

**AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM DATED
AS OF NOVEMBER 15, 2016**

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

This Offering Memorandum has been prepared solely for the benefit of the persons interested in investing in the securities offered hereby and may not be reproduced or used for any other purpose. Prospective investors are not to construe the contents of this Offering Memorandum as legal, business or tax advice. Each prospective investor should consult its own professional advisors as to legal, business, tax and related matters concerning this offering.

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

FORMULA GROWTH ALPHA FUND

Offering of

Class A Units (US\$ Series)	Class A Units (C\$ Hedged Series)
Class F Units (US\$ Series)	Class F Units (C\$ Hedged Series)

The Formula Growth Alpha Fund (the “Fund”) is an open-ended investment trust established under the laws of the Province of Ontario by a declaration of trust made as of January 1, 2014 as amended from time to time, by Formula Growth Limited as trustee. An unlimited number of classes of units (each, a “Class”) may be established. Each Class is issuable in either US dollars or Canadian dollars, each of which will be a series of the Class (a “Series”). Offered under this Offering Memorandum are the Class A Units (US\$ Series) and Class F Units (US\$ Series) and the Class A Units (C\$ Hedged Series) and Class F Units (C\$ Hedged Series).

The Class A Units (US\$ Series) and Class F Units (US\$ Series) are offered in US dollars and the Class A Units (C\$ Hedged Series) and Class F Units (C\$ Hedged Series) are offered in Canadian dollars. The C\$ Hedged Series are expected to be hedged against currency risk between Canadian dollars and US dollars, being the currency in which the assets of the Fund are primarily denominated. The US\$ Series are denominated in US dollars and not hedged against any currency risk.

Units are offered for sale at their series net asset value per Unit determined at the time they are issued. Units are offered for sale to investors resident in all the provinces and territories of Canada other than Newfoundland and Labrador. The Fund is not subject to any aggregate minimum subscription level. See “Purchase of Units”. **The Fund is a related issuer of Formula Growth Limited, the trustee and manager of the Fund.**

An investment in the Fund should only be made after consultation with independent qualified sources of investment and tax advice. The purchase of Units should be considered only by investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment. See “Risk Factors”.

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SUMMARY

Prospective investors are encouraged to consult their own professional advisers as to the tax and legal consequences of investing in the Fund. The following is only a summary and is qualified by the more detailed information contained in this Offering Memorandum. Terms not otherwise defined herein are defined in the Glossary of Terms.

The Fund Formula Growth Alpha Fund (the “Fund”) is an open-ended investment trust established under the laws of the Province of Ontario by a declaration of trust made as of January 1, 2014 as amended from time to time, by Formula Growth Limited as trustee (the “Trustee”) and manager (the “Manager”) of the Fund. The Manager will perform the management and investment management functions for the Fund pursuant to the Declaration of Trust. See “The Fund”.

Investment Objective of the Fund The investment objective of the Fund is to provide absolute returns by minimizing downside volatility and drawdowns while maintaining low correlation to the overall market through low equity and sectoral market exposure. See “The Fund- Investment Objective of the Fund”.

Investment Strategy of the Fund To achieve the objective of the Fund, the Manager will employ a bottom-up investment process to dynamically allocate capital to Long, Short, Pair and Hedge positions coupled with a risk management process tracking overall sector and portfolio beta. See “The Fund – Investment Strategy of the Fund”.

The Manager and Trustee Formula Growth Limited is the trustee and manager of the Fund and will perform the management functions, as well as the investment management and trustee functions, for the Fund. See “The Fund – The Manager and Trustee”.

Units of the Fund An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of Units in an unlimited number of Classes, having such terms and conditions as the Trustee may determine. Each Class is issuable in either US dollars or Canadian dollars, each of which will be a series of the Class (each, a “Series”). The Units offered under this Offering Memorandum are: Class A Units (US\$ Series), Class A Units (C\$ Hedged Series), Class F Units (US\$ Series) and Class F Units (C\$ Hedged Series). The Fund also currently offers Class I Units (US\$ Series) and Class I Units (C\$ Hedged Series), Large Investor Series.

The Class A Units (US\$ Series) and Class F Units (US\$ Series) (collectively, the “US\$ Series”) are offered in US dollars and the Class A Units (C\$ Hedged Series) and Class F Units (C\$ Hedged Series) (collectively, the “Hedged Series”) are offered in Canadian dollars. The Hedged Series are expected to be hedged against currency risk between Canadian dollars and US dollars, being the currency in which the assets of the Fund are primarily denominated. The US\$ Series are denominated in US dollars and not hedged against any currency risk.

Class A Units (US\$ Series) and Class A Units (C\$ Hedged Series) are designed for investors who are investing through a Registered Dealer to whom a trailing

commission is paid by the Manager.

Class F Units (US\$ Series) and Class F Units (C\$ Hedged Series) are designed for all investors other than for those whom the Class A Units are designed.

Units may only be transferred with the consent of the Trustee and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. Accordingly, redemption of the Units in accordance with the provisions set out herein is likely the only means of liquidating an investment in the Fund. See “Units of the Fund”.

Management Fee The Fund will pay the Manager a management fee (the “Management Fee”) in respect of each Series of Units offered hereunder. The rate is a percentage of the net asset value of the Series, as follows:

Class A Units (US\$ Series) and Class A Units (C\$ Hedged Series) – 1/12 of 2%;
Class F Units (US\$ Series) and Class F Units (C\$ Hedged Series) – 1/12 of 1%.

All Management Fees are calculated and payable monthly in arrears. The Manager may reduce or waive the Management Fee, in whole or in part, in its sole discretion. See “Fees and Expenses – Management Fee” and “Fees and Expenses – Waiver of Fees”.

Performance Fee In respect of each of the Series offered hereunder, the Fund will pay the Manager a performance fee (the “Performance Fee”) equal to 20% of any amount that the Series Net Asset Value Per Unit as at the last Valuation Date of the financial year exceeds the Series Net Asset Value Per Unit as at the first Business Day of the relevant financial year provided that the High Water Mark described below has been exceeded. The Performance Fee is accrued on each Valuation Date and deducted and paid annually from the net assets of the Fund (or earlier date in the case of a redemption of Units). The Performance Fee for a Series shall only be payable if the adjusted Series Net Asset Value as at the last Valuation Date in the relevant financial year (or earlier date in the case of a redemption of Units) exceeds the highest adjusted Series Net Asset Value figure by reference to which a Performance Fee has been previously paid as of the last Business Day of any previous financial year (the “High Water Mark”). Appropriate adjustments will be made to the High Water Mark of a Series to account for subscriptions, redemptions and distributions (if any). The Manager may reduce or waive the Performance Fee, in whole or in part, in its sole discretion. See “Fees and Expenses – Performance Fee” and “Fees and Expenses – Waiver of Fees”.

