which any securities exchange or similar electronic system on which a substantial part of the assets of the Fund are traded is closed, otherwise than for ordinary holidays, or dealings on such securities exchange or similar electronic system are restricted or suspended; or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws. In addition, redemption of Units may be limited or suspended in certain circumstances. See “Redemption of Units – Suspension of Redemption”.

PURCHASE OF UNITS

Units shall be initially offered at \$100.00 per Unit. Thereafter, Units of a Class shall be offered on a continuous basis at the Net Asset Value per Unit of the applicable Class or Series, as applicable, as of each Subscription Date. Fractional Units will be issued up to a maximum of three decimal places.

A subscription for Units must be made by completing and executing the subscription agreement and power of attorney form (a “**Subscription Agreement**”) and by forwarding to the Manager such completed form in accordance with the Subscription Agreement. An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to the dealer. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

Subscriptions for Units will be accepted: (a) on any Valuation Date that the Units are available for subscription; or (b) on such other date as the Manager may permit (each a “**Subscription Date**”), subject to the Manager’s discretion to refuse subscriptions in whole or in part.

In order for Units to be issued as of a particular Subscription Date, a completed Subscription Agreement must be received by the Manager no later than 4:00 p.m. (ET) on the day that is five (5) Business Days prior to the Subscription Date (such date, the “**Subscription Deadline Date**”) (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received after such deadline). Units will be deemed to be issued as of the next Business Day following the applicable Subscription Date. 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 applicable Subscription Date.

Payment of subscription amounts must be provided by the Subscriber directly on or before 12:00 p.m. (ET) on the Subscription Deadline Date or, in the case where a registered dealer (a “**Registered Dealer**”) acts as agent for an investor, from the Subscriber’s account at the Subscriber’s Registered Dealer not later than 12:00 p.m. (ET) on the specified settlement date.

Units will be issued in Series. On the first closing, Units designated by the Trustee as Series 1 Units of each Class shall be issued. On each successive Subscription Date on which Units are issued, a new Series of Units of the applicable Class will be issued. It is in the discretion of the Trustee to change this policy.

At the option of the Trustee, subscriptions for Units may be made through the purchase of interim subscription receipts (“**Subscription Receipts**”) at a fixed net asset value of \$100.00 per Subscription Receipt. In such instances, following the calculation of the Class Net Asset Value per Unit of the relevant series, the 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 on the next Subscription Date. The number of Subscription Receipts may be different than the final number of Units issued. Subscription Receipts: (i) may not be transferred by the holder thereof without the prior written consent of the Manager, at its sole discretion; (ii) are not redeemable; and (iii) do not carry any voting rights.

Units of the Fund are offered by the Manager directly and through Registered Dealers.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction. If payment for any Units purchased is not honoured when presented for payment, the Manager may reverse the purchase transaction at the same Net Asset Value per Unit applied to the issue of the Units.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the Manager the covenants and representations contained in the Subscription Agreement delivered by the investor to the Manager at the time of initial investment in the Fund. No certificates will be issued for the Units or the Subscription Receipts, if any.

REDEMPTION OF UNITS

Each Unit shall be redeemable at the option of the holder on a monthly basis, pursuant to a written redemption request that must be received by the Manager in accordance with the provisions set forth below. The current redemption dates of the Fund (each, a **“Redemption Date”**) are the last Business Day of each month and/or such other date or dates as the Manager may permit. A written redemption request must be received by the Manager no less than five (5) Business Days prior to the applicable Redemption Date (such date, the **“Redemption Notice Deadline”**), or such shorter period as the Manager may, in its discretion, approve.

Redemption requests are irrevocable unless the Manager, in its sole discretion, permits a redemption request to be withdrawn or unless a redemption request is not honoured on the applicable Redemption Date, in which case it may be withdrawn at the option of the holder within 30 calendar days following such Redemption Date. If a redemption request is not honoured on the applicable Redemption Date and is not withdrawn during the required time period, the redemption request will remain in full force and effect and will be carried over to each next subsequent Redemption Date until honoured in full, subject to the Manager’s ability to permit a redemption request to be withdrawn in the Manager’s sole discretion.

The Fund will redeem all or any part of the Units of a Class held by a Unitholder at the applicable Net Asset Value per Unit determined as of the applicable Redemption Date following receipt of the redemption request. All redemption requests received after 4:00 p.m. (ET) on the Redemption Notice Deadline (or such other shorter deadline as the Manager may, in its discretion, approve) will be processed at the applicable Net Asset Value per Unit calculated as of the next Redemption Date in the following month.

Proceeds of redemption (less any applicable fees and deductions as provided herein and provided in the Declaration of Trust) shall be paid as soon as is practicable following the relevant Redemption Date. Redemption proceeds will be paid in Canadian dollars.

The Manager may in its absolute discretion decide to satisfy any redemption request in full or in part by instructing the Trustee to transfer *in specie* such securities or other property of the Fund, which together with payments in cash (if any), shall in the aggregate have a value not less than the redemption amount payable to the Unitholder (i.e., the aggregate Net Asset Value per Unit of such redeemed Units) provided that the value of all securities and other property of the Fund shall be determined as at the relevant Valuation Date. The Manager does not anticipate instructing the Trustee to satisfy redemption requests *in specie* other than in exceptional circumstances such as when one or more redemptions by one or more Unitholders have a materially prejudicial effect on the remaining Unitholders or otherwise materially and adversely affect the Fund.

Suspension of Redemptions

The Manager may suspend or postpone, or continue a suspension of or postponement of, the right of redemption of Units of the Fund, in full or in part on a *pro rata* basis, during: (i) any period in which there has been a suspension in the calculation of the Net Asset Value of the Units; or (ii) any period in which there are insufficient liquid assets in the Fund to fund redemptions entirely in cash or in which the liquidation of assets of the Fund would be to the detriment of the Fund generally or is not reasonably practicable as determined by the Manager. See “Determination of Net Asset Value - Suspension of Calculation”.

If the Manager suspends or postpones the right of redemption of Units in full or in part, a Unitholder may either withdraw its redemption request within 30 calendar days following the applicable Redemption Date or receive

payment based on the applicable Net Asset Value per Unit for each subsequent Redemption Date on which the redemption request is honoured, in full or in part, where such redemption requests shall take priority over subsequent redemption requests submitted for Redemption Dates following the Redemption Date for which redemptions were suspended or postponed. For greater certainty, if the Manager suspends or postpones the right of redemption of Units, the Fund may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption shall be made *pro rata* according to the aggregate number of Units tendered for redemption by each such Unitholder.

Redesignation of Units at Option of Manager

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder's investment below an amount established from time to time by the Manager may result in the Fund requiring a mandatory redemption of all Units held by such Unitholder or redesignating such Unitholder's Units as Units of another Class. The Manager may in its sole discretion also require the mandatory redemption of Units or redesignation of Units under other circumstances as permitted under the Declaration of Trust. Any such mandatory redemption will be made at the applicable redemption price per Unit on the next redemption date following the issuance of not less than five (5) days' prior written notice of the mandatory redemption to the affected Unitholder, and any redesignation will be made at the applicable Net Asset Value per Unit on the next Valuation Date following the issuance of not less than 30 days' prior written notice of the redesignation to the affected Unitholder. **Unitholders should consult with their own tax advisors to determine the consequences of a mandatory redemption or redesignation based on their own circumstances.**

Redesignations shall be effected based on the respective Net Asset Values per Unit of the applicable two Classes on the redesignation date.

