

This amended and restated confidential offering memorandum (the “Offering Memorandum”) constitutes an offering of these securities in the provinces and territories of Canada, and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority in Canada has reviewed this offering memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This offering memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of these securities.

AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

February 13, 2024



TENPOINT

CLASS A UNITS AND CLASS F UNITS

The Ten Point Fund (the “**Fund**”) is a trust established under the laws of the Province of Newfoundland and Labrador on December 29, 2013 and operating pursuant to an amended and restated declaration of trust dated as of December 27, 2023, as the same may be further amended or restated from time to time (the “**Declaration of Trust**”). The Fund is offering an unlimited number of Class A Units and Class F Units (collectively, the “**Units**”), on a continuous basis pursuant to this offering memorandum (the “**Offering Memorandum**”). The Units are being distributed to investors in the Province of Ontario on a basis which is exempt from the requirement for the Fund to prepare and obtain a receipt for a prospectus from the Ontario Securities Commission.

The Fund’s investment objective is to generate double digit annualized returns over a 3-5 year period while protecting capital during prolonged periods of declining equity markets. The Fund seeks to achieve this objective through superior stock selection, focusing predominantly on establishing long positions with listed North American equities while opportunistically establishing short positions from time to time with respect to companies that are believed to be fundamentally overpriced.

The Fund’s investments will include common equities, warrants, preferred shares, trust units, REITs, debt securities, derivative instruments and other securities including engaging in the short selling of such securities and the use of leverage against such long and short positions.

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

**MINIMUM INITIAL SUBSCRIPTION AMOUNT: \$25,000 FOR ACCREDITED INVESTORS
AND \$150,000 FOR NON ACCREDITED INVESTORS**

Corton Capital Inc. (“**Corton**”) has been retained to act as the trustee (the “**Trustee**”), the investment fund manager and portfolio manager (in such capacity, the “**Manager**”) and will be responsible for providing or arranging for the provision of management and investment advisory and portfolio management services required by the Fund. The Manager is responsible for the execution of the investment strategy of the Fund. The Units will be offered for sale through the Manager and by other qualified dealers. The Manager, in its capacity as an exempt market dealer to the Fund, is offering the Units on a private placement basis. However, no fees are payable to the Manager in its capacity as an exempt market dealer. **The Fund may be considered a connected and/or related issuer” of the Manager under applicable securities laws. See “Conflicts of Interest”.**

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Although the Fund is a “mutual fund” as defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of National Instrument 81-102 – *Mutual Funds* and other policies and regulations of the securities regulatory authorities that are applicable to mutual funds that have offered securities under a prospectus and are reporting issuers. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act (Canada)* and are not insured under the provisions of that Act or any other legislation.

Units of each Class will be issued at the Net Asset Value per Unit of the applicable Class as of the applicable Valuation Date. Subscription forms and cleared funds received at least one Business Day (as defined below) prior to the end of each month (or such later date as may be determined by the Manager) will be accepted on the last Business Day of such month (each, a “**Valuation Date**”). Subscriptions received after that date will be accepted on the next Valuation Date. Units may be surrendered for redemption at the Redemption Price (as defined below) on each Valuation Date, provided a redemption request is made in writing to SGGG Fund Services Inc. (the “**Fund Administrator**”) on or before seven calendar days prior to the Valuation Date.

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

There is no market through which the Units may be sold and none is expected to develop. Transfer of the Units is subject to approval by the Manager and the Units are also subject to resale restrictions under applicable securities legislation. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions will be suspended in certain circumstances. See “Redemption of Units”. There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units. Please see “Resale Restrictions” and “Risk Factors”.

No person is authorized to provide any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they will not transmit, reproduce or make available this document or any information contained in it.

Subscribers are encouraged to consult with their independent legal and tax advisers prior to signing the subscription agreement to purchase Units and to carefully review the Declaration of Trust of the Fund.