Administration Fees and Expenses The Fund is responsible for the payment of the following ongoing fees and expenses relating to its operation: trustee fees (if any), custody and safekeeping charges, all taxes (including GST, QST or HST, if any), assessments or other regulatory and governmental charges levied against the Fund, interest, all brokerage fees, including prime brokerage charges and dividend expense on securities sold short and any legal, accounting, administration and audit fees and other expenses which are incurred in respect of the matters in the normal course of the Fund’s activities, and all reasonable extraordinary or non-recurring

	<p>expenses.</p> <p>Each Series of Units is responsible for the expenses specifically related to that Series and a proportionate share of expenses that are common to all Series of Units. Costs of hedging are charged to the Units of the Hedged Series. See “Fees and Expenses – Administration Fees and Expenses”.</p> <p>The Manager may in its sole discretion pay directly or reimburse the Fund for some or all of the above-noted expenses from time to time.</p>
Dealer Compensation	<p>Sales Commissions. A sales commission of up to 2% may be deducted from purchase orders for Units and paid by the investor to the Registered Dealer through which the Units are purchased. The sales commission may be negotiated between the investor and the Registered Dealer.</p> <p>Trailing Commissions. The Manager will pay quarterly trailing commissions to Registered Dealers whose clients have purchased Class A Units (US\$ Series) or Class A Units (C\$ Hedged Series) and remain invested in the Fund during the relevant month. The trailing commission rate for the Class A Units (US\$ Series) and the Class A Units (C\$ Hedged Series) is accrued monthly at the rate of 1/12 of 1% of the net asset value of the Series attributable to such Units.</p> <p>See “Dealer Compensation”.</p>
Price of Units	<p>Units are offered for sale at their series net asset value per Unit (“Series Net Asset Value Per Unit”) which is calculated as of the applicable Valuation Date. Fractional Units will be issued up to four decimal points (rounded down).</p>
Minimum Investment	<p>Units of the Fund are being offered on a continuous basis in accordance with applicable securities legislation to an unlimited number of investors resident in all the provinces and territories of Canada other than Newfoundland and Labrador (the “Offering Jurisdictions”).</p> <p>The minimum initial investment is \$25,000 (or the US\$ equivalent, for the US\$ Series) for “Accredited Investors” resident in the Offering Jurisdictions. The Manager may in its discretion waive the minimum investment amount set forth above for any Accredited Investor.</p> <p>Subsequent investments are subject to an additional minimum investment of \$5,000 (or the US\$ equivalent, for the US\$ Series), which the Manager may in its discretion waive, and subject to compliance with applicable securities law.</p> <p>This offering is not subject to an aggregate minimum subscription level.</p>
Purchase of Units	<p>Purchases of Units can be made on any Valuation Date. Purchase orders must be received by the Manager prior to 4:00 p.m. (Montreal time) on a Valuation Date on which the investor wishes to purchase Units. Orders received after that time will be effective on the next following Valuation Date. See “Purchase of Units”.</p>

Redemption of Units	Units may be redeemed on the last Business Day of each month (a “Redemption Date”), except in extraordinary circumstances. A written request for redemption must be delivered to the Manager at least 10 Business Days prior to the Redemption Date. Redemption requests received after that time will be processed on the next Redemption Date. The redemption proceeds will typically be paid to the Unitholder on the 10 th Business Day following the Redemption Date. See “Redemption of Units”.
Suspension of Redemptions	<p>The Manager may suspend or limit the Fund’s obligation to redeem Units, or payments in respect thereof, in certain circumstances, including during any period in which the Manager determines that conditions exist that impair the ability to determine the value of the assets of the Fund.</p> <p>The redemption price will be adjusted by changes in the applicable net asset value during this suspension or limitation period and calculated on the Valuation Date on which the redemption occurs. See “Redemption of Units – Suspension or Limitation of Redemptions”.</p>
Valuation	The Net Asset Value of the Fund and each Series Net Asset Value is determined as at the close of business on every Valuation Date by the Administrator in accordance with the Declaration of Trust. The Series Net Asset Value Per Unit of any Series on a Valuation Date is obtained by dividing the then fair market value of the assets of the Fund less the aggregate amount of the liabilities of the Fund, in each case attributable to that Series, by the total number of Units of the Series outstanding at the time the calculation is made on the Valuation Date and adjusting the result to a maximum of four decimal places (rounded down). See “Valuation”.
Distributions	The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each calendar year to ensure that the Fund is not liable for income tax under Part I of the <i>Income Tax Act</i> (Canada) (the “Tax Act”), after taking into account any loss carry forwards and capital gains refunds. All distributions will be made on a <i>pro rata</i> basis within each Series to each registered Unitholder determined as of the close of business on the date of the distribution. See “Distributions”.
Automatic Reinvestment	All distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units of the same Series at the Series Net Asset Value Per Unit next determined after the declaration of the distribution. No sales charge or commission shall be payable by a Unitholder in connection with any such reinvestment. See “Distributions – Automatic Reinvestment”.

Canadian Federal Income Tax Considerations	<p>A Unitholder will generally be required to include in computing income for a year the amount of the Fund's income for tax purposes, including net taxable capital gains, paid or payable to the Unitholder in the year. The Fund intends to distribute to Unitholders sufficient net income, including net taxable capital gains, in each year so that the Fund will not be subject to tax under Part I of the Tax Act. A Unitholder will generally be required to include in income such amounts whether they are in the form of a cash distribution or are reinvested in additional Units under the Fund's automatic reinvestment procedures. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the Units and any reasonable costs of disposition. See "Certain Canadian Federal Income Tax Considerations".</p> <p>Each investor should satisfy himself or herself as to the tax consequences of an investment in Units by obtaining advice from his or her tax adviser.</p>
Eligibility for Investment	<p>Provided that the Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all times, Units offered hereunder will be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans and tax-free savings accounts. See "Eligibility for Investment".</p> <p>Investors who intend to hold Units through their tax-free savings accounts, registered retirement savings plans or registered retirement income funds should consult their own advisors as to whether Units would be "prohibited investments" for such plans for the purposes of the Tax Act. See "Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans".</p>
Risk Factors	<p>There are risks associated with an investment in the Fund, as a result of, among other considerations, the proposed nature and operations of the Fund. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. See "Risk Factors".</p>
Custodian	<p>The Manager has appointed J.P. Morgan Clearing Corp. as the custodian of the assets of the Fund and may appoint such additional or other custodians of the assets of the Fund as it may determine.</p>
Prime Broker	<p>The Manager has appointed J.P. Morgan Clearing Corp. as the prime broker of the assets of the Fund and may appoint such additional or other prime brokers as it may determine.</p>
Administrator	<p>The Manager has appointed Commonwealth Fund Services Ltd. as the administrator for the Fund. The administrator performs the calculation of the net asset value and maintains the unit register and the accounting records of the Fund.</p>
Auditors	<p>The Manager has appointed Deloitte LLP as the auditor for the Fund.</p>

Fiscal Year End	December 31.
Purchasers’ Rights of Action	Investors are entitled to the benefits of certain statutory or contractual rights of action which are described herein. See “Statutory and Contractual Rights of Action.”

GLOSSARY OF TERMS

“Accredited Investors” has the meaning given to it under National Instrument 45-106 Prospectus Exemptions and, in Ontario, Section 73.3 of the *Securities Act* (Ontario);

“Administrator” means Commonwealth Fund Services Ltd. or such other independent third party administrator appointed by the Manager;

“Business Day” means a day on which the Toronto Stock Exchange and the New York Stock Exchange are open for business;

“Class” means any class of Units of the Fund authorized from time to time;

“Declaration of Trust” means the declaration of trust of the Fund made as of January 1, 2014, as it may, from time to time, be amended and supplemented;

“Fund” means the Formula Growth Alpha Fund;

“Hedged Series” means the Class A Units (C\$ Hedged Series) and the Class F Units (C\$ Hedged Series);

“Management Fee” means a management fee accrued on each Valuation Date and payable monthly in arrears to the Manager calculated as described under “Fees and Expenses – Management Fee”;

“Manager” means Formula Growth Limited;

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

“Offering Jurisdictions” means all of the provinces and territories of Canada other than Newfoundland and Labrador;

“Prime Broker” means J.P. Morgan Clearing Corp. or such additional or other prime broker as may be appointed by the Manager;

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

“Registered Dealer” means dealers or brokers registered under applicable securities law in those Offering Jurisdictions in which such registration is required and that are not restricted from selling the Units;

“Series” means a series of a Class;

“Series Net Asset Value” means the portion of the Net Asset Value attributable to each of the Series of Units calculated as described under “Valuation”;

“Series Net Asset Value Per Unit” means the Net Asset Value attributable to each Unit of a Series calculated as described under “Valuation”;

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

“Trustee” means Formula Growth Limited;

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

“Units” means the units of each Series of units of the Fund;

“US\$ Series” means the Class A Units (US\$ Series) and the Class F Units (US\$ Series); and

“Valuation Date” means the last Business Day in each month and any such other day or days as determined by the Manager.