If at any time the Trustee becomes aware that Units are or may become beneficially owned by one or more entities in the circumstances described below:

- (a) 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;
- (b) a financial institution (as defined for the purposes of the Tax Act) if it would cause the Fund to be subject to the mark-to-market rules in section 142.5 of the Tax Act; or
- (c) a "designated beneficiary" of the Fund within the meaning of Part XII.2 of the Tax Act if, as a consequence thereof, the Fund may become liable for tax under Part XII.2 of the Tax Act,

the Trustee, or any third party on the direction of the Trustee, may cause the Fund to redeem all or such portion of the Units at the Net Asset Value per Unit of such Class or Series on the date of redemption, or on such other terms as the Trustee in its sole discretion deems equitable in the circumstances.

In addition to the above, the Trustee may, in its sole discretion, from time to time provide Unitholders the right to elect to redesignate some or all of their Units of one or more certain Classes or Series as Units into another certain Class or Series, on such terms as shall be determined by the Trustee.

DEALER COMPENSATION

In respect of a purchase of any other Class of Units, the Manager may agree to pay sales commissions and/or other fees, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to accept such commission or fee. Commissions or fees may be modified or discontinued by the Manager at any time. No sales commission will be payable in respect of Units purchased through the Manager in its capacity as exempt market dealer in connection with the distribution of the Units in the Offering Jurisdictions.

DESCRIPTION OF UNITS

Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Unit. The Fund is authorized to issue an unlimited number of Classes and/or Series of Units and an unlimited number of Units in each such Class or Series, subject to any determination to the contrary made by

the Manager in its sole discretion. All Classes and/or Series of Units have the same investment objective, strategies, and restrictions but each differs in respect of one or more features, such as management fees, performance fees, and minimum investment amounts, as set out herein. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation, and other events in connection with the Fund. Units will have no preference, conversion, exchange, or pre-emptive rights over any other Unit of the same Class or Series. Each whole Unit of a particular Class entitles the holder thereof to one vote at meetings of Unitholders where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders votes separately as a Class. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or vote at, meetings of Unitholders or of a Class of Unitholders, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

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

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

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

Units of the Fund may be subdivided or consolidated by the Trustee in accordance with the Declaration of Trust.

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

Series Roll-Up

Units will be issued as of the Business Day following the Subscription Date on which the subscription is accepted. Units will be issued in Series. On the first closing, Units designated by the Manager as Series 1 Units of each Class are issued at a price per Unit of \$100.00. On each successive Subscription Date on which Units are issued, a new Series of Units will be issued at an opening Net Asset Value per Unit equal to the Net Asset Value per Unit of the Series 1 Units of the same Class. It is in the discretion of the Manager to change this policy.

At the end of each year, and following the payment of all fees and expenses of the Fund, the Manager may determine that some or all Series of the same Class of Units will be redesignated as Series 1 Units (or other Series, in the discretion of the Manager) in order to reduce the number of outstanding Series of each Class. This will be accomplished by issuing additional Series 1 Units, and consolidating or subdividing the number of Units of each applicable Series so the aggregate Net Asset Value of Units held by a Unitholder does not change. Unitholder's rights will not be affected in any way as a result of this process.

TRANSFER OR RESALE

Units may only be redeemed at the option of the Unitholder in accordance with the Declaration of Trust, as described herein. Units may also be redeemed or redesignated by the Trustee or Manager. See "Redemption of Units". Units may only be transferred with the consent of the Manager and in accordance with the provisions of the Declaration of Trust and transfers will generally not be permitted. As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under 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 Manager 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 and redemption of the Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in the Fund.

Subscribers are advised to consult with their advisors 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 Declaration of Trust.

DISTRIBUTION POLICY

Subject to the Manager's discretion to make distributions of cash, any distributions with respect to Units (less any amounts required by law to be deducted therefrom) are expected to automatically be reinvested for the account of each Unitholder in additional Units at the applicable Net Asset Value per Unit. No sales charge shall be payable by a Unitholder in connection with any such reinvestment.

There can be no assurance that any cash distributions will be paid to holders of Units. Accordingly, the Fund is not a suitable investment for any investor who requires regular cash distributions.

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. Such distributions, if any, are paid as of the last Business Day of the calendar year, and at such other times as may be determined by the Manager. Subject to the Manager's discretion to make distributions of cash, all such distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units at the applicable Net Asset Value per Unit. Following such distributions and reinvestments, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. No sales charge shall be payable by a Unitholder in connection with any such reinvestment.

Distributions, if any, will be made to registered Unitholders determined as of the close of business on the record date of the distribution. All distributions payable in respect of a Class of Units will be made on a *pro rata* basis to Unitholders of that Class. Distributions, if any, will be paid in Canadian dollars.

Other than as set forth above, the Fund does not intend to make any distributions on the Units.

REPORTING TO UNITHOLDERS

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

The Fund intends to make available and, where requested, to deliver audited financial statements to Unitholders after the end of each fiscal year end commencing for the fiscal year ending in 2024. Unitholders are given the option to receive or not receive annual financial statements and have the ability to change their selection at any time by contacting the Manager.

The financial year end and the tax year end of the Fund is December 31 of each year.

MEETINGS OF UNITHOLDERS

The Fund will not hold regular meetings; however, the Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 40% of the outstanding Units of the Fund (or of a Class with respect to a Class meeting) in accordance with the Declaration of

Trust, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Trustee shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

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

Not less than 21 days' notice will be given of any meeting of Unitholders. A quorum at any meeting of Unitholders or Class of Unitholders, as the case may be, will consist of two or more Unitholders, or Unitholders of the Class to which the meeting pertains, present in person or by proxy holding at least 5% of the outstanding Units, or Units of the Class to which the meeting pertains, except that for the purposes of passing a special resolution, Unitholders or Unitholders of a Class present in person or by proxy holding at least 10% of the Units, or Units of the Class to which the meeting pertains, outstanding and entitled to vote thereon must be present. If no quorum is present at such meeting when called, the meeting will be adjourned by the Manager to a date and time not more than 10 days later, selected by the Manager, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any consent of Unitholders under the Declaration of Trust must be given by the requisite number to obtain approval of the matter addressed of the Units or Units of a Class, as applicable, represented and voted at a meeting or by written resolution.

AMENDMENTS TO THE DECLARATION OF TRUST

Subject to the below exceptions, any provision of the Declaration of Trust may be amended by the Manager, with the approval of the Trustee, upon notice to Unitholders, but no such amendment may be made to the terms applicable to Classes or Series of Units under the Declaration of Trust that would materially adversely affect the interest of the Unitholders of the Fund as a whole and/or of a Class or Series of the Fund without the approval of not less than 66 2/3% of the votes cast at a meeting of Unitholders of the Fund or of the affected Class or Series, as the case may be. The notice to be provided to Unitholders must be given in writing not less than 30 days in advance of the effective date of the amendment unless the Manager and Trustee agree to an earlier effective date.

Notwithstanding the above, but subject to the below exceptions, any provision of the Declaration of Trust may be amended by the Manager (except in the circumstances set out below), with the approval of the Trustee, without any prior notice to, or approval of, Unitholders if the amendment is not reasonably expected to materially adversely affect the interests of the Unitholders, is intended to ensure compliance with applicable laws, regulations, or policies, is intended to provide additional protection to Unitholders or enhance the rights of Unitholders, is intended to remove conflicts or inconsistencies or correct typographical, clerical, or other errors, is intended to maintain the Fund's status as a "mutual fund trust" for purposes of the Tax Act, is intended to facilitate the administration of the Fund, is to create one or more new Class or Classes or one or more new Series of additional Units and to make consequential amendments related thereto, or is intended to respond to amendments to the Tax Act, or the interpretation or administration thereof, which might otherwise adversely affect the interests of the Fund or Unitholders, provided that Unitholders are given notice of the amendments as soon as reasonably possible following the effective date of the amendments.