TABLE OF CONTENTS

SUMMARY	4
THE FUND.....	11
DESCRIPTION OF UNITS.....	11
INVESTMENT OBJECTIVE.....	12
INVESTMENT STRATEGIES	12
INVESTMENT GUIDELINES AND RESTRICTIONS	12
MANAGEMENT OF THE FUND.....	13
FEES AND EXPENSES.....	17
PURCHASE OF UNITS.....	18
REDEMPTION OF UNITS	20
RESALE RESTRICTIONS	20
OWNERSHIP RESTRICTIONS	21
VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE.....	21
DISTRIBUTIONS TO UNITHOLDERS	23
MEETINGS OF UNITHOLDERS	23
AMENDMENTS TO THE DECLARATION OF TRUST	24
TERMINATION OF THE FUND	24
AUDITORS	25
ADMINISTRATOR	25
PRIME BROKER AND CUSTODIAL ARRANGEMENTS.....	25
REPORTS TO UNITHOLDERS.....	26
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	27
ELIGIBILITY FOR INVESTMENT.....	31
RISK FACTORS	32
CONFLICTS OF INTEREST.....	38
STATEMENT OF RELATED AND CONNECTED ISSUERS.....	41
STATEMENT OF RELATED REGISTRANTS	41
MANAGER’S POLICIES AND STATUTORY DISCLOSURE	41
MATERIAL CONTRACTS	44
CURRENCY.....	44
ANTI-MONEY LAUNDERING.....	44
PRIVACY POLICY.....	45
INVESTORS’ STATUTORY RIGHTS OF ACTION FOR RESCISSION AND DAMAGES..	47

SUMMARY

Prospective investors are encouraged to consult their own professional advisers as to the tax and legal consequences of investing in the Fund. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

THE FUND

- The Fund:** The Ten Point Fund (the “**Fund**”) is a trust established under the laws of the Province of Newfoundland and Labrador on December 29, 2013 and operating pursuant to an amended and restated declaration of trust dated as of December 27, 2023, as the same may be further amended or restated from time to time (the “**Declaration of Trust**”).
- Investment Objective:** The Fund’s investment objective is to generate double digit annualized returns over a 3-5 year period while protecting capital during prolonged periods of declining equity markets.
- Investment Strategies:** The Fund seeks to achieve this objective through superior stock selection, focusing predominantly on establishing long positions with listed North American equities while opportunistically establishing short positions from time to time with respect to companies that are believed to be fundamentally overpriced. The Portfolio Manager does not plan to vote proxies for the Fund as the Portfolio Manager does not believe the benefit outweighs the cost of voting such proxies.
- The Fund’s investments will include common equities, warrants, preferred shares, trust units, REITs, debt securities, derivative instruments and other securities including engaging in the short selling of such securities and the use of leverage against such long and short positions.
- The Trustee, Manager and Portfolio Manager:** Corton Capital Inc. (“**Corton**”) acts as the trustee (the “**Trustee**”), investment fund manager and portfolio manager (in such capacities, the “**Manager**”) of the Fund. As Manager, Corton is responsible for managing the affairs of the Fund. See “Management of the Fund”.

SUMMARY OF INVESTMENT TERMS

- The Offering:** The Fund is offering an unlimited number of units of two Classes: Class A Units and Class F Units (collectively, the “**Units**”). Each Class of Units is identical to the other except for the fees that are applicable to such Class.
- The Units:** An investment in the Fund is represented by Units, each of which represents an undivided beneficial interest in the net assets of the Fund applicable to the relevant Class of Units. Class A Units may be purchased by subscribers directly from the Manager or through registered dealers and advisors and a servicing commission is

payable to registered dealers and advisors by the Manager as discussed below. Class F Units may be purchased by subscribers who are enrolled in dealer sponsored fee-for-service or “wrap programs” and who are subject to an annual asset-based fee. See “Fees and Expenses – Dealer Compensation”.