THE FUND

Formula Growth Alpha Fund (the “Fund”) is an open-ended investment trust established under the laws of the Province of Ontario by a declaration of trust made as of January 1, 2014 as amended from time to time (the “Declaration of Trust”) with Formula Growth Limited as trustee (the “Trustee”) and manager (the “Manager”). The address of the Fund’s principal office, as well as of the Trustee and Manager, is Suite 2300, 1010 Sherbrooke Street West, Montreal, Québec H3A 2R7.

An investment in the Fund is represented by units (the “Units”). The Fund is permitted to have an unlimited number of Units in an unlimited number of Classes of Units and Series. Offered under this Offering Memorandum are the Class A Units (US\$ Series) and Class F Units (US\$ Series), and the Class A Units (C\$ Hedged Series) and Class F Units (C\$ Hedged Series). The only undertaking of the Fund will be the investment of its assets as described herein.

Investment Objective of the Fund

The investment objective of the Fund is to provide absolute returns by minimizing downside volatility and drawdowns while maintaining low correlation to the overall market through low equity and sectoral market exposure.

Investment Strategy of the Fund

To achieve the objective of the Fund, the Manager will employ a bottom-up investment process to dynamically allocate capital to Long, Short, Pair and Hedge positions coupled with a risk management process tracking overall sector and portfolio beta.

The Manager evaluates a large number of potential investment ideas culled from an extensive network of business, investment community and database resources. In addition to rigorous security analysis, all potential and existing portfolio holdings are vetted with external sources, including the Manager’s contact network in the U.S. analyst and investment community. This information and idea-sharing network provides the Manager with the ability to generate, assess, and select its investment opportunities. The Manager will conduct a detailed fundamental analysis once investment candidates that are compatible with the Fund’s investment objective have been selected. Although the Manager will seek to achieve diversification by following a general policy of spreading the Fund’s capital among a number of investments across different industry groups, there are no pre-established requirements that the Fund be widely diversified.

Long Investments

Long positions involve buying a security, a basket of securities or exchange-traded funds (ETFs) in anticipation of price expansion in the short and long term. The Fund’s long investment positions will include securities that generally have the following characteristics:

- are growing revenue and earnings rapidly, and which offer earnings-driven future security price targets well above current prices;
- are experiencing a cyclical recovery in the industry in which they participate;
- are restructuring or cutting costs to improve profitability;
- have low absolute valuations; or

- have securities prices that have been impaired by temporary events.

Short Sales

Short sales involve the Fund selling a security, a basket of securities or ETFs that it does not own in anticipation of a price decline. A short sale occurs when the Fund borrows a security from a third party. The Fund must repurchase the security at a later date in order to replace the security that was borrowed from the third party. The Fund's short investment positions will include securities of companies that:

- are experiencing a cyclical slow down;
- are likely to face loss of market share, revenue, or earnings due to competitive displacement;
- have significant debt refinancing risk; or
- have high absolute earnings or cash flow valuations.

Pairs

Pairs trading involves buying long a security, a basket of securities or ETFs, in anticipation of price expansion co-incidentally with short selling a similar security, basket of securities or ETFs in anticipation of a price decline.

Hedging

Hedge positions involve the Fund buying or selling a security, a basket of securities, ETFs or derivatives of the underlying securities with the objective of reducing the overall sector or market risk of the portfolio as part of the risk management and portfolio construction process. Hedging is expected to help mitigate or protect the portfolio against fluctuations in equity markets.

Approved Investments of the Fund

The approved investments of the Fund are as follows:

Cash and Cash Equivalents

- Cash, treasury bills, demand deposits, government securities, term deposits, guaranteed investment certificates or other similar instruments, including any pooled investment vehicle (which may, but need not, be managed by the Prime Broker) that invests solely in the foregoing.
- The average maturity for short term securities must not exceed one year.

Equities

- Common stocks, subscription rights or warrants, American Depositary Receipts and Shares (ADRs and ADSs), and other similar securities with equity characteristics, such as ETFs, of issuers that are traded on a recognized North American stock exchange. In the case of rights and warrants, the underlying securities are listed on a North American stock exchange.

- The Fund may invest in securities that are traded on recognized foreign stock exchanges up to a maximum of 10% of the value of the Fund.

Derivatives

- The Fund may trade in derivatives such as futures or forward contracts to hedge foreign currency and equity market exposure and may buy and sell call and put options. The total underlying notional value of uncovered options, in absolute terms, will at no time constitute more than 30% of the value of the Fund.

Risk Management

Net Exposure

The Manager will manage the relative weightings of the Fund's long and short positions to achieve the Fund's investment objective. The Fund's net market exposure will depend on the fundamental research and portfolio construction techniques of the Manager along with the hedging of the general market exposure. This process will target a range for the net market exposure of between 30% net long and 30% net short, based on the Fund's value.

Liquidity Risk

Liquidity risk will be managed by measuring the percentage of securities that could be liquidated in one trading day based on the median value of the daily trading volumes for the trailing 90 days. This measurement will consider the aggregate of all holdings within the Fund. At least 60% of the assets by dollar value must be capable of liquidation in one trading day using 100% of the median volume traded.

Sectoral Risk and Security Weight

The Fund's net sectoral exposure (long positions minus short positions) will not exceed +30% of the Fund's value and will not exceed -30% of the Fund's value, i.e. be lower than -30%. No individual company security purchased long shall exceed 10% of the Fund's value. No individual company security sold short shall exceed 5% of the Fund's value.

Leverage

The Fund will limit its gross leverage up to a maximum of 2.3 times the Fund's net assets.

Statutory Caution

The foregoing disclosure of the Manager's investment strategies and intentions may constitute "forward-looking information", 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 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 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 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.

Manager and Trustee

Formula Growth Limited is the Manager of the Fund, and is responsible for the day-to-day business of the Fund. The Manager will also act as the investment manager and Trustee of the Fund. The Manager was incorporated in 1962 and is subject to the provisions of the *Canada Business Corporations Act*. The Manager is a Montreal-based investment fund manager, portfolio manager and exempt market dealer which manages equity portfolios for individual and institutional investors. The head office address of the Manager is Suite 2300, 1010 Sherbrooke Street West, Montreal, Québec H3A 2R7. The Manager also has affiliates located in New York City at Suite 1515, 28 West 44th Street, New York, NY, 10036 and in Hong Kong at Suite 1502, 34-37 Connaught Road, Hong Kong. The Manager is regulated by the Autorité des Marchés Financiers and other applicable securities regulatory authorities.

The Manager has authority to manage the business and affairs of the Fund and has authority to bind the Fund. The Manager may delegate its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The Trustee and Manager are required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budget and authorize the payment of operating expenses.