Notwithstanding the above, the Declaration of Trust may only be amended, deleted, expanded or varied for any of the following purposes either: (i) with the consent of the holders of 66 2/3% of the votes cast at a meeting of Unitholders; or (ii) provided that Unitholders affected by such change having been given not less than 60 days' prior written notice of the proposed change and the opportunity to redeem all of such Unitholder's Units prior to the effective date of the change:

- (a) changes to the amendment provisions of the Declaration of Trust;
- (b) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund paid to the Manager;
- (c) the fundamental investment objective of the Fund is changed;

- (d) the Fund decreases the frequency of the calculation of the Net Asset Value; or
- (e) the Fund undertakes a reorganization with, or transfers its assets to, another fund, if
 - (i) the Fund ceases to continue after the reorganization or transfer of assets, and
 - (ii) the transaction results in the Unitholders of the Fund becoming unitholders in the other fund; and
 - (iii) there is, in the opinion of the Manager, a material difference in the fundamental investment objective of the Fund and the other fund.

A change in the Trustee of the Fund requires the approval by a majority of votes cast at a special meeting of the Unitholders, other than to an affiliate of the Manager or successor to the current Trustee or a registered trust company nominated by the Trustee.

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

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

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of October 31, 2024, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm’s length and is not affiliated with the Fund, is acquiring the Units on his/her own account and not as trustee of a trust, and will hold his/her Units as capital property.

Generally, Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other “Canadian securities” owned and subsequently owned by them, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

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

This summary is based on the assumption that the Fund will at no time be a “SIFT trust” as defined in the rules in the Tax Act relating to SIFT trusts. This, in turn, is based on the assumption that the Units will at no time be listed or traded on a stock exchange or other public market. For the purpose of such rules, the redemption rights set out in the Declaration of Trust do not result in the Units being considered to be traded on a public market.

This summary assumes that the Fund at no time will (i) be a “financial institution” for the purposes of certain mark-to-market rules in the Tax Act, or (ii) earn any “designated income” for the purposes of Part XII.2 of the Tax Act. This summary also assumes that Units of the Fund will not be a “tax shelter investment” for the purposes of the Tax Act and the Fund will comply with its investment restrictions at all times.

This summary is based on the facts set out in this Offering Memorandum, the current provisions of the Tax Act as at October 31, 2024, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to October 31, 2024 (the “**Tax Proposals**”), and an understanding of the current published administrative policies and assessing practices of the CRA. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

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

Status of the Fund

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

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

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

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

To the extent permitted by the Tax Act, the Manager intends that the Fund will elect to be deemed to be a mutual fund trust from the date it was established.

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

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains and dividends received in the year on shares of corporations, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct

sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

If the Fund were not to qualify as a “mutual fund trust” for the purposes of the Tax Act at all times, the Fund may be liable for alternative minimum tax under the Tax Act.

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

A disposition (including a redemption) or deemed disposition of a portfolio security held by the Fund as capital property will generally give rise to a capital gain (or a capital loss) for purposes of the Tax Act to the extent that the Fund’s proceeds of disposition exceed (or are less than) the total of the Fund’s adjusted cost base of the portfolio securities and reasonable costs of disposition.

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

Under the current provisions of the Tax Act, the Fund would generally be required to include in computing its income for a taxation year one-half of any capital gain (a “taxable capital gain”) realized by it in that year. The Fund would generally be required to deduct one-half of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Fund in that year, and any excess would generally be permitted to be applied to reduce taxable capital gains realized by the Fund in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act. However, amendments to the Tax Act have been proposed that, if enacted, will affect the tax treatment of capital gains and capital losses (the “**Capital Gains Changes**”). If the Capital Gains Changes are enacted as proposed, two-thirds of any capital gains realized in a taxation year by the Fund must be included in computing the Fund’s income for the taxation year (which, in accordance with the Capital Gains Changes, would represent a “taxable capital gain”). The proposed amendments to the Tax Act reflected in the Capital Gains Changes provide that the Fund may generally deduct two-thirds of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Fund in that year, and any excess may generally be applied to reduce taxable capital gains realized by the Fund in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act. It is proposed that net capital losses incurred prior to 2024 will continue to be deductible against taxable capital gains realized subsequent to June 24, 2024 by adjusting their value to reflect the inclusion rate of the capital gains being offset.

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

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

group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

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

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 are subject to various exceptions set out in the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year including any portions of amounts paid on redemption treated as distributions of income or gains by the Fund. The non-taxable portion of the Fund’s net realized capital gains paid or payable to a Unitholder in a taxation year, the taxable portion of which was designated to the Unitholder in the year, will not be included in the Unitholder’s income for the year. Any other amount in excess of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

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

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

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

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

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

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

Based on the current published administrative positions of the CRA, a redesignation of Units of one Class into Units of another Class denominated in the same currency should not result in a disposition of the Units for the purposes of the Tax Act. Unitholders should consult with their own tax advisors in this regard.

Taxation of Registered Plans

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

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

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

International Tax Reporting

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

U.S. Foreign Account Tax Compliance Act

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

ELIGIBILITY FOR INVESTMENT

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

RISK FACTORS

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

Certain Risk Factors Applicable to the Fund

Reliance on Manager

The Fund will be relying on the ability of the Manager to manage the Fund. The Manager will make the actual trading decisions upon which the success of the Fund will depend significantly. No assurance can be given that the trading approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager may expose investors to the risks involved in whatever new investment management arrangements can be made.

The Manager was amalgamated under the laws of Canada and is registered as an investment fund manager in Ontario and Newfoundland and Labrador, and as a portfolio manager and exempt market dealer in Ontario, Alberta, British

Columbia and Newfoundland and Labrador. The Manager is also registered as a commodity trading manager in Ontario. In the U.S., the Manager is registered with the United States Securities and Exchange Commission as a non-resident investment advisor. The Manager is also registered with the Commodity Futures Trading Commission in the U.S. as a commodity trading advisor. This registration is administered through the National Futures Association. None of these registrations implies any endorsement of the Manager's abilities under such registrations or its ability to generate positive results for the Fund.

Dependence of Manager on Key Personnel

The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Fund's activities. The loss of such individuals for any reason could impair the ability of the Manager to perform its management activities on behalf of the Fund. In the event of the loss of the services of a key person of the Manager, the business of the Fund may be adversely affected.

Liquidity, Marketability, and Transferability of Units

An investment in the Fund provides limited liquidity. There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed pursuant to the Declaration of Trust, including consent by the Manager, and applicable securities legislation. 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. In certain circumstances, the Manager may suspend or postpone redemption rights. See "Redemption of Units". As a result, an investment in the Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Nature of Units

The Units are neither fixed income nor equity securities. An investment in Units does not constitute an investment by Unitholders in the securities included in the portfolio of the Fund. Unitholders will not own the securities held by the Fund by virtue of owning units of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. 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.

Limited Ability to Liquidate Investment

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

Possible Effect of Redemptions

Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of Units and achieve a market position appropriately reflecting a smaller asset base. Although the Fund does not expect to satisfy redemption requests in-kind, the Fund retains the authority to do so and the Fund may be required to satisfy redemption requests by borrowing money or paying redemption proceeds all or in part in-kind and/or may suspend or postpone redemption requests. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding. See "Redemption of Units".