The Units of each class have equal rights and privileges. Holders of Units (each, a “**Unitholder**” and collectively, the “**Unitholders**”) are not entitled to vote except for the purposes set out in the Declaration of Trust. In such circumstances, each whole Unit is entitled to one vote at meetings of Unitholders. Each whole Unit of a class is entitled to participate equally with each other Unit of the same class with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non- assessable. See “Description of Units”.

Minimum Initial and Additional Subscription Amounts:

For “accredited investors”, as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) and section 73.3 of the *Securities Act* (Ontario), the minimum initial investment amount is \$25,000 for Class A Units and for Class F Units or such lesser amounts as the Manager, on behalf of the Fund, may accept.

For non-individual investors who do not qualify as “accredited investors”, the minimum initial investment amount is \$150,000 in cash for Class A Units and for Class F Units of the Fund.

Additional subscriptions for Units shall be for not less than \$5,000, provided that, for non-accredited investors, the investor holds Units with a minimum value of \$150,000 at the time of the additional investment. See “Purchase of Units”.

Valuation Dates:

The Manager shall be responsible for determining the Net Asset Value (as defined below) of each Class of Units and Net Asset Value per Unit (as defined below) of each Class of the Fund as at 4:00 p.m. (Toronto time) (the “**Valuation Time**”) on the last Business Day of each month and any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Units of a Class (each, a “**Valuation Date**”). The Manager has appointed SGGG Fund Services Inc. (the “**Valuation Agent**”) to calculate the Net Asset Value and the Net Asset Value per Unit of each Class.

A “**Business Day**” means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario and any other day on which the New York Stock Exchange (the “**NYSE**”) is not open for business. See “Valuation of Assets and Computation of Net Asset Value”.

Purchases:

Units of each Class will be issued at the Net Asset Value per Unit of the applicable Class as of the applicable Valuation Date. Subscription forms and cleared funds received at least one Business Day prior to the end of a month (or such later date as may be determined by the Manager) will be accepted on the Valuation Date in such month.

Subscriptions received after that date will be accepted on the next Valuation Date. Units will be issued as of each Valuation Date immediately after the Net Asset Value has been calculated based on the Net Asset Value per Unit on such Valuation Date. See “Purchase of Units”.

Distributions:

The Fund does not currently intend to pay regular cash distributions but may do so in the future. Distributions will only be paid to the extent that the Trustee determines that it would be advantageous for the Fund to make such distributions.

It is the Fund’s policy to distribute annually to Unitholders sufficient income and capital gains (net of applicable losses) so that it effectively will not pay any Canadian federal income tax under Part I of the Tax Act (as defined below). The Fund will distribute its annual taxable income and net realized capital gains to Unitholders by December 31 of each year and at such other times as determined by the Manager. All such distributions of the Fund will be automatically reinvested, without charge, in additional Units of the same Class at the Net Asset Value per Unit at the most recent Valuation Date prior to distribution date and on the date of each distribution the Units will be automatically consolidated into that number of Units outstanding immediately prior to the distribution. Accordingly, the effect of such distributions will generally be to increase the adjusted cost base of the Units, not the number of Units outstanding. See “Distributions to Unitholders”.

Redemptions:

Units may be surrendered for redemption by Unitholders on each Valuation Date provided that the Fund Administrator receives notice of such redemption in writing on or before the date that is at least seven (7) calendar days prior to the applicable Valuation Date (the “**Redemption Date**”). To ensure notice is received by the Fund Administrator, the Unitholder should contact the Manager (if the Unitholder originally subscribed for Units directly from the Fund) or the Unitholder’s investment advisor or dealer.

A Unitholder who surrenders a Unit for redemption will be entitled to receive an amount equal to the Net Asset Value per Unit determined as of the Redemption Date less any brokerage fees and commissions (the “**Redemption Price**”), and should expect to receive payment of the Redemption Price on or about the tenth (10th) Business Day following the applicable Redemption Date.

Units may be redeemed by the Fund at any time on not less than five (5) days’ prior notice at a price per Unit equal to the Net Asset Value per Unit of the applicable Class determined as of the date scheduled for redemption less any fees and commissions.