The Declaration of Trust provides that the Trustee and certain affiliated parties have a right of indemnification from the Fund for legal fees, judgements and amounts paid in settlement incurred in carrying out their duties under the Declaration of Trust, except in certain circumstances, including where there has been wilful misconduct, bad faith, or negligence on the part of the Trustee or the Trustee has failed to fulfil its standard of care as set out in the Declaration of Trust. In addition, the Declaration of Trust contains provisions limiting the liability of the Trustee.

Pursuant to the Declaration of Trust, the Trustee may resign upon 90 days' written notice to the Manager, who shall appoint a successor Trustee.

UNITS OF THE FUND

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of Units in an unlimited number of Classes, divided into Series. Offered under this Offering Memorandum are the Class A Units (US\$ Series) and Class F Units (US\$ Series) and the Class A Units (C\$ Hedged Series) and Class F Units (C\$ Hedged Series). The Fund also currently offers Class I Units (US\$ Series) and Class I Units (C\$ Hedged Series), Large Investor Series.

Each issued and outstanding Unit of a Series shall be equal to each other Unit of the same Series with respect to all matters. The respective rights of the holders of Units of each Series will be proportionate to the Series Net Asset Value of such Series relative to the Series Net Asset Value of each other Series. Each Unit carries with it a right to vote, with one vote for each \$10 of Net Asset Value attributable to such Unit (the Net Asset Value of all Units held by a Unitholder shall be aggregated for the purpose of determining voting rights).

The Manager, in its discretion, determines the number of Classes and Series of Units and establishes the attributes of each Class and Series, including the designation of each Class and Series, the initial closing date and initial offering price for the first issuance of Units of the Class and Series, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the Class and Series, sales or redemption charges payable in respect of the Class and Series, redemption rights and any additional Class and Series specific attributes.

The Manager may add additional Classes and Series of Units at any time without the prior approval of Unitholders.

All Units of the same Series are entitled to participate pro rata: (i) in any payments or distributions made by the Fund to the Unitholders of the same Series; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same Series of net assets of the Fund remaining after satisfaction of outstanding liabilities of such Series. All Units are fully paid and non-assessable when issued. There are no pre-emptive rights attaching to Units. Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit.

Units are not transferable by a Unitholder except with the consent of the Trustee in its absolute discretion and in compliance with all applicable securities laws. Outstanding Units of any Series may be subdivided or consolidated in the Trustee's discretion in accordance with the Declaration of Trust.

FEES AND EXPENSES

Management Fee

For its services to the Fund, the Manager is entitled to receive from the Fund a management fee (the "Management Fee") in respect of each Series offered hereunder. The Management Fee is accrued on each Valuation Date and deducted and paid monthly in arrears. Each Series of Units is responsible for the management fee referable to that Series. The rate is a percentage of the Series Net Asset Value (in the case of the Class A Units (US\$ Series) and Class F Units (US\$ Series), the Series Net Asset Value as reported in US dollars), as follows:

Class A Units (US\$ Series) and Class A Units (C\$ Hedged Series) – 1/12 of 2%;
Class F Units (US\$ Series) and Class F Units (C\$ Hedged Series) – 1/12 of 1%.

All Management Fees are calculated and payable monthly in arrears.

The Manager will be entitled to a reimbursement of its out of pocket expenses incurred with respect to the operation of the Fund. See "Administration Fees and Expenses".

Performance Fee

In respect of each of the Series offered hereunder, the Fund will pay the Manager a performance fee (the "Performance Fee"), at a rate that is a percentage of the Series Net Asset Value (in the case of the Class A Units (US\$ Series) and Class F Units (US\$ Series), the Series Net Asset Value as reported in US dollars) equal to 20% of any amount that the Series Net Asset Value Per Unit as at the last Valuation Date of the financial year exceeds the Series Net Asset Value Per Unit as at the first Business Day of the relevant financial year provided that the High Water Mark described below has been exceeded. The Performance Fee is accrued on each Valuation Date and deducted and paid annually from the net assets of the Fund (or such earlier Redemption Date, as defined below, as the holder of the Series shall redeem Units). The Performance Fee for a Series shall only be payable if the adjusted Series Net Asset Value as at the last Valuation Date in the relevant financial year exceeds the highest adjusted Series Net Asset Value figure by reference to which a Performance Fee has been previously paid as of the last Business Day of any previous financial year (the "High Water Mark"). Appropriate adjustments will be made to the High Water Mark of a Series to account for subscriptions, redemptions and distributions (if any).

Administration Fees and Expenses

The Fund is responsible for the payment of the ongoing fees and expenses relating to its operation which include: trustee fees (if any), custody and safekeeping charges, all taxes (including GST, QST or HST, if any), assessments or other regulatory and governmental charges levied against the Fund, interest, all brokerage fees, including prime brokerage charges and dividend expense on securities sold short and any legal, accounting and audit fees and other expenses which are incurred in respect of matters in the normal course of the Fund's activities, and all reasonable extraordinary or non-recurring expenses.

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

The Manager may in its sole discretion pay directly or reimburse the Fund for some or all of the above-noted expenses from time to time.

Waiver of Fees

The Manager may from time to time waive or reduce any portion of the management and performance fees and reimbursement of expenses otherwise payable to it, but no such waiver or rebate affects its right to receive fees and reimbursement of expenses subsequently accruing to it. The Fund may issue additional Units to Unitholders receiving the benefits of such waivers or reductions as a means of reflecting the same.

DEALER COMPENSATION

Sales Commissions

A sales commission of up to 2% may be deducted from a purchase order for Units and paid by the investor to the Registered Dealer. The sales commission may be negotiated between the investor and the Registered Dealer.

Trailing Commissions

The Manager will pay quarterly trailing commissions to Registered Dealers whose clients have purchased Class A Units (US\$ Series) or Class A Units (C\$ Hedged Series) and remain invested in the Fund during the relevant month. The trailing commission rate for the Class A Units (US\$ Series) and Class A Units (C\$ Hedged Series) is accrued monthly at the rate of 1/12 of 1% of the Series Net Asset Value of such Units.

PURCHASE OF UNITS

Subscribing for Units

The Units are offered for sale on a continuous basis in accordance with applicable securities legislation to an unlimited number of investors resident in each of the provinces and territories of Canada other than Newfoundland and Labrador (the "Offering Jurisdictions").

Units are offered for sale at their Series Net Asset Value Per Unit, calculated on each Valuation Date. Fractional Units will be issued up to four decimal points (rounded down).

Purchases of Units can be made on any Valuation Date. To subscribe for Units, investors are required to complete, execute and deliver to the Manager a subscription form which accompanies this Offering Memorandum together with funds provided via a distributor or an electronic order system such as FundSERV or a cheque or bank draft, or, in the discretion of the Manager, wire transferred funds sent to the Administrator for the account of the Fund, in an amount equal to the aggregate amount which the investor wishes to invest in Units. Purchase orders must be received by the Manager prior to 4:00 p.m. (Montreal time) on a Valuation Date on which the investor wishes to purchase Units. Orders received after that time will be effective on the next following Valuation Date at the Series Net Asset Value Per Unit applicable on such Valuation Date. Completed subscription forms must be received by the Manager within 5 Business Days of the Valuation Date on which Units are purchased. All subscriptions will be irrevocable.

The Manager reserves the right to accept or reject orders, provided that any decision to reject an order must be made within 10 Business Days of receipt and any monies received with a rejected order will be refunded immediately (without interest) after such determination has been made by the Manager.

The Manager will not accept a subscription from or register as the owner of any Unit an entity who is or would be (i) 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, (ii) a Financial Institution (within the meaning 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 (iii) a “designated beneficiary” of the Fund within the meaning of Part XII.2 of the Tax Act if, as a consequence thereof, the Fund would be liable for tax under Part XII.2 of the Tax Act.