Taxation of the Fund

If the Fund does not qualify, or ceases to qualify, as a "mutual fund trust" or a "unit trust" under the Tax Act, the income tax considerations described under the heading "Certain Canadian Federal Income Tax Considerations" would be materially and adversely different in certain respects, including, but not limited to, that the Units will not be "qualified investments" for Plans. If the CRA were to contest the characterization of the Fund as a "mutual fund trust" or a "unit trust" for the purposes of the Tax Act, both the Fund and the Unitholders could be adversely affected. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of

the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

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

Certain provisions of the Tax Act could limit the ability of the Fund to deduct the full amount of its interest expenses when computing its taxable income.

Foreign Tax Reporting

Unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to the IRS, in order to avoid the FATCA Tax being imposed on certain U.S. source income and on sale proceeds received by the Fund. In certain circumstances, the Fund may be required to withhold a 30% tax from distributions it pays to Unitholders who have not provided the required information.

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

In addition, in accordance with Part XIX of the Tax Act, the Manager or the Fund are required to identify and report to the CRA certain information relating to Unitholders who are resident in certain specified countries other than Canada.

In-Kind Distributions

If the Fund were to make a distribution in-kind to Unitholders, the distributed property may not be a “qualified investment” for Plans for the purposes of the Tax Act. Significant taxes and other adverse consequences may arise for Plans that hold property that is not a “qualified investment” for the purposes of the Tax Act.

Charges to the Fund

The Fund will pay certain fees and expenses, which may include management fees, performance fees, legal, accounting, filing, research, and other expenses, regardless of whether such fund realizes profits.

Public Health Crises and Other Events Outside the Control of the Fund

Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts, and other events outside of the control of the Fund, the Trustee, and/or the Manager may adversely impact the business, financial condition, and results of operations of the Fund. In addition to the direct impact that such events could have on the Fund’s operations and workforce or the operations and workforce of any manager, adviser, general partner, trustee, or

service provider of the foregoing, these types of events could result in volatility and disruption to global supply chains, operations, mobility of people, and the economies and financial markets of many countries, which could affect stability of the financial and stock markets, interest rates, credit ratings, credit risk, inflation, business and financial conditions, operations, and other factors relevant to the Fund, its management, and the entities in which the Fund invests. The extent to which pandemics or similar crises may impact the Fund, its management, and the entities in which the Fund invest will depend on future developments, which are highly uncertain and cannot be predicted at this time. The repercussions of this health crisis could have a material adverse effect on the Fund.

Electronic Trading

The Manager can place some of the trades for the Fund using an electronic order routing system. Electronic trading, while more efficient than traditional order placement methods, exposes the Fund to the risks associated with the system including the failure of hardware or software components. The result of such failure can lead to order execution problems that can result in losses. Provided the Manager has adhered to its standard of care, the Manager will not be responsible for any losses that may be incurred due to failures of the electronic trading system or the failure of any other technology.

Conflicts of Interest

The Fund and the Manager may be subject to various conflicts of interest as described under “Conflicts of Interest”. If one of more actual or potential conflicts are not identified and appropriately addressed, the Fund may be materially impacted, which impact may be adverse to the Fund and/or Unitholders.

Illiquidity

There can be no assurance that the Fund will be able to dispose of its investments in order to honour requests to redeem Units. In such cases, the Fund may be required to seek to satisfy redemption requests through other means, such as borrowing, which may increase the costs incurred by the Fund and may negatively impact the Fund’s performance and/or operations. In addition, the Fund may, in turn, determine to implement necessary or appropriate amendments to the redemption processes applicable to redemptions of Units of the Fund, to the extent practicable.

There is no assurance that distributions will be paid or that the investments of the Fund will be profitable. Unitholders have no entitlement to distributions. Although it is not expected that the Fund will make distributions in kind, the Fund retains the authority to do so. If distributions are made in kind, Unitholders may become subject to adverse tax and other consequences attributable to acquiring, holding, and disposing of certain distributed property and will bear any costs and market risks in respect of any disposition of such property.

Suspension of Trading

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

Not a Mutual Fund Offered by Prospectus

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

No Operating History

Although all persons involved in the management and administration of the Fund, including the service providers to the Fund, have significant experience in their respective fields of specialization, the Fund has no operating or performance history upon which prospective investors can evaluate the Fund’s likely performance. Investors should be aware that the past performance by those involved in the investment management of the Fund should not be considered as an indication of future results.

Class Risk

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

Unitholder Liability

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

The Units are not Insured and Insurance Risk

The Fund is not a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (US) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (US) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Unitholders not Entitled to Participate in Management

Unitholders are not entitled to participate in the management or control of the Fund or its operations. Unitholders do not have any input into the Fund's trading. The success or failure of the Fund will ultimately depend on the indirect investment of the assets of the Fund by the Manager, with which Unitholders will not have any direct dealings.

Possible Negative Impact of Regulation of Funds

The regulatory environment for funds is evolving and changes to it may adversely affect the Fund. To the extent that regulators adopt practices of regulatory oversight that create additional compliance, transaction, disclosure, or other costs applicable to the Fund, returns of the Fund may be negatively affected. In addition, the regulatory or tax environment is evolving and may be subject to modification by government or judicial action that may adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the portfolio of the Fund is impossible to predict.

Enforcement of Legal Rights

The Manager, the Trustee, and the Fund, as well as the Manager's and Trustee's directors and officers, are located in Ontario. All or a substantial portion of the assets of the Manager, the Trustee, and the Fund are located in Ontario. As a result, a purchaser of Units may have to commence a legal action in Ontario in order to enforce any legal rights they may have against any of them in the event that such rights cannot be enforced in the purchaser's own jurisdiction.

Past Performance

There can be no assurance that the Fund will achieve its investment objective. Past investment performance of other funds managed by the Manager should not be construed as an indication of the future results of an investment in the Fund.

Potential Indemnification Obligations

Under certain circumstances, the Fund might be subject to significant indemnification obligations in respect of, among others, the Trustee, the Manager, or certain parties related to them. The Fund does not carry insurance to cover such potential obligations and the foregoing parties may not be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce such entity's respective net asset value and, by extension, the value of its securities.

Operational Risk

The Fund is subject to operational risk, including the possibility that errors may be made by the Manager, the Trustee, the Fund's service providers (including third party fund administrators), or any of their respective affiliates in certain transactions, calculations, or valuations on behalf of, or otherwise relating to, the Fund. Unitholders may not be notified of the occurrence of an error or the resolution of any error. Generally, the Manager, the Trustee, the Fund's service providers, and any of their respective affiliates will not be held accountable for such errors, and the Fund may bear losses resulting from such errors.

Currency Risk

The working currency of the Fund is the Canadian dollar. Units are denominated in Canadian dollars. Therefore, the value of the Units may be affected by fluctuations in the rate of exchange between other currencies and the Canadian dollar. To the extent that the applicable securities are not hedged, the value of the applicable assets will fluctuate with foreign exchange rates as well as with price changes of its investments in the various local markets and currencies.

The Fund does not currently intend to engage in currency hedging transactions with the aim of offsetting this exposure. However, the Fund may, in the future, consider using various hedging strategies to manage the currency exposure resulting from the purchase and sale of securities and derivatives contracts across several different countries and markets. Such strategies would rely on the purchase or sale of currency futures, forwards and/or spot currency transactions. Although the Fund may enter into hedging transactions, it is not obliged to, and will only do so as determined by the Manager in its sole discretion. There can be no assurance that such hedging transactions, if conducted, will be successful. Without regard to movements in the currency exchange rate as between the Canadian dollar and the applicable currency(ies), several factors may result in the returns not being equal, including, but not limited to, the expenses incurred in hedging the currency and the timing of an investor's investment or amounts payable to investors relative to when the Fund is able to hedge the currency as applicable.

