CANBRIDGE EVERCORE FUND

AMENDED AND RESTATED TERM SHEET

Offering of Trust Units

December 16, 2024

Summary of the Offering

The following is a summary of the principal features of CanBridge Evercore Fund and should be read with and is qualified in its entirety by the governing documents, principally the Declaration of Trust, the Limited Partnership Agreement of the Underlying Fund (as hereinafter defined) and the Subscription Agreement for the purchase of Units. Unless otherwise indicated, all references to dollar amounts are to Canadian currency. A copy of the Declaration of Trust and the Limited Partnership Agreement for the Underlying Fund will be available for review by prospective investors prior to acceptance of any subscription. Prospective investors are strongly urged to review such governing documents and to obtain their own tax, financial, legal or other professional advice before purchasing.

Issuer	The Canbridge Evercore Fund (the "**Trust**") is an open-ended unit trust formed under the laws of British Columbia pursuant to a Declaration of Trust dated as of September 5, 2024.
The Offering and Class/Series Attributes	The Trust is authorized to issue an unlimited number of Units of any class (each, a "**Class**") or series (each, a "**Series**"). The offering consists of Class A, Class UA, Class B, Class UB, Class F, Class UF, Class I and Class UI units of the Trust (collectively, the "**Units**") offered on a private placement basis pursuant to applicable securities legislation of the Offering Jurisdictions (as hereinafter defined). The Trust is also offering a front-end sales commission series of each Class of Units other than the Class F and Class UF which have been designated as the Class A - Series FE Units, Class UA - Series FE Units, Class B - Series FE Units, Class UB - Series FE Units, Class I - Series FE Units and Class UI - Series FE Units (collectively, the "**Series FE Units**"). The Class A, Class B, Class F and Class I Units and their related Series FE Units (as applicable) are denominated in Canadian dollars. The Class UA, Class UB, Class UF and Class UI Units and their related Series FE Units (as applicable) are denominated in United States dollars.
Minimum and Maximum Offering Amounts	There is no minimum or maximum offering amount.
Offering Price	Units of each Class and Series of the Fund will be initially be offered at a subscription price of $100 or U.S.$100 (as applicable) and thereafter, will be offered at its respective net asset value ("**NAV**") per Unit.

Minimum Purchase	The minimum aggregate initial purchase amount for Units is: For Class A, Class UA, Class F, Class UF Units or Class A - Series FE Units or Class UA - Series FE Units purchased through a registered retirement savings plan, a registered retirement income fund, a tax-free savings account, a first home savings account or a registered educational savings plan (each, a "**Registered Plan**") - $25,000 or US$25,000 (as applicable): For Class A, Class A - Series FE, Class UA, Class UA – Series FE Class F and Class UF Units not purchased through a Registered Plan - $100,000 or US$100,000 (as applicable); For Class B, Class B - Series FE, Class UB or Class UB – Series FE Units - $350,000 or US$350,000 (as applicable); and For Class I, Class - Series FE, Class UI or Class UI – Series FE Units - $1,000,000 or US$1,000,00 (as applicable), in each case, subject to the Manager's (as hereinafter defined) right to accept lesser amount in its discretion.
Offering Jurisdictions	Units of the Trust are being offered to eligible investors in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario Nova Scotia and Prince Edward Island (collectively, the "**Offering Jurisdictions**").
Use of Proceeds	The net proceeds of the offering of each Class and Series of Units, after deduction of all fees and expenses, will be used by the Trust to invest in a corresponding class or series of limited partnership interests in the CanBridge Evercore Fund Limited Partnership (the "**Underlying Fund**"). For additional details concerning the Underlying Fund, please see "The Underlying Fund" and "Investment Objectives and Strategies of the Underlying Fund" sections below.
Investment Objective and Investment Strategies of the Trust	The Trust was formed to provide investors with exposure to the returns of the Underlying Fund. The Underlying Fund will invest in a diversified portfolio of third-party managed investment funds and investment pools located primarily Canada and the United States as well as in other jurisdictions. The Underlying Fund may also make investments in publicly listed securities from time to time primarily for liquidity management purposes. (collectively, the "**Portfolio Investments**"). By investing in Units of the Trust, investors will be able to obtain access to: • a "one-stop" solution for exposure to a diversified alternative investment portfolio;

	• select institutional investment opportunities typically not available to individual high net worth investors; • an opportunity for an appealing mix of asset growth and income; and • strategic and tactical allocation changes, in response to changes in markets or economic conditions, which are generally not available to investors who invest directly in the Portfolio Investments.
Investment Fund Manager and Portfolio Manager of the Trust and the Underlying Fund	Corton Capital Inc. ("**Corton**" or, the "**Manager**") is the investment fund manager and portfolio manager of the Trust. Corton will also act as the investment fund manager and portfolio manager to the Underlying Fund and, in acting in such capacity, shall be referred to as the "**Underlying Fund Manager**".
Underlying Fund	Canbridge Evercore Fund Limited Partnership is a limited partnership formed under the laws of British Columbia. The Trust will invest all or substantially all of the assets of each Class and Series of Units in corresponding classes or series of limited partnership units of the Underlying Fund (the "**Underlying Fund Units**"). The Trust may not be the only limited partner of the Underlying Fund, which may accept investments from other qualified investors.
General Partner	CanBridge Evercore Fund GP Ltd. (the "**GP**" or "**General Partner**"), a corporation under the laws of British Columbia, is the general partner of the Underlying Fund.
Investment Objective and Investment Strategies of Underlying Fund	The Underlying Fud expects to generate returns through exposure to a diversified alternative investment portfolio. The Underlying Fund seeks to achieve capital appreciation and income generation. The Underlying Fund will invest primarily in Canadian and U.S. domiciled collective investment vehicles typically structured as limited partnerships but may also be structured in other forms (the "**Portfolio Investments**") to gain economic exposure to selected markets. It is expected that the Portfolio Investments will invest in real assets including, but not limited to, commercial real estate and infrastructure, private equity and private debt and other asset classes. In general, the Portfolio Investments invest in economic sectors which have historically exhibited lower correlation to the broader equity and fixed income markets. The Underlying Fund may acquire limited partnership interests in the Portfolio Investments. The Underlying Fund may invest in the Portfolio Investments either directly or through intermediary vehicles. The Underlying Fund may also invest in feeder funds or special purpose vehicles formed to invest in the Portfolio Investments or invest alongside Portfolio Investments in co-investment opportunities. Subject to the discretion of Underlying Fund Manager, no single Portfolio Investment shall represent more

	than 20% of the net assets of the Underlying Fund after the initial deployment period of 12 months from the initial Closing Date.
Currency Hedging Transactions by Underlying Fund	The Underlying Fund may engage in hedging transactions, and/or (ii) internal, bilateral hedging arrangements in respect of classes of its units denominated in different currencies intended to mitigate or hedge the currency risk: (a) borne by the various classes of limited partnership units of the Underlying Fund; and (b) arising from the investments of the Underlying Fund that are denominated in United States dollars (collectively, the "**Currency Hedging Program**"). In implementing its Currency Hedging Program, the Underlying Fund may make use of derivative instruments which may include, but are not limited to, forward contracts, futures, swaps and options or customized derivatives. The Underlying Fund may engage in spot trades on currency to reduce the effect of changes in exchange rates. The Underlying Fund may also seek to mitigate or hedge currency risk in respect of particular classes of its units denominated in different currencies by effectively pooling the divergent currency risk exposures of such classes. However, no assurance can be given that the Currency Hedging Program utilized by the Underlying Fund will materially reduce or eliminate currency risk. The Underlying Fund Manager has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Underlying Fund, together with the other transactions and procedures that form part of the Currency Hedging Program. The risk/compliance team of the Underlying Fund Manager monitors the risks associated with the use of derivatives by the Underlying Fund. Risk measurement procedures and simulations are used to test the Underlying Fund's investment portfolio under stress conditions. The Currency Hedging Program utilized by the Underlying Fund may subject the Unitholders of the Trust to certain risks, including a reduction in returns relative to other Classes or Series of Units of the Trust and risks relating to the use of derivative instruments. Please see "Risk Factors".
Purchases, Redemptions and Distributions	
Agents	Markham Centre Financial (MCF) Securities Inc. ("**MCF**") will act as the principal dealer in connection with the distribution of the Units to subscribers in the Offering Jurisdictions. **Each of the Trust and the Underlying Fund is a related and connected issuer of MCF which is a promoter of the Trust and the Underlying Fund.** In addition, the General Partner of the Underlying Fund is an affiliate of MCF. Pursuant to the terms of a distribution agreement between MCF and the Manager, MCF may appoint other registered dealers in the