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

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

Minimum Investment

The minimum initial investment is \$25,000 (or the US\$ equivalent, for the Units of the US\$ Series) for Accredited Investors in the Offering Jurisdictions. The Manager may in its discretion waive the minimum investment amount set forth above for any Accredited Investor.

Subsequent investments are subject to an additional minimum investment of \$5,000 (or the US\$ equivalent, for the Units of the US\$ Series), which the Manager may in its discretion waive, and subject to compliance with applicable securities law.

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

The Manager, in its discretion, may prescribe a minimum aggregate balance to be maintained by Unitholders of Units of a Series, and may require a Unitholder to redeem all of such person’s Units if the minimum balance is not maintained.

Securities Law Exemptions

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

REDEMPTION OF UNITS

How to Redeem Units

A Unitholder may redeem Units on the last Business Day of any month (a “Redemption Date”) at the Series Net Asset Value Per Unit, subject to adjustment as described below. Redemption orders must be in writing with the Unitholder’s signature guaranteed by a Registered Dealer, Canadian chartered bank, trust company, a member of a stock exchange in Canada or otherwise guaranteed to the satisfaction of the Manager. Redemption orders may be made directly to the Fund or, if Units are registered in the name of an intermediary such as a Registered Dealer, clearing agency or its nominee, redemption orders must be made through such intermediary.

Redemption orders must be received by the Manager at least 10 Business Days prior to the Redemption Date on which the Unitholder wishes to redeem the Units. Orders received after that time will be effective on the next following Redemption Date. Units will be redeemed at the Series Net Asset Value Per Unit calculated as at the applicable Redemption Date. The amount payable to a Unitholder for each Unit redeemed will be an amount equal to the Series Net Asset Value Per Unit on the Redemption Date, together with the proportionate share attributable to such Units of any distribution which has been declared and not paid, less any withholding or other taxes required to be deducted.

Where the Units which are the subject of the redemption order were purchased from a distributor on the FundSERV network, a request for redemption must also be entered through the FundSERV network in the calendar month in which the Redemption Date occurs, and payment of the redemption proceeds will be made through the FundSERV network. Where the Units which are the subject of the redemption order were purchased through the Manager, payment of the redemption proceeds will generally be made by cheque, bank draft or wire transfer. The redemption proceeds will be typically be paid to a Unitholder who redeems Units on the tenth Business Day following the Redemption Date.

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

Suspension of Redemptions

The Manager may suspend the Fund’s obligation to determine the Series Net Asset Value and the Net Asset Value of the Fund, to redeem Units, or to make payments in respect thereof, (i) for any period during which the Manager is closed for business; (ii) for the whole or any part of a period during which normal trading is substantially restricted or suspended on any stock exchange, options exchange or futures exchange within or outside North America on which securities are listed and traded, if those securities represent more than 50% by value of the total assets of the Fund, without allowance for liabilities; or (iii) during any other period in which the Manager determines that conditions exist which impair the ability to determine the value of the assets or the liabilities of the Fund.

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

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

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

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

The Manager will advise the Unitholder who has requested a redemption if redemptions will be suspended on a requested Redemption Date. Redemption requests which are rejected at a Redemption Date will be accepted on the next Redemption Date on which redemption requests are honoured in priority to redemption requests made after the deadline for redemption requests in respect of such earlier Redemption Date. Partial redemptions on a Redemption Date will be made on a pro rata basis. Redemption requests are irrevocable unless they are not honoured on the designated Redemption Date, in which case they may be withdrawn within 5 Business Days following such Redemption Date.

Mandatory Redemptions

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

VALUATION

Net Asset Value

The Net Asset Value of the Fund and each Series Net Asset Value is determined as at the close of business on every Valuation Date, and on December 31 in each year, by the Administrator on behalf of the Manager.

The Series Net Asset Value Per Unit of any Class on a Valuation Date is obtained by dividing the then fair market value of the assets of the Fund less the aggregate amount of its liabilities, in each case

attributable to that Series, by the total number of Units of the Series outstanding at the time the calculation is made on the Valuation Date and adjusting the result to a maximum of four decimal places (rounded down).

The Net Asset Value of the Fund and each Series Net Asset Value will be calculated and reported in Canadian dollars. The Series Net Asset Value and the Series Net Asset Value Per Unit for the Units of the US\$ Series will also be reported in US dollars, based on the current rate of exchange obtained from the source used for the valuation of the assets of the Fund, and such reported Series Net Asset Value and Series Net Asset Value Per Unit, in US dollars, shall apply for subscriptions and redemptions of the corresponding Units of the US\$ Series. The accounting records of the Fund are maintained in Canadian dollars.

Valuation Principles

The fair market value of the assets and the amount of the liabilities of the Fund shall be calculated in such manner as the Administrator, in consultation with the Manager, shall determine from time to time, subject to the following:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator, in consultation with the Manager, determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator, in consultation with the Manager, determines to be the reasonable value thereof;
- (b) short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security, or index options thereon, which is listed on any recognized exchange shall be determined by the closing sale price at the Valuation Date or, if there is no closing sale price, the average between the closing bid and the closing asked price on the Valuation Date, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Administrator, in consultation with the Manager;
- (e) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- (f) all Fund property valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Administrator, including, but not limited to, the Administrator or any of its affiliates;

- (g) all expenses or liabilities of the Fund shall be calculated on an accrual basis;
- (h) the value of any security or property to which, in the opinion of the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Administrator, in consultation with the Manager, from time to time provides;
- (i) short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above;
- (j) all expenses and fees allocable only to a Series of Units shall not be deducted from the Net Asset Value of the Fund prior to determining each Series Net Asset Value, but shall thereafter be deducted from the applicable Series Net Asset Value.

The Administrator is entitled to rely on any values or quotations supplied to it by a third party, including the Manager, and is not required to make any investigation or inquiry as to the validity of such values or quotations. Provided the Administrator acts in accordance with its standard of care, it shall be held harmless by the Fund and shall not be responsible for any losses or damages resulting from relying on such information.

DISTRIBUTIONS

Distributions

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

Net income and net realized capital gains paid or payable to a Unitholder will be required to be included in computing the Unitholder's income in the year the amount is paid or becomes payable. The Fund intends that the aggregate distributions of net income and net realized capital gains made each year will be sufficient to ensure that the Fund will not be subject to tax thereon under the Tax Act.

Automatic Reinvestment

All distributions to Unitholders (less any amounts required by law to be deducted therefrom) will generally be automatically reinvested by the Manager for the account of each Unitholder in additional Units of the same Class and Series at the Series Net Asset Value Per Unit calculated as of the date of distribution, or if such date is not a Valuation Date, then on the next Valuation Date.

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

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of November 15, 2016, a summary of certain of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the Fund and to purchasers of Units

who are individuals resident in Canada (other than trusts), who deal at arm's length with the Fund and are not affiliated with the Fund, and who will hold their Units as capital property, all within the meaning and for the purposes of the Tax Act.

Generally, the Units will be considered to be capital property to a purchaser, provided the purchaser does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Fund qualifies as a “mutual fund trust” for the purposes of the Tax Act at all material times, certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other “Canadian securities” as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election under subsection 39(4) of the Tax Act. Unitholder 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 is based upon the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) as of November 15, 2016, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to November 15, 2016 (the “**Proposed Amendments**”), and the current published administrative practices and assessing policies of the Canada Revenue Agency (the “**CRA**”) as of November 15, 2016. This summary assumes that the Proposed Amendments will be enacted as proposed. No assurance can be given that the Proposed Amendments will become law as proposed or at all. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or any changes in the administrative practices and assessing policies of the CRA.