Restrictions on Certain Unitholders and Liquidity of Units

At no time may non-residents of Canada be the beneficial owner of a majority of Units. This restriction may limit the rights of certain Unitholders, including non-residents of Canada, to acquire Units. This restriction may also limit the demand for Units by certain investors and thereby adversely affect the liquidity and market value of Units that are held by other investors.

Certain Risk Factors Applicable to the Investment Strategies of the Fund

There can be no guarantee or representation that the Fund will achieve its respective investment objective. Exposure to the Fund is speculative and involves certain considerations and risk factors that prospective investors should consider before investing, some of which are described herein. The summary contained herein is not a complete or exhaustive list or explanation of all risks involved in an investment in the Fund and the investments by the Fund in the underlying portfolio investments and entities in which it invests. Investors who are considering making a commitment to the Fund should be aware of certain investment risk considerations and should carefully review and evaluate these with their financial, tax and legal advisors before subscribing.

INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN UNITS. IF PROSPECTIVE INVESTORS HAVE ANY QUESTIONS AS TO THE SUITABILITY OF THIS INVESTMENT, THEY SHOULD CONTACT THEIR PROFESSIONAL ADVISORS.

BECAUSE THE TRADING STRATEGIES UTILIZED BY THE FUND ARE PROPRIETARY AND CONFIDENTIAL, ONLY THE MOST GENERAL DESCRIPTION OF THE RISKS INVOLVED IN THE OPERATION OF THE FUND IS POSSIBLE. NO SUCH DESCRIPTION CAN FULLY CONVEY THE RISKS OF THE STRATEGIES THAT THE MANAGER IMPLEMENTS ON BEHALF OF THE FUND.

No Assurance of Achieving Investment Objective

There can be no assurance that the Fund will achieve its investment objective or that an investment in Units will earn any positive return in the short or long term. The value of Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Fund's investment portfolio. An investment in the Fund is not intended as a complete investment program. Rather, it is intended to be a component of a balanced or growth portfolio. A subscription for Units should be considered only by investors who have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals from the Fund, who are financially able to maintain their investment and who can afford the loss of their entire investment. All potential investors in the Fund should understand the investment approaches and techniques that the Manager expects to use in the management of the Fund and the particular risks associated with those approaches and techniques.

Reliance on Investment Technologies

The investment strategies utilized by the Fund are quantitative and systematic and all facets of the predictive models, risk management, and trade allocation are fully automated. Accordingly, a significant portion of the Fund's investment program relies on the investment technologies underlying the Fund's investment strategies and the ability of the Manager to utilize these technologies and its judgment and ability will determine the success of the Fund. The Manager has licensed the use of the Platform to provide these investment technologies. No assurance can be given that the investment strategies of the Fund and its investment technologies will prove successful under any or all market conditions. No guarantee or representation is made that the investment technologies underlying the Fund's investment strategies will be successful, that the Fund will achieve its investment objective or that there will be any return of capital to investors. In addition, investment results may vary substantially over time.

The investment technologies underlying the Fund's investment strategies rely on data inputs and certain assumptions and may depend, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to the Fund by such issuers, or through sources other than the issuers. Although the Manager evaluates all such information and data, the Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available. Any errors or defects in such investment technologies could result in errors or other failures that could adversely affect the Fund or its performance.

The investment technologies underlying the Fund's investment strategies, being the Platform, are proprietary and are licensed by the Fund from VRG pursuant to the License Agreement. See "Services Provided by VRG". The Fund relies on the licensing and availability of such technologies. No guarantee or representation is made that such investment technologies will continue to be available to the Fund in the future at the same terms or at all. In the event that the Fund is no longer able to license such investment technologies or if such technologies or similar technologies are not available at reasonable prices or on commercially reasonable terms, or at all, the Fund and its ability to achieve its investment objective may be adversely affected.

The technology industry is characterized by the existence of a large number of patents, trademarks and copyrights and by litigation based on allegations of infringement or other violations of intellectual property rights. To the extent that the investment technologies underlying the Fund's investment strategies are subject to third party claims or are subject to infringement claims or are infringed by third parties, the Fund may be adversely affected as any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, could divert attention from other Fund matters and operations and could require the Fund to change the technologies used.

While such investment technologies are subject to innovation and continuous improvement, there is no guarantee that the Fund or VRG will be able to successfully adapt to or stay ahead of the use of such investment technologies. Failure to do so could render the investment technologies underlying the Fund's investment strategies obsolete or otherwise adversely affect the performance of such technologies and the Fund.

Investment and Trading Risks in General

All trades made by the Manager risk the loss of capital. The Manager may utilize trading techniques or instruments, which can, in certain circumstances, maximize the adverse impact to which the Fund's portfolio may be subject. No guarantee or representation is made that the Fund's investment program will be successful, and investment results may vary substantially over time. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments may cause sharp market fluctuations that could adversely affect the Fund's portfolio and performance.

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.

Market Risks and Liquidity

In large measure, the profitability of a significant portion of the Fund's investment program depends on correctly assessing the future course of the price movements of securities and other investments. There is no assurance that the Manager will be able to accurately predict those price movements. Although the Manager may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some and occasionally a significant degree of market risk.

Furthermore, the Fund may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Fund's positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by a prime broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Fund. Some of the underlying investments of the Fund may not be actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the net asset value of the Fund may be adversely affected.

Some of the securities in which the Fund intends to invest may be thinly traded. There are no restrictions on the investment of the 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.

Securities Believed to be Undervalued or Incorrectly Valued Risk

Securities which the Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Manager anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investment in any instrument and some obligations and preferred stock in which the Fund invests may be less than investment grade.

Availability of Investment Strategies

The identification and exploitation of the investment strategies pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's capital.

Fluctuation in Value of the Portfolio Securities

The value of the Units will vary according to the value of the securities held by the Fund. The value of the securities held by the Fund will be influenced by factors which are not within the control of the Fund or the Manager, including the financial performance of the respective issuers, operational risks relating to the specific business activities of the respective issuers, quality of assets owned by the respective issuers, interest rates, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, environmental risks, political risks, issues relating to

government regulation, credit markets and other financial market conditions. The Fund will also be subject to the risks inherent in investments in debt securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate. Debt securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

Credit

Credit risk is the risk that the Fund could lose money if an issuer or guarantor of a debt instrument becomes unwilling or unable to make timely principal and/or interest payments, or to otherwise meet its obligations. The Fund is also subject to the risk that its investment in a debt instrument could decline because of concerns about the issuer's credit quality or perceived financial condition. Fixed income securities are subject to varying degrees of credit risk, which are sometimes reflected in credit ratings. The Fund will be subject to credit risk with respect to any assets that it places on deposit with financial institutions or its investments in money market instruments, as the case may be.

Changes in Investment Strategies

It is anticipated that the Fund's investment strategies will change over time, and such changes shall be made without the approval of or notice to Unitholders.

Risks of Executing Investment Strategies

The Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Manager will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there is no assurance that the securities and other instruments purchased by the Fund will in fact increase in value or that the Fund will not incur significant losses.

Portfolio Turnover

The Fund has not placed any limits on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Fixed Income Securities

The Fund may invest in bonds or other fixed income securities of issuers. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. 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 the Fund will be holding foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Fund.

Derivative Instruments

The Fund trades derivatives instruments including futures, options and forward contracts. These may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There is no guarantee that the use of derivatives by the Fund will be effective. For example, the use of a derivative may not always produce the same result as it has in the past, depending

on market conditions or other factors, the Fund may not be able to buy or sell a derivative to make a profit or limit a loss, and derivatives do not prevent changes in the market value of an investment by the Fund and may not prevent losses if the market value of the investment falls.