	Offering Jurisdictions ("**Agents**") from time to time to act as authorized dealers for the purchase of Units of the Fund. MCF and other Agents will be entitled to receive a sales commission payable by the Trust of up to 3% in respect of any subscriptions for Class A, Class UA, Class B, Class UB, Class I and Class UI Units made through MCF, as dealer. Investors subscribing for Series FE Units will negotiate an upfront sales commission with MCF or their Agent (as applicable) of up to 5% of the purchase price of the Series FE Units. The amount of the upfront sales commission will be satisfied out of the funds provided by the investor for the purchase of the Series FE Units and, as a result, will reduce the number of Series FE Units acquired by the investor. MCF and other Agents will be entitled to receive a trailing commission payable by the Underlying Fund of up to 0.50% of the NAV of any Class A, Class UA, Class B, Class UB, Class I and Class UI Units of the Trust that are purchased through it, for so long as such Units remain outstanding. MCF and the Agents will also be entitled to receive a trailing commission payable on a quarterly basis by the Underlying Fund of 1.00% of the NAV of the applicable Class of any Series FE Units of the Trust that are purchased through it, for so long as such Units remain outstanding. Please see "Dealer Compensation".
Subscription Matters	Persons interested in investing in Units of the Trust will be required to complete and return to the Manager a subscription agreement, a copy of which will be made available to each prospective investor upon request. Subscriptions may be rejected in whole or in part in the Manager's sole discretion. All persons interested in investing in the Trust must certify that they are "accredited investors" as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators or are otherwise purchasing Units in accordance with an available exemption from the prospectus requirement under applicable securities legislation in the Offering Jurisdictions.
Closings	Closings will take place on a continuous basis, generally as of the last business day of each month (each, a "**Valuation Date**"), and on such other dates as may be determined in the discretion of the Manager.
Redemption of Units	Unitholders may request redemption of all or part of their Units on a quarterly basis as of the last Valuation Date in each calendar quarter (each a "**Redemption Date**"). Unitholders wishing to redeem their Units on a Redemption Date must provide at least 60 days prior written notice to the Manager, in such form and with such supporting documents as the Manager may prescribe.

	Subject to the early redemption penalties set out below, each Class and Series of Units will be redeemed as at the NAV per Unit as of the applicable Redemption Date and redemption proceeds will generally be paid within forty-five (45) days of the Redemption Date. The Class A, Class UA, Class B, Class UB, Class I and Class UI Units of the Trust will be subject to the following early redemption penalties if redeemed during the periods indicated below: <u>Early Redemption Penalty Applicable to Classes of Units</u> Units redeemed during first 18 months of purchase - 4% of NAV Units redeemed between 18 and 36 months of purchase - 3% of NAV From and after 36 months of purchase - Nil <u>Early Redemption Penalty Applicable to Class F, Class UF and Series FE Units</u> Units redeemed during first 6 months of purchase - 4% of NAV From and after 6 months of purchase - Nil Early redemption penalties are paid to the Trust and not to the Manager. All redemption requests will be processed on a "first-in, first-out" basis. The Manager may suspend the right to redeem Units in the event that the Manager receives written requests to redeem Units representing 20% or more of the NAV of the Trust (the "**Redemption Limit**") on any Redemption Date. In such circumstances, any redemption requests received for Units in excess of the Redemption Limit and not withdrawn shall be processed as of the next Redemption Date. The Manager may also suspend Redemptions of Units in circumstances where: (i) Portfolio Investments representing 40% or more of the NAV of the Underlying Fund have suspended or delayed the Underlying Fund's ability to redeem its investment; or (ii) in such circumstances in which the Manager, exercising its fiduciary duty, determines it would be materially adverse to the interests of the Unitholders of the Trust as a whole to not suspend the redemption of Units.
Distributions	The Trust will generally make distributions in each year to Unitholders in an amount sufficient to ensure that the Trust will generally not be liable for tax under Part I of the *Income Tax Act* (Canada) (the "**Tax Act**") for any taxation year, other than alternative minimum tax. All other distributions to Unitholders shall be made in the sole discretion of the Manager. The Trust generally expects to make

	quarterly distributions to Unitholders and, in any event, not less frequently than on an annual basis. **There can be no assurance that the Trust will make any distributions to Unitholder in any particular year.** Distributions are automatically reinvested unless the Unitholder directs otherwise in writing.
Summary of Fees and Expenses	
Fees and Expenses of the Trust	
Management and Performance Fees - Trust	No management or performance fees are charged by the Trust. However, the Trust is indirectly subject to management fees charged to the Underlying Fund as described below. See "Underlying Fund Management Fees". The Portfolio Investments in which the Underlying Fund invests may also charge management fees, performance fees or be subject to carried interests payable to the managers of such funds or to the affiliates or related entities of such managers. The Underlying Fund intends to negotiate the fees with the managers of the Portfolio Investments to maximize the benefit to the Underlying Fund and the Trust.
Organizational and Offering Expenses of the Trust and the Underlying Fund	The Underlying Fund will bear the costs of the structuring and organization of the Trust and the Underlying Fund and the offering expenses of the Units up to an aggregate maximum of $150,000 including the out-of-pocket expenses of the General Partner and its agents actually incurred in the formation of the Underlying Fund. Any expenses in excess of $150,000 will be borne by MCF, in its capacity as promoter of the Trust and the Underlying Fund.
Operating Expenses of the Trust	The Trust pays all costs and expenses relating to its operations, including, but not limited to: (a) administrative and unitholder recordkeeping and transfer agency fees, (b) accounting, auditing, legal, consulting, banking and custody fees and expenses, and fees paid to governmental or regulatory authorities (including costs of reports to Unitholders, meetings of Unitholders, preparation of financial statements and tax returns); (c) fees and expenses paid to members of any advisory board representing investors and related indemnification and insurance expenses; and (d) all other expenses reasonably incurred in the operation of the Trust, including on the wind-up and liquidation of the Trust.
Fees and Expenses of the Underlying Fund	