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

This summary is based on the assumptions that (i) the Fund will qualify, at all times, as a “mutual fund trust” within the meaning of the Tax Act, (ii) the Fund has elected under the Tax Act to be a mutual fund trust from the date it was established, (iii) the Fund will not be maintained primarily for the benefit of non-residents, and (iv) not more than 50% (based on fair market value) of the Units will be held by non-residents of Canada or by partnerships that are not Canadian partnerships as defined in the Tax Act, or by any combination of such partnerships and non-residents. In order to qualify as a “mutual fund trust”, the Fund must, among other things, restrict its undertaking to investing and must comply on a continuous basis with certain minimum distribution requirements relating to the Units. If the Fund does not qualify as a “mutual fund trust” at all times, the income tax considerations described below could be materially different.

This summary is not exhaustive of all possible Canadian federal 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. It does not take into account the tax laws of any province or territory or of any jurisdiction outside Canada. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors are urged to consult with their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Taxation of the Fund

In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on the amount of its income for the year (including net realized taxable capital gains) less the portion thereof that it claims in respect of amounts paid or payable to Unitholders in the taxation year. An amount will be considered to be payable to a Unitholder in a year if it is paid in the year or if the Unitholder is entitled to enforce payment of the amount in the year. The Fund intends to pay or declare payable a sufficient amount of its income (including net realized taxable capital gains) each year so that the Fund will not be liable in any year for income tax under Part I of the Tax Act after taking into account the capital gains refund.

The Fund will be required to include in income for each taxation year all interest that accrues to it to the end of the taxation year or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing the Fund's income for a preceding taxation year. Where the Fund transfers a debt security to a transferee who becomes entitled to interest that accrued on the security prior to the transfer, such accrued interest will generally be included as interest in computing the Fund's income. The Fund will also be required to include in income any taxable dividends received on shares of corporations and generally any other income earned on its investments.

Gains and losses realized on the disposition of securities held in long positions will generally be reported as capital gains and capital losses. The Fund generally intends to account for gains and losses realized on short sales on income account. Whether gains and losses realized by the Fund are on income or capital account will depend largely on factual considerations. Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act. The Fund has elected under subsection 39(4) of the Tax Act so that all securities that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Fund. Such an election ensures that gains or losses realized by the Fund on the sale of such Canadian securities will be taxed as capital gains or capital losses.

The Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, 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.

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

The Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a "mutual fund trust" for purposes of the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder the portion of the net income, including the taxable portion of net realized capital gains, of the Fund paid or payable to the Unitholder in that particular taxation year whether in cash or in additional Units.

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

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

The Series Net Asset Value Per Unit will reflect any income and gains of the Fund that have accrued at the time Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid for the Units.

Upon the disposition or deemed disposition of a Unit, including the redemption of a Unit, the Unitholder will generally realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition (excluding 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 less than) the aggregate of the adjusted cost base of the Unit any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Unitholder's income.

For the purpose of determining the adjusted cost base to a Unitholder, when a Unit of a particular Series is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units owned by the Unitholder as capital property immediately before that time. The cost of a Unit received on the reinvestment of distributions of the Fund will be equal to the amount reinvested.

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

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

Taxation of Registered Plans

Amounts of income and capital gains in respect of Units included in the income of a tax-free savings accounts (“**TFSA**”), registered retirement savings plans (“**RRSP**”), registered retirement income funds (“**RRIF**”), registered education savings plans, deferred profit sharing plans and registered disability savings plans (collectively, “**Registered Plans**”) are generally not taxable under Part I of the Tax Act, provided the Units are “qualified investments” for such Registered Plan for purposes of the Tax Act. See “Eligibility for Investment”. Unitholders should consult their own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, if the Units are “prohibited investments” (as defined in the Tax Act) for a TFSA, RRSP or RRIF, the holder of the TFSA, or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Units will be a “prohibited investment” for a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under a RRSP or RRIF, as applicable, (i) does not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) has a “significant interest”, as defined in the Tax Act, in the Fund. Generally, a holder or annuitant, as the case may be, will not have a significant interest in the Fund unless the holder or annuitant, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the holder or annuitant, as the case may be, does not deal at arm’s length. In addition, the Units will not be a “prohibited investment” if such Units are “excluded property”, as defined in the Tax Act.

Holders of TFSAs, or annuitants of RRSPs and RRIFs, should consult with their own tax advisers regarding the “prohibited investment” rules based on their particular circumstances.

ELIGIBILITY FOR INVESTMENT

Provided that the Fund qualifies as a “mutual fund trust” for the purposes of the Tax Act at all times, based on the provisions of the Tax Act and the Regulations as of November 15, 2016, Units offered hereby will be “qualified investments” under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans and tax-free savings accounts.

RISK FACTORS

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

No Guaranteed Return

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

Achievement of Investment Objective

There can be no assurance that the Fund will be able to achieve its investment objectives.

Leverage

The Fund may use leverage, including purchasing securities with borrowed funds, selling securities short, using repurchase agreements, swaps and other derivatives to make investments. If such investments decline in value, the loss will be magnified if the Fund has borrowed money to make its investments. The Fund may not be able to repay borrowings or it may be forced to sell investments at a disadvantageous time in order to repay borrowings. Costs incurred in connection with the use of leverage and short sales may not be recovered by income or appreciation in the investments purchased, and may be lost in the event of a decline in the market value of such securities. The Fund will limit its gross leverage up to 2.3 times the value of the Fund's net assets. In the event of a precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt. The Fund may elect to sell its more liquid assets first to repay borrowings, thus increasing its concentration in less liquid securities.

Short Selling

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

Derivatives

The Fund may purchase and sell options or enter into other derivative transactions. These transactions may be used for any purpose, including hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or group of securities. Use of derivatives in general presents additional risks. If used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose it to the risk of loss. Risks associated with options or instruments and with the instruments themselves may differ from the risks associated with underlying assets. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss. No assurance can be given that short sales, hedging, leverage and other techniques and strategies used by the Fund will not result in material losses.

The Fund may purchase or write call and put options on securities and stock indexes, on exchanges or over-the-counter markets. The uncovered selling of an option generally exposes the seller to unlimited

risk. The ability of the Fund to close out a position as a purchaser or writer of a listed put or call option is dependent, in part, upon the liquidity of the option market.

To the extent that the Fund may use over-the-counter derivatives, it will be subject to the credit risk that its counterparty may not be able to meet its financial obligations, and the Fund could possibly lose its margin and any gains on a contract.

Exchange-Traded Funds

Exchange-traded funds (“ETFs”) may not reflect the value of the underlying securities or index due to tracking error, construction of the fund, actions by the manager of the ETF or other factors. In certain circumstances, this may result in an incomplete or inappropriate hedge.

Illiquidity of Investments

Certain securities that the Fund may invest in may be unlisted, distressed or otherwise illiquid and difficult to value and trade, due to (but not limited to) small public floats, temporary lock-ups or market capitalization sizes. The valuation of these securities is subject to a significant amount of subjectivity and discretion. There is no guarantee that fair value will be realized by the Fund on the sale of these securities. ETFs, options and other derivative securities may themselves be illiquid at times, irrespective of the condition of the market of the underlying security, making it difficult to offset existing positions in order to either realize gains thereon, limit losses or change positions in the market.

Performance Fees

Performance-based fees may create an incentive for the Manager to engage in investment strategies and make investments that are riskier than would be the case in the absence of such fees.