See “Redemption of Units”.

Transfer or Resale:

Units may only be transferred with the prior written consent of the Manager. The transfer or resale of Units (which does not include a

redemption of Units) is also subject to restrictions under applicable securities legislation. See “Resale Restrictions”.

No Unit Certificates:

The Units will be issued in registered, book-entry form only. Unit certificates will not be issued.

Year End:

December 31.

Financial Reporting:

Audited annual financial statements of the Fund will be prepared and sent to Unitholders who elect to receive the financial statements in conformity with the requirements of National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as amended from time to time (“NI 81-106”). Audited financial statements will be sent to Unitholders who elect to receive such statements within ninety (90) days of each fiscal year end. Unaudited interim financial statements of the Fund may be prepared in the sole discretion of the Manager. In the event that interim financial statements are prepared, they will be delivered to Unitholders who elect to receive such statements within 60 days of the end of the applicable interim period.

If the Fund prepares audited financial statements then the Fund intends to rely on an exemption from the requirement to file its financial statements with the securities regulators pursuant to section 2.11 of NI 81-106. In order to rely on the exemption, the Fund will prepare and distribute its financial statements in accordance with the requirements of NI 81-106. See “Reports to Unitholders”.

Tax Considerations:

A Unitholder will generally be required to include, in computing the Unitholder’s income for the year, the amount of the net income, and the taxable portion of the net realized capital gains of the Fund, that is paid or payable to the Unitholder in the year whether in cash or in Units. Distributions by the Fund to a Unitholder who holds Units as capital property for tax purposes in excess of the Unitholder’s share of the Fund’s net income and net realized capital gains will not result in an inclusion in the Unitholder’s income but will reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain (or loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of Units and any reasonable costs of disposition. See “Canadian Federal Income Tax Considerations”.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units by obtaining advice from his or her tax advisor.

Eligibility for Investment:

Provided that the Fund is a “registered investment” within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”), Units will be qualified investments for trusts governed by registered retirement

savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), tax-free savings accounts (“TFSA”), first home savings accounts (“FHSA”), registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”) and deferred profit sharing plans (“DPSPs”).

Notwithstanding that Units may be a “qualified investments” for RRSPs, RRIFs, FHSAs, RESPs, RDSPs and TFSAs, if Units are “prohibited investments” for purposes of the Tax Act for a TFSA, RRSP, FHSA, RESP, RDSP or RRIF, a holder of the TFSA, FHSA or RDSP or an annuitant of the RRSP or RRIF, or a subscriber for the RESP, as the case may be, (each a “Plan Holder”) will be subject to a penalty tax. Plan Holders are advised to consult their own tax advisors with respect to whether Units would be “prohibited investments” for their TFSAs, RRSPs or RRIFs and the tax consequences of Units being acquired or held by trusts governed by such accounts, plans or funds. See “Eligibility for Investment”.

Liability of Unitholders:

The Unitholders of the Fund do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations and unitholders of trusts that have filed a prospectus in certain jurisdictions. However, the Declaration of Trust contains provisions intended to limit the liability of Unitholders. See “Risk Factors”.

Risk Factors:

Prospective investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment strategies used by the Manager, and certain tax matters. See “Risk Factors”.

Termination:

The Manager, may, in its discretion, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, the Net Asset Value of the Fund is reduced as the result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund and it would be in the best interests of the Unitholders to terminate the Fund. After paying outstanding liabilities, the Fund will distribute the remaining assets attributable to a Class of Units *pro rata* to Unitholders of that Class. See “Termination of the Fund”.

FEES AND EXPENSES

The following is a description of the fees and expenses that the Fund will have to pay. See “Fees and Expenses”.

Management Fee:

As compensation for its management services, the Manager will receive a management fee from the Fund in an amount equal to 2.0% per annum of the Net Asset Value attributable to the Class A Units and 1.0% per annum of the Net Asset Value attributable to the Class F Units calculated and payable on each Valuation Date in arrears, plus applicable taxes. See “Fees and Expenses”.