By virtue of its investment in the Underlying Fund, the Trust will be indirectly subject to, and the returns to investors in the Trust, will be reduced by, the management fees, performance fees and expenses charged to the Underlying Fund.	
Underlying Fund Management Fees	The Manager of the Underlying Fund will be entitled to receive a monthly management fee, payable in arrears, based on the NAV of each class and series of Underlying Fund Units in the following amounts: (i) class A, class A - series FE, class UA, class UA – series FE, class F and class UF Underlying Fund Units – 1.50% per annum, plus applicable taxes; (ii) class B, class B - series FE, class UB and class UB – series FE Underlying Fund Units – 1.25% per annum, plus applicable taxes; and (iii) class I, class I - series FE, class UI and class UI – series FE Underlying Fund Units – 1.00% per annum, plus applicable taxes.
Underlying Fund Performance Fees	The Underlying Fund Manager shall be entitled to receive a performance fee (the "**Performance Fee**") payable out of the assets of the Underlying Fund as at the last Valuation Date of each calendar quarter (each, a "**Determination Period**") or as of a Redemption Date (as hereinafter defined) of any class of limited partnership units and calculated in the manner described below. The Performance Fee payable to the Underlying Fund Manager for a particular Determination Period will be an amount equal to: (a) in respect of each of the class A, class A - series FE, class UA, class UA – series FE, class F and class UF Underlying Fund Units - 15% (plus applicable taxes); (b) in respect of the class B, class B - series FE, class UB and class UB – series FE Underlying Fund Units – 12.5% (plus applicable taxes); and (c) in respect of the class I, class I - series FE, class UI and class UI – series FE Underlying Fund Units – 10% (plus applicable taxes); of the amount, if any, by which the Net Performance (as hereinafter defined) of each such class or series of Underlying Fund Units exceeds the Hurdle Amount (as defined below) (the "**Excess Amount**") for the same period calculated in accordance with the terms of the Limited Partnership Agreement of the Underlying Fund. "**Net Performance**" means the return of the applicable class or series of limited partnership units during the Determination Period less: (A) all expenses of the Underlying Fund attributable to such class or series of Underlying Fund Units, less (B) any Shortfall Amount (as hereinafter defined); and after adding (C) any amount distributed by the Underlying Fund in respect of such class or series of Underlying Fund Units during such Determination Period. The "**Hurdle Amount**" is 6% per annum. In the event that the Net Performance of a class or series of Underlying Fund Units is less than the Hurdle Amount for any Determination Period (a "**Shortfall Amount**"), such Shortfall

	Amount will either be deducted from any future Excess Amount or added to any existing aggregate Shortfall Amount. In the event that there is an aggregate Shortfall Amount for any Determination Period, such aggregate Shortfall Amount must first be eliminated by Excess Amounts in one or more subsequent Determination Periods before a Performance Fee will be paid to the Underlying Fund Manager. The Performance Fee paid: (i) in respect of a Determination Period to the extent that there is a net Excess Amount in respect of a class or series of Underlying Fund Units as of the Valuation Date; and (ii) on a redemption of a class or series of Underlying Fund Units during any Determination Period based upon the Net Performance of such class or series of Underlying Fund Units from the beginning of the relevant Determination Period up to and including the Redemption Date and subject to any applicable aggregate Shortfall Amount. For greater certainty, a Performance Fee will be payable to the Underlying Fund Manager on all returns in respect of a class or series of Underlying Fund Units provided that at the time of determination there is a net Excess Amount for the applicable class or series of Underlying Fund Units.
Operating Expenses of the Underlying Fund	The Underlying Fund pays all costs and expenses relating to its operations, including, but not limited to: (a) Sales and trailing commissions payable to MCF and other dealers; (b) administrative and unitholder recordkeeping and transfer agency fees, (c) accounting, auditing, legal, consulting, banking and custody fees and expenses, and fees paid to governmental or regulatory authorities (including costs of reports to investors, financial statements and tax returns); (d) all transactions fees and expenses incurred in connection with the acquisition, valuation, holding and disposition of Portfolio Investments (to the extent not reimbursed); (e) fees and expenses paid to members of any advisory board representing investors and related indemnification and insurance expenses; and (f) all other expenses reasonably incurred in the operation of the Underlying Fund, including on the liquidation of the Underlying Fund.
Manager may Cap Total Operating Expenses of Trust and Underlying Fund.	Total operating expenses of the Trust and the Underlying Fund in excess of: (i) 2.5% of average NAV per Unit for the year for the Class A Units, Class A - Series FE Units, Class UA Units, Class UA – Series FE Units, Class B Units, Class B - Series FE, Class UB Units, Class UB – Series FE Units, Class F Units and Class UF Units; and (ii) 1.5% of the average NAV per Units for the year for the Class I Units, Class I - Series FE Units, Class UI Units and Class UI – Series FE Units, may be borne by the Manager, in its discretion.

Fees and Expenses Relating to Portfolio Investments of the Underlying Fund	
Each of the Trust and the Underlying Fund will also be subject to the fees and expenses which are charged to Portfolio Investments made by the Underlying Fund. These fees and expenses may include, but are not limited to, management fees, performance fees, carried interests and administrative fees and expenses of the Portfolio Investments. The returns to the Underlying Fund and the Trust will be reduced by the aggregate amount of fees and expenses incurred by the Portfolio Investments.	
Dealer Compensation	
Sales Commissions	Each of MCF and the Agents will be entitled to receive an upfront sales commission (the "**Sales Commission**") of up to 3.0% of total gross subscription proceeds in relation to the purchase of Class A, Class UA. Class B, Class UB, Class I and Class UI Units. The Sales Commission will be paid by the Underlying Fund, on behalf of the Trust, to MCF and other Agents will be deducted from the subscription proceeds of the applicable Class of Units and will reduce the funds available to the Trust to invest in the Underlying Fund and will also reduce the returns to investors in the Trust. Investors subscribing for Series FE Units will negotiate an upfront sales commission with MCF or their Agent (as applicable) of up to 5% of the purchase price of the Series FE Units. The amount of the upfront sales commission will be satisfied out of the funds provided by the investor for the purchase of the Series FE Units and, as a result, will reduce the number of Series FE Units acquired by the investor.
Trailing Commission	The Underlying Fund, on behalf of the Trust, will pay MCF and other Agents an ongoing service fee (the "**Trailing Commission**") equal to a maximum annual rate of 0.50% of he NAV of any Class A, Class UA, Class B, Class UB, Class I and Class UI Units held by clients of MCF and such Agents. The Trailing Commission for the Series FE Units will be equal to a maximum annual rate of 1.00% of he NAV of the Series FE Units of the applicable Class held by clients of MCF and the Agents. All Trailing Commissions will be paid by the Underlying Fund to MCF and any Agents on a quarterly basis. The payment of Trailing Commissions by the Underlying Fund to MCF and other Agents will reduce the funds available to the Trust to invest in the Underlying Fund and will also reduce the returns to investors in the Trust.
Operations and Governance	
Calculation of Net Asset Value:	The NAV of the Trust will be calculated on the last business day of each month or on such other date as may be selected by the Manager (each, a "**Valuation Date**") applying generally accepted accounting

	principles. The NAV of the Trust is calculated by taking the total assets, including all cash and cash equivalents, the market value of the Portfolio Investments held by the Underlying Fund and the market value of all other assets, and deducting therefrom all liabilities and fees and expenses accrued or payable and all other liabilities of the Trust. The Manager of the Trust may declare a suspension of the determination of the NAV during any period in which, the calculation of the NAV of the Underlying Fund or a material amount of the Portfolio Investments has been suspended. Units may not be redeemed during any period in which the determination of NAV is suspended.
Reporting to Unitholders	Unitholders will be entitled to receive audited financial statements within 210 days following year-end. The Manager will arrange for Unitholders to receive tax slips by March 30th of each year as required to enable the Unitholders to file their tax returns.
Promoter	MCF is considered as a promoter of each of the Trust and the Underlying Fund under applicable securities laws as it has taken and active role in the organization of the Trust and the Underlying Fund and the Offering of the Units.
Prime Broker / Custodian	National Bank Financial and Royal Bank of Canada will act as the custodians of the assets of the Trust.
Administrator	SGGG Fund Services Inc. will act as the administrator of the Trust and the Underlying Fund.
Auditors of the Trust and the Underlying Fund	Deloitte LLP, has been appointed as the independent auditor of the Trust and the Underlying Fund.
Legal Counsel	McMillan LLP are counsel to the Trust and the Underlying Fund.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of September 5, 2024, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to the Offering. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and at all times, is resident in Canada, deals at arm's length and is not affiliated with the Trust, is acquiring Units on his/her own account and not as trustee of a trust, and holds Units as capital property.