Reliance on Manager

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

Limited Operating History

The Fund was recently formed and has little or no operating history upon which prospective investors can evaluate its performance. However, the Manager has managed investment funds and accounts for a considerable period of time and has experience in implementing the investment strategy of the Fund.

There is currently no public market for Units and none is expected to develop.

Illiquidity of Units

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

Taxation of the Fund

If the Fund ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under the headings “Certain Canadian Federal Income Tax Considerations” and “Eligibility for Investment” would be materially and adversely different in certain respects.

Under special rules contained in the Tax Act, trusts that constitute “SIFT trusts” (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or become payable to Unitholders in a particular taxation year. If the Fund were found to be a “SIFT trust”, the amounts available to be distributed by the Fund to Unitholders could be materially reduced.

US FATCA Compliance

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

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

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

Fees and Expenses

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

Risks Arising from Multiple Classes of Units

The management and performance fees determined with respect to a particular Class and Series of Units, and any currency hedging costs, are charged against the applicable Class Net Asset Value and Series Net Asset Value. However, all other expenses of the Fund generally will be allocated among the various

Classes and Series of Units, and a creditor of the Fund may seek to satisfy its claims from the assets of the Fund as a whole, even though its claims relate only to a particular Class and/or Series of Units.

Current Income

Since distributions, if any, will generally be automatically reinvested on behalf of Unitholders in additional Units of the same Series, an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

Foreign Market Exposure

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

Foreign Currency Exposure

Many of the investments in the Fund, at any time, will consist of securities denominated in currencies other than the Canadian dollar (primarily the US dollar) and, accordingly, the Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar, which may result in a substantial gain or loss in certain Series of Units of the Fund.

With respect to the Units of the Hedged Series, the Manager intends to adopt a strategy to hedge against this currency risk, but there is no assurance that such a strategy will be successful or available on a continuing basis. No assurance can be made that the Units of the Hedged Series will not incur losses due to residual exposure to assets denominated in currencies other than the Canadian dollar (primarily the US dollar). Costs of hedging are charged to the Units of the Hedged Series.

The Units of the US\$ Series are denominated in US dollars and not hedged against any currency risk, although they are denominated in US dollars for subscription, redemption and reporting purposes. Calculation of the Series Net Asset Value (including assets and liabilities, including fees) of the US\$ Series are calculated, however, in Canadian dollars.

The calculation of fees in respect of the Hedged Series is based upon Canadian dollar returns inclusive of the profit/loss of the currency forwards used to hedge currency risk which, depending on the fluctuation in Canadian dollar exchange rates as well as the efficacy of such currency forwards, can result in higher or lower fees being charged to the Fund.

Potential Conflicts of Interest

The Manager and Trustee is required to satisfy its standard of care in exercising its duties with respect to the Fund. However, the Manager and Trustee and its officers, directors, or employees are not required to

devote all or any specified portion of their time to their responsibilities relating to the Fund. Certain inherent conflicts of interest arise from the fact that the Manager and Trustee and its affiliates may carry on investment activities for other clients (including investment funds sponsored by the Manager and Trustee which may have the same or similar investment objectives and strategies) or on a proprietary basis in which the Fund will have no interest. Future investment activities by the Manager and Trustee, including the establishment of other investment funds, may give rise to additional conflicts of interest.

Examples of inherent conflicts of interest could include but are not limited to: varying proportions of trade allocations between client or funds of the Manager due to differences in underlying risk profiles and investment objectives; varying degrees of hedging and shorting; varying levels of trading, cash levels and funds flow due to subscriptions and redemptions; tax reasons; liquidity levels of the securities and other circumstances.

The Manager and Trustee and its affiliates may also engage in the promotion, management or investment management of any other fund or trust or engage in other activities. In addition, directors and officers of the Manager and Trustee may act as directors or officers of other entities that provide services to funds.

The Manager will act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Fund and other funds managed by the Manager, yet there is no specific obligation or requirement concerning the allocation of time, effort or investment opportunities to the Fund or any restrictions on the nature or timing of investments for the Fund, its affiliates or their respective principals or for other funds and accounts which the Manager or its affiliates manage (collectively, the “Other Accounts”). The Manager anticipates that its activities with respect to managing Other Accounts would be generally complementary to the activities of the Fund. The Manager’s professionals are not obligated to devote any specific amount of time to the affairs of the Fund, and the Manager and its affiliates are not required to accord exclusivity or priority to the Fund in the event of limited investment opportunities. When the Manager determines that it would be appropriate for both the Fund and any Other Accounts to participate in an investment opportunity, the Manager will seek to execute orders for all of the participating accounts on an equitable basis. If the Manager has determined to trade in the same direction in the same security at the same time for the Fund and any Other Accounts, the Manager is authorized to combine the Fund’s order with orders for any Other Accounts and if all such orders are not filled at the same price, the Fund’s order may be filled at an average price, which normally will be the same average price at which contemporaneously entered proprietary orders are filled on that day. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Manager will allocate the trades among the different accounts on a basis that it considers equitable. Situations may occur where the Fund could be disadvantaged because of the various other activities conducted by the Manager.

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made by the Manager.

In effecting portfolio transactions, the Manager seeks to obtain the best combination of price and execution with respect to portfolio transactions for the Fund. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other factors are considered as they are deemed relevant. These factors may include, but are not limited to: the Manager’s knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size and type of transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the existing and expected activity in the market for the particular security; confidentiality, execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer selected; the

Manager's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions. The Manager may also consider the quality of research provided by executing brokers or dealers and its usefulness in the management of accounts.

When appropriate under its discretionary authority and consistent with its duty to seek best execution, the Manager may direct brokerage transactions for client accounts to broker-dealers who provide the Manager with research and brokerage products and services.

Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party, but provided by a broker-dealer). Brokerage products and services include among other things portfolio management software or market and database feeds.

The Manager may use soft dollar commission arrangements to acquire either type of research or brokerage products and services.

No person has provided any investment decision-making services to the Manager, the remuneration for which was paid through commissions on brokerage transactions.

The directors, officers, consultants and employees of the Manager may own significant numbers of Units of the Fund and may own significant numbers of units of other funds managed by the Manager. This ownership in various funds may be in differing or disproportionate amounts and may change from time to time depending on individual circumstances.

Potential Liability of Unitholders

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

There is a risk that is considered by the Fund 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 by the Fund). It is intended that the Fund's operations be conducted in such a way as to minimize any such risk. It is considered that the risk of any personal liability of Unitholders is minimal in view of the anticipated equity of the Fund. 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.

Changes in Applicable Law

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

Investment Risk Rating

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is right for the investor. The Manager's determination of the investment risk rating for the Fund is guided by the voluntary risk classification methodology as explained in the "Voluntary guidelines for fund managers regarding volatility risk classification"

published July 2015 by The Investment Funds Institute of Canada. The document explains that “standard deviation was chosen as an unambiguous and relatively well-established and well-understood measure of volatility risk”. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund’s relative volatility and related risk. Standard deviation is widely used to measure volatility of return. A fund’s risk is measured using rolling three and five year standard deviation and comparing these values against other funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods. For new funds or funds which have a historical performance of less than three years, the standard deviation is calculated based on the actual performance of the fund since inception. Other types of risk, both measurable and non-measurable, may also exist. The Fund’s historical volatility may not be indicative of its future volatility. In accordance with the methodology described above, the Manager has rated the Fund’s investment risk as Medium.

Notwithstanding the Medium Risk of the Fund, and its low Beta, certain securities held by the Fund may result in investment risk that the Manager is unable to hedge. This individual company risk can give rise to volatility with respect to a security or category of securities.