Using derivative instruments has various risks. These include the following:

- **Tracking:** When 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 Manager from achieving the intended hedging effect or may expose the portfolio to the risk of loss.
- **Liquidity:** Derivative instruments, especially when traded in large amounts, may not always be liquid. Hence, in volatile markets, the Manager may not be able to close out a position without incurring a loss. In addition, exchanges on which the Manager conducts its transactions in certain derivative instruments may have daily limits on price fluctuations and speculative positions limits. These limits may prevent the Investment Advisor from liquidating positions promptly, thereby subjecting the portfolio to the potential of greater losses.
- **Leverage:** Trading in derivative instruments can result in large amounts of leverage. The leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Fund. This could subject the Fund's net asset value to wider fluctuations than would be the case if the Manager did not use the leverage feature in derivative instruments.
- **Over-the-Counter Trading:** Over the counter options/instruments, unlike exchange traded options/instruments, are two party contracts with price and other terms negotiated by the buyer and seller. The risk of non performance by the obligor on an over the counter instrument may be greater, and the ease with which the Manager can dispose of or enter into closing transactions with respect to such an instrument may be less, than in the case of an exchange traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with those instruments.

Short Sales

The possible losses to the Fund from a short sale of security differ from losses that could be incurred from a long position in the security. Losses from a short sale may be unlimited. Losses from a long position are limited to the total amount of the investment. Selling a security short 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 be incurred by the Fund. Short sales by the Fund that are not made "against the box" create opportunities to increase the Fund's return, but at the same time involve special risk considerations and may be considered a speculative technique. A recall of borrowed stock could cause the Fund to close out a short position at a disadvantageous price.

Because the Fund does not need to invest the full purchase price of the securities on the date of the short sale, the value of its shares will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than would otherwise be the case had it not engaged in those short sales. Theoretically, short sales involve unlimited loss potential, as the market price of securities sold short may increase continuously. However, the Fund may mitigate those losses by replacing the securities sold short before the market price has increased significantly.

Under adverse market conditions, the Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favour such sales. Short sales may be used with the intention of hedging against the risk of declines in the market value of the Fund's long portfolio, but there is no guarantee that such hedging operations will be successful.

Hedging

Various hedging techniques may be used in an attempt to reduce certain risks. Although a hedge is intended to reduce risk, it does not eliminate risk entirely. A hedging strategy may not be effective. For example, hedging in options may reduce the risks of both short-selling and taking long positions in certain transactions. Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own. Unanticipated changes in currency exchange rates may result in an overall poorer performance than if currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with the Fund's investments, risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. Furthermore, a hedge can result in a loss in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) a cease trade order being issued in respect of the underlying security; (ii) the inability to maintain a short position due to the repurchase or redemption of shares by the issuing company; (iii) disappearance of any conversion premium due to premature redemptions, changes in conversion terms or changes in an issuer's dividend policy; (iv) credit quality considerations, such as bond defaults; and (v) lack of liquidity during market panics.

Leverage

The Fund may use financial leverage by borrowing funds against the assets of the Fund. Leverage increases both the possibilities for profit and the risk of loss for the Fund. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. The combination of these two factors can result in leveraged strategies being required to sell positions typically at highly disadvantageous prices in order to meet margin requirements, contributing to a general decline in a wide range of different securities. Illiquidity can be particularly damaging to leveraged strategies because of the essentially discretionary ability of dealers to raise margin requirements, requiring leveraged strategies to attempt to sell positions to comply with such requirements at a time when there are effectively no buyers in the market at all or at any but highly distressed prices. These market conditions have in the past resulted in major losses to a substantial number of private investment funds. Such conditions, although unpredictable, can be expected to recur. Unitholders will be solely reliant upon the ability and experience of the Manager to limit losses to the Fund.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Fund, employees of the Manager may make "trading errors" – i.e., errors in executing specific trading instructions. 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 an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, 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 employees of the Manager. Consequently, the Manager will (unless the 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 Manager which is inconsistent with the Manager's standard of care under the Management Agreement.

Counterparty and Settlement Risk

Some of the markets in which the Fund will effect its transactions may be "over the counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, neither the Fund nor the Manager has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of

counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Foreign Markets / Currency

The Fund may invest in securities denominated or traded in foreign currencies. Changes in foreign exchange rates may affect the value of securities in the Fund. The Fund does not currently intend to engage in currency hedging transactions with the aim of offsetting this exposure. However, the Fund may, in the future, consider using various hedging strategies to manage the currency exposure resulting from the purchase and sale of securities and derivatives contracts across several different countries and markets. Such strategies would rely on the purchase or sale of currency futures, forwards and/or spot currency transactions. Although the Fund may enter into hedging transactions, it is not obliged to, and will only do so as determined by the Manager in its sole discretion. There can be no assurance that such hedging transactions, if conducted, will be successful. Without regard to movements in the currency exchange rate as between the Canadian dollar and the applicable currency(ies), several factors may result in the returns not being equal, including, but not limited to, the expenses incurred in hedging the currency and the timing of an investor's investment or amounts payable to investors relative to when the Fund is able to hedge the currency as applicable.

Regulatory and Legal Risk

Some industries are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities of issuers in regulated industries may change substantially based on these factors. In addition, there can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner that adversely affects the Fund and therefore investors in the Fund. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner that adversely affects the Fund or investors in the Fund.

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

CONFLICTS OF INTEREST

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

The obligation to identify and to appropriately address material conflicts of interest is one of the most fundamental obligations of a registered firm and registered individuals under Canadian securities legislation. Under applicable Canadian securities laws, the Manager is required to identify and disclose to clients material conflicts of interest that exist, or that the Manager reasonably expects may arise, between the Manager, its staff and clients, including the Fund, and address and manage such material conflicts in the best interests of clients, including the Fund. The Manager will avoid situations that would result in a serious conflict of interest that would be too high a risk for clients or market integrity and that cannot be addressed in the best interests of the client. In other circumstances involving a material conflict of interest, the Manager will take steps to address the conflict of interest in the best interests of the client.

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

The Manager determines the level of risk for each conflict. Whether a conflict is "material" or not depends on the circumstances. In determining whether a conflict is material, the Manager typically considers whether the conflict

may be reasonably expected to affect the decisions of clients in the circumstances and/or the recommendations or decisions of the Manager or its representatives in the circumstances.

The Manager may provide investment management services to other accounts and funds that may or may not follow investment programs substantially similar to that of the Fund, and in which the Fund has no interest. The services of the Manager to the Fund are not exclusive, and nothing in the constating documents of the Fund prevents the Manager from providing similar services to other investment funds and other clients (whether their investment objectives and policies are similar to those of the Fund) or from engaging in other activities.

In the course of its activities, the Manager may also provide advice in respect of the purchase or sale of securities of other companies or issuers which may be considered to be related issuers or connected issuers to the Manager, including other investment vehicles that may be formed, sponsored and/or managed by the Manager. The Fund is a connected issuer of the Manager. See “Statement of Related and Connected Issuers” below. A copy of the Manager’s relationship disclosure document will be provided to any Unitholder on request.

The Manager has designed its policies, procedures and internal controls to mitigate the risk of material conflicts of interest and with the aim of ensuring that material conflicts of interest are addressed in the best interests of clients. In no case will the Manager put its own interests ahead of those of its clients. If a conflict is sufficiently contrary to the interests of a client that it cannot be addressed in the best interests of the client, the Manager will avoid such conflict, stop providing the service or stop dealing with the client. The way in which the Manager intends to respond to such material conflicts as they relate to the Fund, with the aim of addressing such material conflicts in the best interests of the Fund, are described below.