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

This summary is based on the facts set out in this Term Sheet, the current provisions of the Tax Act as at September 5, 2024, the Manager's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") that have been made publicly available prior to September 5, 2024 and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to September 5, 2024 (the "**Tax Proposals**"). Except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administrative policies or assessing practices of the CRA and does not take into account provincial, territorial, or foreign income tax legislation or considerations. There is no certainty that the Tax Proposals will be enacted in the form proposed, or at all.

This summary is based on the assumptions that: (i) none of the issuers of the securities held by the Trust or the Underlying Fund will be a "foreign affiliate" (as defined for the purposes of the Tax Act) of the Trust, the Underlying Fund or of any Unitholder; (ii) none of the securities held by the Trust or the Underlying Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; (iii) the Trust or the Underlying Fund will not enter into any arrangement that would result in a "dividend rental arrangement" within the meaning of the Tax Act; (iv) no investment of the Trust or the Underlying Fund will be (1) an interest in an "offshore investment fund property" that would require the Trust or the Underlying Fund to include significant amounts in income in respect of such interest pursuant to section 94.1 of the Tax Act, (2) an interest in a trust (or a partnership which holds such an interest) that would require the Trust or the Underlying Fund to include significant amounts in income in connection with such interest pursuant to section 94.2 of the Tax Act, or (3) an interest in a non-resident trust (or a partnership that holds such an interest) other than an "exempt foreign trust" as defined in section 94 of the Tax Act; and (v) the Trust holds its Underlying Fund Units as capital property for the purposes of the Tax Act. This summary assumes that, at no time, will more than 50% of the fair market value of all interests in the Trust or the Underlying Fund be held by one or more "financial institutions" as defined in the Tax Act.

This summary is based on the assumptions that (i) the Trust will, at no time, be a "SIFT trust" for the purposes of the Tax Act, (ii) the Underlying Fund will, at no time, be a "SIFT partnership" for the purposes of the Tax Act. This, in turn, is based on the assumption that neither the Units, nor the Underlying Fund Units, will, at any time, be listed or traded on a stock exchange or other public market. For the purpose of such rules, the redemption rights set out in the Declaration of Trust do not result in the Units being considered to be traded on a public market. This summary assumes that , at no time, will the Trust (i) be a "financial institution" for the purposes of certain "mark-to-market" rules in the Tax Act; or (ii) earn any "designated income" for the purposes of Part XII.2 of the Tax Act. This summary also assumes that Units will not be a "tax shelter investment" for the purposes of the Tax Act and that both the Trust and the Underlying Fund will comply with its investment restrictions at all times.

This summary is not applicable to (i) a Unitholder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark–to–market" rules in the Tax Act, (ii) a Unitholder an interest in which is a "tax shelter investment" under the Tax Act, (iii) a Unitholder that is a "specified financial institution" as defined in the Tax Act, (iv) a Unitholder that enters into, with respect to his/her Units, a "synthetic disposition arrangement" or a "derivative forward agreement", each as defined for the purposes of the Tax Act, or (v) a Unitholder whose "functional currency" for purposes of the Tax Act is the currency of a country other than Canada. Any such Unitholder should consult his/her own tax advisor with respect to an investment in Units.

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

Status of the Trust

This summary assumes that the Trust will qualify as a "mutual fund trust" as defined in the Tax Act at all relevant times and that the Trust validly elected under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, in addition to qualifying as a "unit trust" as defined in the Tax Act, the Trust must satisfy the following conditions:

(a) the undertaking of the Trust must be limited to a combination of the investing of its funds in property (other than real property or interests in real property) and the acquiring, holding, maintaining, improving, leasing or managing of any real property or an interest in real property, that is capital property of the Trust; and

(b) the Trust may not reasonably be considered to have been established or maintained primarily for the benefit of non–residents of Canada under the Tax Act.

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

The Trustee intends to ensure that the Trust will meet these requirements at all times. If the Trust were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described below would, in some respects, be materially different.

Taxation of the Trust

The Trust will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including its share of income and capital gains allocated to it in respect of its interests in the Underlying Fund, net realized taxable capital gains, interest that accrues to it to the end of the year or becomes receivable or is received by it before the end of the year (except to the extent such interest was included in computing its income for a prior year) and dividends received in the year on shares of corporations, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or the Unitholder is entitled in that year to enforce payment of the amount. The Trust intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Trust to deduct sufficient

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

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

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

A disposition (including a redemption) or deemed disposition of an Underlying Fund Unit will generally give rise to a capital gain (or a capital loss) for purposes of the Tax Act to the extent that the Trust's proceeds of disposition exceed (or are less than) the total of the Trust's adjusted cost base of the Underlying Fund Unit and reasonable costs of disposition.

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

Under the current provisions of the Tax Act, the Trust would generally be required to include in computing its income for a taxation year one-half of any capital gain (a "taxable capital gain") realized by it in that year. The Trust would generally be required to deduct one-half of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Trust in that year, and any excess would generally be permitted to be applied to reduce taxable capital gains realized by the Trust in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act. However, amendments to the Tax Act have been proposed that, if enacted, will affect the tax treatment of capital gains and capital losses (the "**Capital Gains Changes**"). If the Capital Gains Changes are enacted as proposed, two-thirds of any capital gains realized in a taxation year by the Trust must be included in computing the Trust's income for the taxation year (which, in accordance with the Capital Gains Changes, would represent a "taxable capital gain"). The amendments to the Tax Act reflected in the Capital Gains Changes provide that the Trust may generally deduct two-thirds of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Trust in that year, and any excess may generally be applied to reduce taxable capital gains realized by the Trust in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act.

The Trust, as a partner in the Underlying Fund, will be required to include in its income the taxable portion of any capital gain on the disposition of its interests in the Underlying Fund. In general, a partner's adjusted cost base in a partnership at a particular time is equal to its initial cost of the partnership interest, plus income allocated to it for fiscal periods ending before that time, minus deductible losses allocated to it for fiscal periods ending before that time and minus amounts received by it as distributions of partnership income or capital. To the extent that the adjusted cost base to the Trust of its interests in the Underlying Fund is less than zero at the end of a fiscal period of the Underlying Fund, the negative amount will be deemed to be a capital gain of the Trust from the disposition of the Underlying Fund interest in the year in which the negative amount arises and the adjusted cost base to the Trust of the Underlying Fund interest will be nil immediately thereafter.

In computing its income for tax purposes, the Trust may deduct reasonable administrative and other expenses incurred to earn income and such other expenses as permitted by the Tax Act. The Trust may

generally deduct the costs and expenses of the Offering paid by the Trust and not reimbursed at a rate of 20% per year, pro-rated where the Trust's taxation year is less than 365 days.

The Trust may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust's income from such investments, such excess may generally be deducted by the Trust 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 Trust's income, the Trust may generally designate a portion of its foreign source income in respect of its Unitholders so that such income, and a portion of the foreign tax paid by the Trust, may be regarded as foreign source income of, and foreign tax paid by, the Unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

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

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

Any losses incurred by the Trust may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Trust in accordance with the detailed rules and limitations in the Tax Act.

Taxation of the Underlying Fund

The Underlying Fund is not subject to tax under the Tax Act. Each partner of the Underlying Fund (including the Trust) is required to include in computing the partner's income the partner's share of the income or loss of the Underlying Fund for its fiscal year ending in or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Underlying Fund will be computed for each fiscal year as if it were a separate person resident in Canada. In computing such income or loss, deductions may be claimed for reasonable amounts in respect of administrative and other expenses incurred for the purpose of earning income from business or property. The Underlying Fund will not generally be permitted to deduct trailing commissions when computing its income for the purposes of the Tax Act. The income or loss of the Underlying Fund for a fiscal year will be allocated to each partner on the basis of the partner's share of such income or loss subject to the Limited Partnership Agreement of the Underlying Fund and the detailed rules in the Tax Act in that regard, including, in the case of allocation of losses to limited partners, the at–risk rules in the Tax Act.