REPORTING TO UNITHOLDERS AND MEETINGS OF UNITHOLDERS

Reporting to Unitholders

The fiscal year end of the Fund is December 31. Unitholders will be sent audited annual financial statements within 90 days of year end and unaudited semi-annual financial statements within 60 days of June 30, or as otherwise required by law. Unitholders will receive the applicable required tax form(s) within the time required by applicable law to assist Unitholders in making their necessary tax filings.

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

Meetings of Unitholders

The Fund will not hold regular meetings, however the Trustee may convene a meeting of Unitholders as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Series of Unitholders on the written request of Unitholders holding Units having an aggregate Net Asset Value of not less than 50% of the Net Asset Value of all outstanding Units of the Fund (or of a Series with respect to a Series meeting) in accordance with the Declaration of Trust.

The quorum at any meeting is two or more Unitholders present in person or by proxy representing Units having an aggregate Net Asset Value of not less than 10% of the Net Asset Value of outstanding Units entitled to vote at the meeting. If no quorum is present at such meeting when called, the meeting will be adjourned by the Trustee to a date and time determined by the Trustee, 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.

AMENDMENTS TO THE DECLARATION OF TRUST AND TERMINATION OF THE FUND

The Declaration of Trust may be amended by the Trustee if the amendment is not a material change, is not one of the matters specified in the Declaration of Trust as requiring Unitholder approval, does not

adversely affect the pecuniary value of the interest of any Unitholder or restrict any protection provided to the Trustee or increase the responsibilities of the Trustee. In addition, certain amendments which are necessary or desirable to bring the Declaration of Trust into conformity with current practice, to comply with any law, regulation or policy requirement applicable to the Fund, to correct any ambiguity, error or omission in the Declaration of Trust, or to enhance the rights of or protect the interests of the Unitholders, may be made by the Trustee without any prior notice to or approval of Unitholders. Without limiting the generality of the foregoing, the Trustee may amend the Declaration of Trust to enhance rights of redemption or to adopt more stringent investment restrictions or make any other change required such that the Fund may be a qualified investment under any applicable legislative or regulatory requirements, if the Trustee deems such qualification to be desirable.

The Class and Series attributes set by the Manager may be amended without notice to Unitholders if the amendment, in the opinion of the Manager, is for the protection of or benefit to Unitholders of that Class and/or Series.

Any amendment which cannot be made in accordance with the above may be made, at any time, by the Trustee to take effect after not less than 60 days' written notice of such amendment to the Unitholders, or earlier with the consent of Unitholders as provided for in the Declaration of Trust.

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

MATERIAL CONTRACTS

The only material contract of the Fund is the Declaration of Trust. Copies of such contract may be inspected at the office of the Manager during normal business hours.

PROMOTER

The Manager is the promoter of the Fund, having taken the initiative in its establishment.

VALUATIONS/RECORD KEEPING

The Administrator acts as the valuation agent and record keeper of the Fund.

CUSTODIAN AND PRIME BROKER

The custodian of the assets of the Fund is J.P. Morgan Clearing Corp., and/or such other custodian appointed by the Manager. The Prime Broker for the Fund is J.P. Morgan Clearing Corp., and/or such other prime broker as may be appointed by the Manager.

ADMINISTRATOR

The Administrator of the Fund is Commonwealth Fund Services Ltd., 20 Queen Street West, Suite 2401, Toronto, Ontario M5H 3R3, Attention: Investor Services; Tel. (416) 361-4561; Fax (416) 361-0294. The Manager may appoint such other independent third party as Administrator of the Fund as it may determine.

AUDITORS

The auditors of the Fund are Deloitte [LLP](#).

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, if this Offering Memorandum and any amendment to it contains a “misrepresentation”. However, these remedies, or notice with respect to these remedies, must be exercised within the time limits prescribed by applicable securities legislation. The following summaries are subject to the express conditions of the applicable legislative provisions, purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor. The following statutory or contractual rights of action for damages or rescission will apply to a purchase of Units.

Rights of Purchasers in Ontario

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

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

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

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

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

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 (the “accredited investor exemption”) and section 2.10 (the “minimum amount exemption”) of National Instrument 45-106 (“NI 45-106”). The rights referred to in section 130.1 of the Securities Act (Ontario) 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.

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

Rights for Purchasers in Alberta

Securities legislation in Alberta provides that every purchaser of securities in reliance on the exemption set forth in section 2.10 (the “minimum amount exemption”) of NI 45-106 pursuant to an offering memorandum (such as this Offering Memorandum) shall have, in addition to any other rights they may have at law, a right of action for damages or rescission against the issuer and certain other persons if the offering memorandum or any amendment thereto contains a misrepresentation (as defined in the *Securities Act* (Alberta) (the “Alberta Act”). However, such rights must be exercised within prescribed time limits.

Section 204 of the Alberta Act provides that where an offering memorandum (such as this Offering Memorandum), or any amendment to it, contains a misrepresentation, a purchaser who purchases securities offered by the offering memorandum or any amendment will be deemed to have relied upon the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum or, alternatively, for rescission against the issuer, provided that if the purchaser exercises its right of rescission against the issuer, the purchaser will not have a right of action for damages against the issuer or against any aforementioned person or company.

In Alberta, no action shall be commenced to enforce these rights of action more than:

- (a) in the case of an action for rescission, 180 days from the day 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 from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or

- (ii) three years from the day of the transaction that gave rise to the cause of action.

In addition, no person or company referred to above is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units were offered under this Offering Memorandum. The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

The foregoing summary is subject to the express conditions of the Alberta Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to and do not derogate from any other right that the purchaser may have at law.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the “Saskatchewan Act”) provides that in the event that an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases Units covered by the offering memorandum or any amendment to it has a right of action against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (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 issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

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

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual.

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

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

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

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

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

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

Rights for Purchasers in Manitoba

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

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

- (a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties (i), (ii) and (iii) listed above;
- (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 issuer 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.

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

Rights for Purchasers in Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the “Nova Scotia Act”). Section 138 of the Nova Scotia Act provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as such terms are defined in the Nova Scotia Act) contains a misrepresentation (as defined in the Nova Scotia Act), 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 any of the foregoing rights more 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.

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

Rights for Purchasers in New Brunswick

Section 150 of the *Securities Act* (New Brunswick) (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.

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 for rescission 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.

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Rights for Purchasers in Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (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 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 an offering memorandum contains a misrepresentation, a purchaser, as described above, has a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

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 issuer 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.

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.

Rights for Purchasers in Northwest Territories

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

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

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

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

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

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

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

reasonable notice to the issuer that it had been sent without the person's knowledge and consent;

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

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

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

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

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

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

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

- (c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the securities being distributed.

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

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

whichever period expires first.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

Rights of Purchasers in 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 issuer to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (the “accredited investor exemption”) of NI 45-106 and to purchasers resident in British Columbia and Québec any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, the issuer 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.

The rights summarized above are in addition to and without derogation from any other rights or remedy which investors may have at law.

**TO ALBERTA RESIDENTS PURCHASING UNITS IN RELIANCE ON
THE EXEMPTION IN SECTION 2.10 OF NATIONAL INSTRUMENT 45-106
PROSPECTUS EXEMPTIONS**

CERTIFICATE

Dated: November 15, 2016

This offering memorandum does not contain a misrepresentation.

FORMULA GROWTH LIMITED

as Manager and Trustee of

FORMULA GROWTH ALPHA FUND

Randall W. Kelly

Randall W. Kelly
Chief Executive Officer and Director

Rene Catafago

Rene Catafago
Chief Financial Officer

Ari Kiriazidis

Ari Kiriazidis
Director