Proprietary Products

The Manager currently acts as an exempt market dealer, investment fund manager and portfolio manager with respect to its proprietary products, including the Fund. It is an inherent conflict of interest for a registered firm to trade in, or recommend, proprietary products. The Manager has determined that this conflict is material and has implemented policies and procedures designed to address such material conflict of interest, including determining whether purchases of securities of its proprietary products are aligned with clients’ interests. The Manager has robust know your client, suitability and know your product processes and procedures. The impact of an investment in the Fund on an investor’s overall financial situation is part of the suitability determination. **Given this situation the suitability determination conducted by the Manager and its representatives will not consider the larger market of non-proprietary or third-party products or whether those non-proprietary products would be better, worse, or equal in meeting an investor’s investment needs and objectives.** The Manager may, in the future, act as exempt market dealer with respect to non-proprietary products and will, at such time, implement policies and procedures designed to address the material conflicts of interest in connection therewith.

Relationship with VRG

The Manager has engaged VRG in connection with the Services, including licensing the use of the Platform in connection with the investment strategies of the Fund. See “Services Provided by VRG”. This may present an actual or perceived material conflict of interest if the interests of VRG diverge from the Fund. To address this, the Manager has entered into the Consulting Agreement with VRG, which requires that VRG exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Manager and the Fund. The Manager has policies and procedures in place designed to ensure that its decisions with respect to Fund shall be made on the basis of the judgment of the Manager uninfluenced by considerations other than the best interests of the Fund.

Fair Allocation of Investment Opportunities

The Manager may, from time to time, act as portfolio manager to segregated managed accounts in addition to certain other investment funds and vehicles. In the course of managing a number of client accounts, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all clients. The Manager has in place policies and procedures designed to ensure fair allocation of investment opportunities among its clients. As a general policy, with the aim of

ensuring that no client will receive preferential treatment, the Manager will ensure that orders are allocated to clients on a proportional basis.

When a decision is made for all or a subset of the portfolios, the transaction is executed on an aggregate basis and is allocated on a *pro rata* basis across all accounts included in the block at a common price and commission. Where *pro rata* allocation is not possible, a rotation policy may be used, subject to market conditions. Participation in specific investment opportunities may be appropriate, at times, for the Fund and one or more other clients of the Manager. In such cases, participation in such opportunities will be allocated on an equitable basis taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, the clients for which participation is appropriate and the investment programs and portfolio positions of each client for which participation is appropriate. Although other clients may pursue investment objectives that are similar to the Fund, the portfolio of the Fund and such other clients may differ as a result of subscriptions and redemptions being made at different times and in different amounts, as well as because of different tax and regulatory considerations, among other factors. The Manager may give advice and recommend securities to other clients which may differ from advice given to, or securities recommended, or bought, for the Fund.

The Manager may engage in investment activities for its own accounts and for family members and friends. Such activities may involve the purchase and sale of securities that are the same as, but in different concentrations or at different times than, those purchased or sold by the Fund. In addition, they may involve the purchase and sale of securities that are different from those purchased by the Fund.

Soft Dollar Arrangements and Best Execution

The relationships with brokerage firms that provide “soft” dollar services may influence a manager’s judgment in allocating brokerage business and create a material conflict of interest in using the services of those broker dealers to execute brokerage transactions. Such goods and services may include research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, clearing and custodian services and investment related publications. The brokerage commissions paid to those firms, will not, however, differ materially from, nor will they be in excess of, customary full brokerage commissions payable to other firms for comparable services. It is the Manager’s current policy not to enter into “soft” dollar services or commission sharing agreements.

The Manager has policies and procedures in place designed to ensure best execution on behalf of clients, including the Fund. Generally, the Manager will place equal emphasis on quality of execution (a significant determinant of performance) as well as transaction costs.

Business Activities and Role as IFM, PM and EMD

As the investment fund manager and portfolio manager of the Fund, the Manager earns management fees and may earn performance fees, as described herein. As an exempt market dealer, the Manager sells securities in the Fund to investors. These roles are generally inseparable but create a conflict of interest when the Manager recommends that a client invest in the Fund and from which it will earn fees. Such a situation is not unusual in the investment industry in Canada. The Manager has an incentive to try to increase the management and performance fees, which could create a material conflict of interest. For example, as portfolio manager, the Manager has an incentive to try to increase the management and performance fees, which could create a conflict in the management of the portfolio, as the Manager could increase the risk in the Fund’s portfolio investments with the aim of increasing the potential to earn performance fees or attempt to increase the valuation of a portfolio asset to increase management fees. To address these conflicts, the Manager does not charge sales commissions or any other type of fee on purchases of securities of issuers for which it acts both as dealer and investment fund manager or portfolio manager. In addition, the Fund is subject to investment parameters and restrictions and systems and procedures are in place to monitor and review compliance with these restrictions. Investment decisions will be made on the basis of the judgment of the responsible portfolio manager uninfluenced by considerations other than the best interests of the Fund. Other than the right to buy securities, to receive certain fees from the Fund and to be reimbursed by the Fund in respect of certain expenses, neither the Manager nor any affiliate has any material financial interest in the Fund.

Personal Trading

Personal trading is a potential material conflict of interest. Notwithstanding this, staff of the Manager are allowed to operate personal trading accounts, subject to the Manager's policies and procedures governing personal trading. Personal trading may present a range of potential conflicts of interest as such personal investing may be at odds with the best interests of clients. These conflicts are inherent to the investment management industry. The Manager has adopted policies and procedures designed to address these potential conflicts, including a Code of Ethics, which is applicable to all employees and certain of their family members, and, among other controls, prohibits any person with access to the investment program for client portfolios from purchasing or selling securities for their own account where knowledge of such information could be used to their advantage. The Manager's policies and procedures also include a notification and pre-approval process designed to restrict any trading activity that would interfere with, or give the appearance of interfering with, an employee's ability to act in the best interest of clients, and the requirement to provide reporting to the Manager with respect to personal trading accounts.

Gifts and Entertainment

When employees give or accept gifts or entertainment of more than minimal value there may be a perceived or potential conflict of interest. For example, third parties may try to influence employees of the Manager through gift giving or business entertainment. To address these potential conflicts, the Manager has established policies and procedures that govern the provision of gifts and business entertainment to or from persons or entities with which the Manager has an existing or potential business relationship and monitors employees' adherence.

Referral Arrangements

A referral arrangement includes any arrangement under which the Manager agrees to pay or receive a referral fee. A referral fee means any form of compensation, direct or indirect, paid for the referral of a client to or from the Manager. Such arrangements may encourage the Manager, or an employee, to recommend a product that may be less suitable for a client. The Manager does not currently engage in any referral arrangements.

Proxy Voting

The Manager has a fiduciary obligation to vote proxies and consent to corporate actions and special situations for the securities that are held in the Fund in the best interests of the Fund in accordance with its best judgment. Investors in the Fund do not have any ability to direct proxy voting or corporate actions for a particular security held within the Fund. This authority to vote proxies and consent to corporate actions and special situations is exercised by the Manager as portfolio manager. Circumstances may occur where the Manager may have a potential conflict of interest relative to its activities in this regard on behalf of the Fund. Potential conflicts of interest could include the Manager or staff members having business relationships with an issuer or proponent of a proxy proposal or corporate action, participants in proxy contests, corporate directors or candidates for directorships. The Manager has adopted policies and procedures designed to ensure that proxies are voted in the best interests of clients and to address any material conflicts of interest that may arise in connection with the voting of proxies.