Taxation of Taxable Unitholders

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

Unitholders are generally required to compute their income in Canadian dollars in accordance with the rules set out in section 261 of the Tax Act.

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

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

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

Provided the Capital Gains Changes are enacted as proposed, one-half of the first $250,000 of capital gains realized in a taxation year by a Unitholder who is an individual (net of current-year capital losses and certain other amounts), and two-thirds of any additional capital gains realized by such individual Unitholder in the taxation year will be included in the Unitholder's income for the taxation year, and (ii) two-thirds of any capital gains realized in a taxation year by a Unitholder that is a corporation or trust will be included in the Unitholder's income for the taxation year. The Capital Gains Changes are proposed to apply to capital gains realized on or after June 25, 2024. Special rules are proposed to apply to govern the treatment of income paid or declared payable by the Trust to Unitholders that is designated by the Trust in respect of the Trust's net taxable capital gains. Special transitional rules are proposed to apply to capital gains realized in 2024 to ensure that the historical inclusion rates apply to

capital gains realized before June 25, 2024 and the amended inclusion rates apply to capital gains realized on or after June 25, 2024. Allowable capital losses that exceed a Unitholder's taxable capital gains in a particular year may generally be applied to reduce taxable capital gains realized by the Unitholder in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act. It is proposed that net capital losses incurred prior to 2024 will continue to be deductible against taxable capital gains realized subsequent to June 24, 2024 by adjusting their value to reflect the inclusion rate of the capital gains being offset. Unitholders are strongly advised to consult with their own tax advisors to assess the impact of the Capital Gains Changes based on their particular circumstances.

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

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

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

Based on the current published administrative policies and assessing practices of the CRA, a redesignation of Units of one Class or Series into Units of another Class or Series denominated in the same currency should not be considered to constitute a disposition of such Units for the purposes of the Tax Act.

International Tax Reporting

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

U.S. Foreign Account Tax Compliance Act

The U.S. enacted the Foreign Account Tax Compliance Act ("**FATCA**"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement (the "**IGA**"), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30%

U.S. withholding tax under FATCA ("**FATCA Tax**") for Canadian entities, such as the Trust, provided that: (i) the Trust complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Trust will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to the Trust (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Trust to the CRA and from the CRA to the U.S. Internal Revenue Service. The Trust may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Trust is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Trust would reduce the Trust's distributable cash flow and net asset value.

Taxation of Registered Plans

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

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act, and subject to the provisions of any particular Registered Plan, provided that the Trust qualifies and continues at all times to qualify as a "mutual fund trust" as defined in the Tax Act, the Units will be a qualified investment for a trust governed by a Registered Plan.

Notwithstanding that the Units may be a qualified investment for a Registered Plan that is an RRSP, a RRIF, an RESP, an RDSP, a TFSA and an FHSA, the annuitant under an RRSP or RRIF, the holder of a TFSA, RDSP or FHSA, or the subscriber of an RESP may be subject to a penalty tax if such Units are "prohibited investments" for the RRSP, RRIF, RESP, RDSP, TFSA or FHSA within the meaning of the Tax Act. The Units will generally not be a "prohibited investment" provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP or FHSA, or the subscriber of the RESP, as the case may be, deals at arm's length with the Trust for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Trust.

Unitholders who intend to hold their Units in a Registered Plan should consult their own tax advisors having regard to their own particular circumstances.

CONFLICTS OF INTEREST

When making investment decisions on behalf of each of the Trust or the Underlying Fund, the Manager has a fiduciary duty to act honestly, in good faith and in the best interests of the Trust or the Underlying Fund (as applicable) and to exercise the degree of care, diligence and skill that a reasonably prudent fund manager would in similar circumstances. In order to effectively discharge its duties of loyalty and care to its clients, and in compliance with applicable securities laws, the Manager has adopted policies regarding conflicts of interest.

Investors should be aware that there will be occasions when the Manager, MCF and their respective affiliates may encounter potential conflicts of interest in connection with the activities of the Trust and/or the Underlying Fund. Under applicable securities laws, each of the Manager and MCF are required to resolve any identified conflicts of interest in favour of their respective client. If a conflict of

interest cannot be resolved in favour of the client, then the Manager and/or MCF (as applicable) is required to avoid the conflict of interest.

The following disclosure enumerates certain potential conflicts of interest that should be carefully evaluated by an investor before making a decision to invest in the Trust.

Management of Other Accounts and Other Business Ventures

The Manager has the unrestricted ability to trade and invest for the accounts of other clients or other investment vehicles, as well as for proprietary accounts, using the same or different investment objectives, philosophies or strategies as those used for the Trust and the Underlying Fund. The trading records of the Underlying Fund will not be available for inspection by Unitholders.

Each of the Manager and MCF may have financial or other incentives to favor certain accounts over others (including, but not limited to, receiving greater compensation from such other accounts). Certain client accounts may significantly outperform others. However, neither the Manager or MCF will knowingly or deliberately favor one account over any other on an overall basis (although exact equality of treatment may not be possible in each particular circumstance, including, but not limited to, the allocation of trades). In addition, the Manager has a contractual and fiduciary duty to exercise good faith and fairness in all dealings affecting the assets of the Trust and the Underlying Fund.

The Manager will devote as much of its time to the business of the Trust and the Underlying Fund as, in its reasonable judgment, is required. Nonetheless, the Manager may become involved in other business ventures in the future. The Trust and the Underlying Fund will not share in the risks or rewards of other ventures. Other ventures (if any) will compete with the Trust and the Underlying Fund for the time and attention of the Manager and may create additional conflicts of interest in the future. The Manager and its principals are not required to devote their full time or any material portion of their time to the Trust or the Underlying Fund (as applicable).

Allocation of Investment Opportunities and Aggregation of Trades

The Manager's investment strategies determine whether and when to buy or sell a particular investment on behalf of the Underlying Fund. Accordingly, when the investment strategy of the Manager determines that the Underlying Fund and one or more other accounts managed by the Manager should participate in an investment opportunity, the Manager will determine how much of the investment should be purchased or sold for the benefit of the Underlying Fund and each other account. To the extent feasible and consistent with applicable rules and regulations, the Manager may place combined or bunched orders for all accounts simultaneously. If bunched orders are partially filled over time, each partial fill is allocated across accounts following a rule that seeks to maintain this ratio for each account, as closely as possible, without regard to differences in price received for each partial fill. Accordingly, there may be circumstances in which the Manager's investment activities for its other accounts may disadvantage the Underlying Fund.
For equity securities traded by the Manager, the Manager also follows a proportional scheme for partially filled orders described above but utilizes an average price methodology in allocating filled orders among participating accounts. The Manager will calculate the average price for all shares bought or sold in an order and will allocate such average price to each share bought or sold among all accounts participating in such order. Overall, the Manager seeks to allocate investment opportunities in a fair and equitable manner over time, such that no account or group of accounts receives consistently favorable or unfavorable treatment.

Proprietary Trading

Each of the Manager, MCF and their respective principals, affiliates and employees may trade for their own accounts. In doing so, they may use a higher degree of leverage, test new markets and take positions opposite to those held by the Underlying Fund. In certain circumstances, they may compete with the

Underlying Fund for positions in the marketplace. Such proprietary trading can give rise to certain conflicts of interest. Each of the Manager and MCF have adopted a code of ethics pursuant to which all employees must pre-clear certain trading and transactions and provide quarterly reports detailing transactions in any securities in which they have any direct or indirect beneficial ownership.

Single Counsel for the Trust and the Underlying Fund
Each of the Trust and the Underlying Fund have been represented by a single counsel in connection with this Offering. To the extent that Unitholders of the Trust or Underlying Fund would benefit from further independent review, such benefit will not be available. Such counsel has not and will not represent investors in the Trust or the Underlying Fund.

Other present and future activities of the Manager MCF and their respective affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, the Manager or MCF (as applicable) will either resolve such conflict in a fair and equitable manner in the best interests of the Trust and/or the Underlying Fund (as applicable) or such conflict will be avoided by the applicable party.

STATEMENT OF RELATED AND CONNECTED ISSUERS

Applicable securities laws require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their clients or customers, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.
Each of the Trust and the Underlying Fund are related issuers of the Manager and MCF. The Underlying Fund pays the Manager the management fees described in the section of this Term Sheet entitled "Underlying Fund Management Fees" (payable monthly in arrears).

The Underlying Fund pays MCF Sales Commissions and Trailing Commissions as described under the heading "Dealer Compensation" in this Term Sheet.

The Manager may engage in activities as an investment fund manager, portfolio manager and exempt market dealer in respect of securities of related issuers but will do so only in compliance with Sections 13.5 and 13.6 of National Instrument 31-103.

STATEMENT OF RELATED REGISTRANTS

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

As of the date of this Term Sheet, neither the Manager nor MCF has any related registrants.

RISK FACTORS

An investment in the Trust is highly speculative and involves a number of significant risks. Prospective investors should carefully consider, among other factors, the matters described below, which could have an adverse effect on the value of the Units in the Trust. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

Risks Relating to the Purchase and Holding of Units

Units are being sold on a "private placement" basis in reliance on exemptions from prospectus requirements of applicable securities laws and therefore are subject to restrictions on transfer. There is no market through which the Units may be sold and subscribers may not be able to resell. No market for the Units is expected to develop. Unitholders are not permitted to exercise any redemption for one year following initial investment and the redemption privilege may only be exercised on a quarterly basis. The Manager reserves the right to waive or vary these restrictions on the redemption privilege in its sole and absolute discretion. The Trust is not obligated to redeem any Units where it determines in good faith that it must defer or delay redemption payments to protect the interests of other investors in the Trust, and there are significant restrictions on the ability of Unitholders to transfer or pledge their Units. A Unitholder may not be able to liquidate its investment in the Trust and must be able to bear the economic risk of its investment in the Trust for a substantial period of time.

No Assurance that the Trust or Underlying Fund will Achieve its Investment Objective

There can be no assurance that the Trust will be able to achieve its objectives or produce investment returns. The success of the Underlying Fund will depend on the ability of the performance of the Portfolio Investments, which is completely out of the control of the General Partner of the Underlying Fund. The task of identifying investment opportunities, monitoring such investments and realizing a significant return to the Underlying Fund and the Trust is difficult. The Portfolio Investments of the Underlying Fund may be unable to acquire appropriate investments or to dispose of certain investments. The Underlying Fund may not be able to dispose of its interest in one or more Portfolio Investments, or conversely, the manager of a Portfolio Investment may redeem the Underlying Fund's interest in the Portfolio Investment on a mandatory basis.

Currency and Exchange Rate Risk

The base currency of the Trust is the Canadian dollar. The principal currency of the Class A, Class A – Series Fem, Class B, Class B – Series FE, Class F, Class I and Class I – Series FE Units of the Trust and their corresponding classes and series of Underlying Fund Units (individually, a "**CAD Class**", and, collectively, the "**CAD Classes**") is the Canadian dollar for the calculation and reporting of NAV, while the NAV of the Class UA,, Class UA – Series FE, Class UB, Class UB – Series FE, Class UF, Class UI and Class UI – Series FE Units of the Trust and their corresponding classes of limited partnership units in the Underlying Fund is calculated and reported in U.S. dollars (individually, a "**USD Class**", and, collectively, the "**USD Classes**"). Some of the Trust's and/or Underlying Fund's cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions by the Underlying Fund may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Underlying Fund and the Trust will be denominated in non-Canadian currencies. Each of the Underlying Fund and the Trust will nevertheless compute and pay distributions, if any, in Canadian dollars on its respective CAD Classes and will compute and pay distributions, if any, in U.S. dollars on its respective USD Classes. Changes in currency exchange rates may affect the value of the Underlying Fund's investment portfolio and the unrealized appreciation or depreciation of investments. Further, the Underlying Fund may incur costs in connection with conversions between United States and Canadian dollars (and vice versa). The Manager may use derivatives such as forward contracts, futures contracts, swaps or customized derivatives and may also engage in spot trades on currency to reduce the effect of changes in exchange rates. However, there is

no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. There may be an imperfect historical correlation between the behavior of the derivative instrument and the currency being hedged. Any historical correlation may not continue for the period during which the hedge is in place. In addition, the inability to close out derivative positions could prevent the Underlying Fund from investing in derivatives to effectively hedge its currency exposure. Should a hedging strategy be incomplete or unsuccessful, the value of the Trust's assets and income can remain vulnerable to fluctuations in currency exchange rates.

Depending on the movement and timing of changes in the exchange rate between Canadian dollars and United States dollars, the Currency Hedging Program utilized by the Underlying Fund may result in the USD Classes of the Trust benefiting disproportionately compared to the CAD Classes of Trust or the CAD Classes of the Trust benefitting disproportionately compared to the USD Classes of the Trust.

The CRA requires that capital gains and losses be converted into Canadian dollars. As a result, when you redeem the USD Class Units in U.S. dollars, you will need to calculate gains or losses based on the Canadian dollar value of your Units when they were purchased and when they were redeemed.

Foreign investments made by the Underlying Fund are generally purchased in United States dollars. When foreign investments are purchased in United States dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of United States dollar. If the Canadian dollar rises in value relative to the United States dollar but the value of the foreign investment otherwise remains constant, the value of the Underlying Fund's investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the United States dollar, the value of the Underlying Fund's investment will have increased.

Derivatives Risk

The Underlying Fund may use derivative instruments to help it hedge currency risk. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (e.g., United States or Canadian dollars). Derivatives are not a direct investment in the underlying asset itself. If the Underlying Fund uses derivatives, applicable securities laws require that the Underlying Fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

The Underlying Fund may generally use four types of derivatives: options, forwards, futures, and swaps. An option gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

Some derivatives are settled by one party's delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The Underlying Fund is expected to use derivatives to hedge its currency exposure to the United States dollar as described under the heading "Currency Hedging Transactions by Underlying Fund".

The use of derivatives by the Underlying Fund carries several risks:

- There is no guarantee that a hedging strategy will be effective or achieve the intended effect.
- There is no guarantee that a market will exist for some derivatives, which could prevent the Underlying Fund from selling or exiting the derivatives at the appropriate time. Therefore, the Underlying Fund may be unable to realize its profits or limit its losses.

- It is possible that the other party to the derivative contract will not meet its obligations under the contract. To minimize this risk, the Underlying Fund Manager monitors all of the Underlying Fund's derivative transactions regularly to ensure that the credit rating of the contract counterparty or its guarantor will generally be at least as high as the minimum approved credit rating required under National Instrument 81-102 – *Investment Funds*.
- When entering into a derivative contract, the Underlying Fund may be required to deposit funds with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations under the derivative contract, the Underlying Fund could lose these deposits.
- The Underlying Fund may use derivatives to reduce certain risks associated with investments in the United States dollar. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.
- Securities and commodities exchanges could set daily trading limits on options and futures. This could prevent the Underlying Fund or the counterparty from carrying out its obligations under a derivative contract.