Outside Business Activities (OBAs)

Directors, officers and staff of the Manager may be involved in other business activities, such as acting as a director of another company. Such activities constitute outside business activities or "OBAs". All OBAs are subject to a notification and pre-approval process to restrict any staff member from engaging in an OBA that would interfere with, or give the appearance of interfering with, the Manager's or an employee's ability to act in the best interest of clients.

Investments by Related Parties / Large or Strategic Investors

The Manager, its officers and directors and individuals related to its officers and directors may, at times, be considered related parties to the Fund. Related parties may at any given time be investors in the Fund. All related parties invest in the Fund on the same terms as all other investors. All clients shall be treated fairly and material preferential arrangements (including "side letters") with or preferential disclosure of material information to clients and/or investors in the Fund is prohibited except in accordance with policies and procedures designed to ensure any material conflicts of interest are addressed in the best interest of the client.

Principal Transactions

Buy or sell transactions between the Manager, staff and the Fund's account is prohibited, and cross trading securities between client accounts and the Fund's account is prohibited.

Securities Valuation and Account Errors

There is a potential material conflict of interest when determining when, and how, to deal with a valuation error or other pricing error in connection with the portfolio securities of the Fund, or another type of investor account error, due to the time, processing cost and potential reimbursement of investors involved. To address these conflicts the Manager has established policies and procedures designed to address such errors and that establish standards for their correction generally in accordance with industry guidelines.

Allocation of Expenses within the Fund

The Fund bears the cost of the expenses applicable to its operation, and such expenses are allocated between its classes and series, as determined by the Manager. These expenses are a deduction from fund assets in determining the amount of management fees and performance allocations. This gives rise to a potential conflict if the Manager were to allocate expenses in a way that increased the amount of fees earned from a particular class or series. To minimize this conflict, expenses of the Fund are allocated *pro rata* to each class and series based on the relative net asset value of the class or series, or as otherwise deemed equitable by the Manager. Notwithstanding this, if an expense relates to one or more specific class or series, it will be allocated solely to the applicable class or series.

Statement of Related Registrants

Ontario 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 Manager is a wholly-owned subsidiary of Validus Risk Management Ltd., which operates under the international dealer exemption in Ontario. The Manager and Validus Risk Management Ltd. may have directors in common. Each of the Manager and Validus Risk Management Ltd. have policies and procedures in place designed to address potential material conflicts of interest that may arise in connection with these relationships, including ensuring that each entity is functionally independent and that each board of directors acts in accordance with its fiduciary duty and standard of care for each entity.

Statement of Related and Connected Issuers

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

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

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

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

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

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

Other Conflicts of Interest

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

TERMINATION OF THE FUND

The Manager may at any time terminate and dissolve the Fund by giving notice to the Trustee and each then Unitholder written notice of its intention at least 60 days before the date on which the Fund is to be terminated (the “**Termination Date**”). After giving such notice, the right of Unitholders to require payment for all or any of their Units shall be suspended and the Manager shall make appropriate arrangements for converting the fund property into cash. After payment of the liabilities of the Fund, each Unitholder registered as such at the close of business on the date fixed as the Termination Date will be entitled to receive from the Trustee his or her proportionate share of the value of the Fund attributable to the Class of Units held in accordance with the number of Units which he or she then holds. If the Fund is terminated, the Declaration of Trust will be terminated and the assets distributed in accordance with the terms of the Declaration of Trust.

ADMINISTRATOR

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

CUSTODIAL AND BROKERAGE ARRANGEMENTS

Interactive Brokers Canada Inc. (Toronto, Ontario) serves as the prime broker and custodian for, and may receive fees from, the Fund in relation to the trading activities of the Fund. The Fund may appoint other prime-brokers from time to time.

The Manager has complete discretion regarding the selection of brokers and dealers who execute portfolio transactions on behalf of the Fund and to select the market in which such transactions will be executed. The policy of the Manager in buying and selling securities on behalf of the Fund is to obtain the most favourable execution of transactions. The Manager will effect transactions with those brokers and dealers that the Manager believes provide the most favourable prices and who are capable of completing the transactions efficiently. The factors that the Manager will consider in determining if an order is being efficiently executed by a broker or a dealer include the size of the order, the difficulty of executing the order, the operational capabilities and facilities of the broker or the dealer involved and the prior experience of the broker or dealer in effecting transactions of the type the Manager wants to enter into on behalf of the Fund.

LEGAL COUNSEL

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

AUDITORS

Ernst & Young LLP is the auditor of the Fund. The principal office of Ernst & Young LLP in Toronto, Ontario, Canada is located at 100 Adelaide Street West, Toronto, Ontario, Canada M5H 0B3.

PERSONAL INFORMATION

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

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

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Attention: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
Email: FOI-privacy@bcsc.bc.ca
Attention: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: 204-945-0330
Attention: Director

**Financial and Consumer Services
Commission (New Brunswick)**
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
Email: info@fcnb.ca
Attention: Chief Executive Officer and
Privacy Officer

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

**Government of the Northwest Territories
Office of the Superintendent of Securities**
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Telephone: 867-767-9305
Facsimile: 867-873-0243
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Attention: Superintendent of Securities

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

**Government of Nunavut
Department of Justice**
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867-975-6590
Facsimile: 867-975-6594
Attention: Superintendent of Securities

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Attention: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw
Building
P.O. Box 2000

Autorité des marchés financiers
800, rue du Square-Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3

**Financial and Consumer Affairs Authority
of Saskatchewan**
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Charlottetown, Prince Edward Island
C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Attention: Superintendent of Securities

Telephone: 514-395-0337 or 1-877-525-0337
Facsimile: 514-864-6381 (For privacy requests only)
Email: fonds_dinvestissement@lautorite.qc.ca
Attention: Corporate Secretary

Telephone: 306-787-5842
Facsimile: 306-787-5899
Attention: Director

**Office of the Superintendent of
Securities
Government of Yukon
Department of Community Services**
307 Black Street, 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: 867-667-5466
Facsimile: 867-393-6251
Email: securities@gov.yk.ca
Attention: Superintendent of Securities

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

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

LANGUAGE OF DOCUMENTS

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

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors. The Subscription Agreement contains detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement and, if so, a list of the documents and information required.

If, as a result of any information or other matter which comes to the Manager's attention, any director, officer or employee of the 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.

PURCHASERS' RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Cooling-off Period

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

Statutory Rights of Action for Damages or Rescission

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

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

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

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

Ontario

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

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

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

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

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

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

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

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

expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

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

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

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

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

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

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

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

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

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

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

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

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

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two (2) business days of receiving the amended offering memorandum.

Manitoba

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

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

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

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

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

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

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has

a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

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

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

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

Nova Scotia

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

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

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

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

the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

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

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

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

New Brunswick

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

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

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

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

Prince Edward Island

Section 112 of the PEI Act provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) containing a misrepresentation, without regard to

whether he or she relied on the misrepresentation, a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made or a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the offering memorandum, and (d) every person who signed the offering memorandum. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

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

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

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

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

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

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

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

Newfoundland and Labrador

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

- (a) a right of action for damages against:
 - (i) the Fund;

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

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

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

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

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

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

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

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

- (a) in the case of an action for rescission, 180 days after the purchaser signs the agreement to purchase the Units; or
- (b) in the case of an action for damages, before the earlier of:
 - (i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date the purchaser signs the agreement to purchase the Units.

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

Yukon

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

Northwest Territories

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

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

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

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

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

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

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

- (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

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

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

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

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

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

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

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

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

Nunavut

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

British Columbia, Alberta, and Québec

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