Changes in domestic and foreign tax laws, regulatory laws, or the administrative practices or policies of a tax or regulatory authority may adversely affect the Underlying Fund and its investors. For example, the domestic and foreign tax and regulatory environment for derivative instruments is evolving, and changes in the taxation or regulation of derivative instruments may adversely affect the value of derivative instruments held by the Underlying Fund and the ability of the Underlying Fund to pursue its investment strategies. In addition, interpretation of the law and the application of administrative practices or policies by a taxation authority may also affect the characterization of the Underlying Fund's earnings as capital gains or income. In such a case, the net income of the Underlying Fund for tax purposes and the taxable component of distributions to investors could be determined to be more than originally reported, with the result that investors or the Underlying Fund could be liable to pay additional income tax. Any liability imposed on the Underlying Fund may reduce the value of the Underlying Fund and the value of the Trust's investment in the Underlying Fund. When the Underlying Fund invests in a derivative, the Underlying Fund could lose more than the initial amount invested.

Risks Relating to Portfolio Investments by Underlying Fund

The Underlying Fund's primary investment objective is to identify appropriate Portfolio Investments focused on, without restriction, investments in commercial real estate, infrastructure, private equity and private debt. The Underlying Fund intends to invest in such Portfolio Investments on a basis which will generate an attractive return on investment, subject in each case to the availability of such opportunities. There is no guarantee that suitable investment opportunities will be found, that favourable investment terms can be negotiated or that successful realization of the investment will or can take place. The Portfolio Investments compete with a large number of other private equity, private debt and mezzanine funds, investment banks and other institutional and alternative sources of financing.

Lack of Available Information Concerning Portfolio Investments

The Portfolio Investments of the Underlying Fund may consist of securities of privately held companies, and there is generally little or no publicly available information about such companies. The Underlying Fund must rely on the diligence of its own professionals and the consultants and advisors they may engage, and there can be no assurance that such diligence efforts will uncover all material information necessary for an informed investment decision.

Lack of Liquidity of Portfolio Investments

Most, if not all, of the Portfolio Investments of the Underlying Funds will be highly illiquid and difficult to value. In general, the Portfolio Investments of the Underlying Fund will be in companies and enterprises with limited product lines, limited financial resources and less experienced management. Compared to larger and more established companies, they are more vulnerable to economic downturns, and changes in markets and technology related adversity. Future growth and success of such companies is often dependent on additional financing, which may not be available on acceptable terms when required.

Risks Relating to Minority Positions in Portfolio Investments

The Underlying Fund may make minority equity investments in Portfolio Investments where it will not participate in, or otherwise influence or control the business and affairs of such Portfolio Investments. There is no assurance that the management of a Portfolio Investment will be able to operate the business of the Portfolio Investment successfully.

Market Risks

The value of Units will vary in accordance with the value of the Portfolio Investments and other investments acquired by the Underlying Fund. Fluctuations in the market values of such investments may occur for a number of reasons beyond the control of the Underlying Fund. Performance of the Units will be affected by various factors including prevailing interest rates, fluctuations in prices of real estate, demand for commodities, and general economic conditions and cycles. Fluctuations in the exchange rates between the Canadian dollar and any foreign currencies in which Portfolio Investments are denominated will affect the value of Units when expressed in Canadian dollars.

Dependence on the Manager

The success of the Underlying Fund will depend in part upon the skill and expertise of the Manager and other professionals and personnel employed by the Manager. While each of the principals of the Manager will devote as much time as is necessary for the management of the business and affairs of the Trust and the Underlying Fund, none will devote his or her full time to the business and affairs of the Trust and the Underlying Fund. There is no certainty that the employees of the Manager who will be primarily responsible for the management of the Trust and the Underlying Fund will continue to be employees of the Manager in the future. The loss of one or more of these individuals could have significant adverse impact on the business of the Trust and the Underlying Fund.

No Public Market for Portfolio Investments of Underlying Fund

The Portfolio Investments of the Underlying Fund are not traded or quoted on stock exchanges or other recognized securities markets. While the Underlying Fund will be independently audited by its auditors on an annual basis, valuation of the Underlying Fund's investments may involve uncertainty, judgement and good faith, and accuracy of the net asset value of the Underlying Fund cannot be assured. It is possible that the proceeds ultimately realized by the Underlying Fund upon a disposition of any Portfolio Investment will differ significantly from the value assigned to such investment in the calculation of the net asset value of the Underlying Fund. However, in the absence of bad faith or manifest error, the valuation of the General Partner of the Trust will be conclusive and binding.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, Trust, the Underlying Fund and the Portfolio Investment have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Trust, the Underlying Fund or the Portfolio Investments to lose proprietary information, suffer data corruption, or lose operational capacity. This, in turn, could cause the Trust, the Underlying Fund or a Portfolio Investment to incur reputational damage, additional

compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Trust's, the Underlying Fund's or a Portfolio Investment's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Trust's, the Underlying Fund's or a Portfolio Investment's third party service providers (e.g., the Manager, the General Partner or the Administrator) or Portfolio Investments can also subject the Trust or the Underlying Fund to many of the same risks associated with direct cyber security breaches. As with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of Portfolio Investments or third party service providers.

Foreign Investment Risk

The Portfolio Investments held by the Underlying Fund may be foreign investments, which may be affected by world economic factors. There is often less information available about foreign companies and these companies may abide by less stringent accounting, auditing and reporting standards than Canadian entities. It can be more difficult to trade investments on foreign markets. Political, social or diplomatic instability may have an effect on the value of the investment. Consequently, the foreign Portfolio Investments of the Underlying Fund may experience larger and more frequent price changes in the short term.

Taxation Risk

The CRA may not agree with the tax filing positions taken by the Trust or the Underlying Fund in respect of the computation of their respective incomes or other tax filing or computational matters. No advance income tax rulings from the CRA have been sought by either the Trust or the Underlying Fund in respect of their contemplated activities or reporting positions.

Fund on Fund Risk

The Underlying Fund utilizes a "fund on fund" investment strategy where all, or a significant portion of its assets are invested in other investment funds, private equity funds, venture capital funds and other pooled investment vehicles. Unit values and investment returns of the Underlying Fund will fluctuate, reflecting changes in the value of these Portfolio Investments. If one or more Portfolio Investments suspend redemptions, the Underlying Fund may be unable to calculate the Portfolio NAV and may be unable to process redemption orders.

Indemnification Risk

The Manager and its respective directors, officers, employees and agents are entitled to be indemnified out of the assets of the Trust or the Underlying Fund (as applicable) in certain circumstances. As a result, there is a risk that the Trust's or the Underlying Fund's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Trust or the Underlying Fund (as applicable) in a manner which would have a materially adverse effect on the value of the Trust or the Underlying Fund.

THE PRECEDING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN INVESTING IN THE TRUST OR THE UNDERLYING FUND. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR LEGAL, TAX AND FINANCIAL ADVISERS BEFORE DETERMINING WHETHER TO INVEST IN THE TRUST

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PROSPECTIVE INVESTORS SHOULD NOT CONSIDER INVESTING IN THE TRUST IF THEY ARE UNABLE TO FULLY UNDERSTAND, OR ARE UNWILLING AND FINANCIALLY UNABLE TO ASSUME, THE SUBSTANTIAL RISKS INVOLVED IN INVESTING IN THE TRUST, WHICH INCLUDE THE RISK OF LOSING ALL OF THEIR INVESTMENT.

BECAUSE THE TRADING STRATEGIES UTILIZED BY THE PORTFOLIO INVESTMENTS ARE PROPRIETARY AND CONFIDENTIAL, ONLY THE MOST GENERAL DESCRIPTION OF THE RISKS RELATING TO THE PORTFOLIO INVESTMENTS IS POSSIBLE. NO SUCH DESCRIPTION CAN FULLY CONVEY THE RISKS OF AN INVESTMENT IN A PORTFOLIO INVESTMENT.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS OF ACTION FOR RESCISSION AND DAMAGES

Securities legislation in certain of the Canadian provinces provides certain purchasers, or requires certain purchasers to be provided with, in addition to any other rights they may have at law, a remedy for rescission or damages, or both, where an offering memorandum (such as this Term Sheet) and any amendment to it and, in some cases, advertising and sales literature used in connection therewith contains a "**misrepresentation**". The term "misrepresentation" is generally defined under applicable securities legislation as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. A "material fact" is generally defined under applicable securities legislation as a fact that would reasonably be expected to have a significant effect on the market price or value of the offered securities. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. Each purchaser should refer to provisions of the securities legislation of their province or territory of residence for particulars of any rights which may be available to them or consult with a legal advisor.

The rights discussed below are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defenses contained therein. The following summaries are subject to the express provisions of the applicable securities statutes and instruments in the below-referenced provinces and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

Rights for Purchasers in Ontario

In accordance with Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**") and Ontario Securities Commission Rule 45-501, every purchaser of securities offered pursuant to an offering memorandum (such as this Term Sheet) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;
(b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
(d) in no case shall the amount recoverable exceed the price at which the securities were offered.

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

(a) in the case of an action for rescission, 180 calendar 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 calendar days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
    (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

This Term Sheet is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 (the "**accredited investor exemption**") of NI 45-106. The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Term Sheet) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under Section 473(1) of that Act;
(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d) 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.

This summary is subject to the express provisions of the Ontario Act and the regulations and rules made under it, and prospective investors in Ontario should refer to the complete text of those provisions or consult with a legal advisor.

Rights of Purchasers in Alberta

Securities legislation in Alberta provides that every purchaser of securities in reliance on the minimum amount exemption (i.e. $150,000) pursuant to an offering memorandum (such as this Term Sheet) shall have, in addition to any other rights they may have at law, a right of action for damages or rescission against the Trust and certain other persons if this Term Sheet or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the Alberta securities legislation for particulars of those rights or consult with a lawyer.

Specifically, Section 204 of the *Securities Act* (Alberta) (the "**Alberta Act**") provides that if this Term Sheet, or any amendment to it, contains a misrepresentation (as defined in the Alberta Act), a purchaser who purchases Units offered by this Term Sheet or any amendment shall be deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust, every director of the Trust at the date of this Term Sheet, and every

person or company who signed this Term Sheet or, alternatively, for rescission against the Trust. If the purchaser exercises its right of rescission against the Trust, the purchaser will not have a right of action for damages against the Trust or against any aforementioned person or company. No such person or company is liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation. In an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the 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 are offered.

In Alberta, no action shall be commenced to 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.

The foregoing summary is subject to the express provisions of the Alberta Act and the regulations promulgated thereunder and specific reference should be made to same. Investors in Alberta who purchase securities in reliance on the accredited investor exemption are granted the same rights of action as investors who purchase in reliance on the minimum amount exemption. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Rights for Purchasers resident in Saskatchewan

Section 138 of the *Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Term Sheet) or any amendment thereto is sent or delivered to an investor and it contains a misrepresentation (as defined in the Saskatchewan Act), an investor who subscribes an interest covered by this Term Sheet or any amendment thereto is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of subscription, and has a right of action for rescission against the Trust or has a right of action for damages against:

(a) the Trust;
(b) every promoter and director of the Trust at the time this Term Sheet or any amendment thereto 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 an offering memorandum or any amendment thereto; and
(e) every person who or company that sells interests of the Trust on behalf of the Trust under an offering memorandum or amendment thereto.

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

1. the investor elects to exercise its right of rescission against the Trust, it shall have no right of action for damages against it;
2. 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 interests resulting from the misrepresentation relied on;
3. no person or company, other than the Trust, will be liable for any part of this Term Sheet or any amendment thereto 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;

4. in no case shall the amount recoverable exceed the price at which the interests were offered; and
5. no person or company is liable in an action for rescission or damages if that person or company proves that the investor subscribed the securities with knowledge if of the misrepresentation.

In addition, no person or company, other than the Trust, will be liable in an action pursuant to section 138 of the Saskatchewan Act if the person or company proves that:

1. this Term Sheet or any amendment thereto 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
2. with respect to any part of this Term Sheet or any amendment thereto 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 this Term Sheet or any amendment thereto 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.

In addition, no person or company will be liable in an action pursuant to section 138 of the Saskatchewan Act if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the Saskatchewan Act), such person or company proves that with respect to the document containing the forward looking information, approximate to that information, there is contained reasonable cautionary language identifying the forward looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information; and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and, the person or company had a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward looking information.

Not all defences upon which we 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 investor that contains a misrepresentation relating to the security subscribed and the verbal statement is made either before or contemporaneously with the subscription of the security, the investor is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of subscription, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides an investor with the right to void the subscription agreement and to recover all money and other consideration paid by the investor 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 an investor 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 investor enters into an agreement to subscribe the securities, as required by Section 80.1 of the Saskatchewan Act.

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

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

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

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

Rights for Purchasers in Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) (the "**Nova Scotia Act**") provides that where an offering memorandum (such as this Term Sheet) sent or delivered to a purchaser, together with any amendment to it, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a misrepresentation, the purchaser who purchases a security will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages against the seller, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, a right of rescission against the seller, provided that if the purchaser exercises its right of rescission against the seller. If the purchaser exercises a right of recession, it will not have a right of action for damages against any aforementioned person or company.

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

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and
(c) the amount recoverable may not exceed the price at which the securities were offered to the purchaser under the offering memorandum or any amendment to it.

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 any amendment to it 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 any amendment to it 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 any amendment to it purporting to be made on the authority of an expert, or 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: (i) there had been a misrepresentation; or (ii) the relevant 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.

No person or company is liable with respect to any part of the offering memorandum or amendment to the offering memorandum not 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, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation.

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

In Nova Scotia, 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 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 after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
    (ii) three (3) years after the day of the transaction that gave rise to the cause of action.

However, no action shall be commenced to enforce the right of action for rescission or damages by a purchaser more than 120 days after the date on which payment was made for the securities, or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

The foregoing summary is subject to the express provisions of the Nova Scotia 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 without derogation from, any other right to the purchaser may have at law.

Rights for Purchasers resident in Prince Edward Island

The right of action for rescission or damages described under this heading is conferred by section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**"). Section 112 of the PEI Act provides, that in the event that an offering memorandum (such as this Term Sheet) contains a "misrepresentation", an investor who purchased an interest during the period of distribution, without regard to whether the investor relied upon such misrepresentation, has a statutory right of action for damages against the Trust, every director of the Trust acting on behalf of the Trust at the date of an offering memorandum, and every person who signed an offering memorandum. Alternatively, the investor who purchases an interest during the period of distribution may elect to exercise a statutory right of action for rescission against the Trust. For the purposes of section 112 of the PEI Act, "misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the PEI Act, or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made.

Statutory rights of action for rescission or damages by a investor are subject to the following limitations:

1. no action may be commenced to enforce the rights of action described above 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:
      (i) 180 days after the investor 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;
   whichever period first expires;

2. no person will be liable if the person proves that the investor purchased the interest with knowledge of the misrepresentation;

3. no person, other than the Trust, will be liable if the person proves that:

   (a) the Term Sheet was sent to the investor without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Trust that it had been sent without the knowledge and consent of the person;
   (b) the person, on becoming aware of the misrepresentation in the Term Sheet, had withdrawn the person's consent to the Term Sheet 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 Term Sheet 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 Term Sheet:

         (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.

If the investor elects to exercise a right of action for rescission, the investor will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the interest was offered to and purchased by the investor.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the interest as a result of the misrepresentation.

The foregoing statutory rights of action for rescission or damages conferred by section 112 of the PEI Act are in addition to and without derogation from any other right the investor may have at law.

This summary is subject to the express conditions of the PEI Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers resident in British Columbia

Notwithstanding that the *Securities Act* (British Columbia) does not provide, or require the Trust to provide to investors in British Columbia any rights of action in circumstances where this Term Sheet or an amendment hereto contains a misrepresentation, the investor shall be afforded a contractual right of action against the Trust for rescission or damages equivalent to those in Ontario (as set out below).