**Performance
Fee:**

The Fund will pay to the Manager a performance fee, plus applicable taxes, which is calculated and paid on a quarterly basis (the “**Performance Fee**”). The Performance Fee for Class A Units and Class F Units in respect of a calendar quarter shall be equal to fifteen percent (15%) of the positive return of each Class of Units (i.e., the amount by which the Net Asset Value per Unit of the relevant Class increased during such quarter) including, for greater certainty, the aggregate amount of all distributions declared on the relevant Class during such quarter.

The Performance Fee payable in respect of Units of a particular Class will be deducted from the Net Asset Value of such Class and, in the case of a redeemed Unit, will be deducted from the redemption proceeds otherwise payable.

Performance Fees, if any, are applied to each Class of Units separately. In the event that the Fund does not generate a positive return on investment in respect of a Class of Units for a calendar quarter (a “**Deficiency**”), then no Performance Fee will be paid for that quarter and the amount of the Deficiency will be added to any cumulative Deficiency of the Class for the prior calendar quarter. For greater certainty, no Performance Fee will be paid to the Manager in respect of a Class of Units for any calendar quarter unless there is a positive performance for the Class as of the end of such quarter and the positive performance of the Class of Units exceeds the amount of any cumulative Deficiency from the prior calendar quarter.

**Fund
Expenses:**

See “Fees and Expenses”.

The Manager is entitled to reimbursement from the Fund for all costs and operating expenses (the “**Operating Expenses**”) incurred in connection with the business of the Fund, including but not limited to:

- (i) administrative fees and expenses of the Fund, which include fees payable to the Manager, fees payable to the Fund Administrator, accounting, audit and legal costs, fees associated with the Fund’s bank accounts, custodial, prime broker and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, the cost of consulting, data, statistical services, research, organizational costs, regulatory filing fees and all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund along with all reasonable extraordinary or non-recurring expenses; and
- (ii) fees and expenses relating to the portfolio investments of the Fund, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, banking fees, interest expenses and taxes of all kinds to which the Fund is subject. See “Fees and Expenses”.

Dealer Compensation: There is no upfront commission payable to the Manager in respect of Units purchased directly by a subscriber through the Manager in its capacity as an exempt market dealer. A subscriber may pay a negotiated fee if purchasing Class A Units through a registered dealer. Any such fee will be payable by the purchaser directly to the dealer.

In respect of Class A Units, the Manager will pay registered dealers and advisors a servicing commission based on the aggregate market value of their clients' investment in Class A Units of the Fund, at an annualized rate of up to 1%, calculated monthly and paid on a quarterly basis in arrears approximately twenty (20) days after the determination of the quarter-end Net Asset Value of the Class A Units. The Manager pays this fee out of its own assets and is not reimbursed for these payments.

Subject to applicable law, the Manager may pay a rebate, negotiated referral fee or trailing commission to subscribers, dealers or other persons (as applicable) in connection with a sale of any Units, provided in the case of payments to dealers, subscribers are advised in writing by the selling dealer of any such fee at or prior to the time of investment.

PROFESSIONAL ADVISORS

Custodian and Prime Broker: Interactive Brokers Group Inc.
Toronto, Ontario

Legal Counsel: McMillan LLP
Toronto, Ontario

Fund Administrator and Valuation Agent: SGGG Fund Services Inc.
Toronto, Ontario

Auditor: Deloitte LLP
Toronto, Ontario

THE FUND

The Ten Point Fund (the “**Fund**”) is a trust established under the laws of the Province of Newfoundland and Labrador on December 29, 2013 and operating pursuant to an amended and restated declaration of trust dated as of December 27, 2023 as the same may be further amended or restated from time to time (the “**Declaration of Trust**”).

Corton Capital Inc. (“**Corton**”), a corporation incorporated under the *Business Corporations Act* (Ontario) on October 25, 2004, acts as the trustee (the “**Trustee**”), investment fund manager (the “**Manager**”) and portfolio manager (the “**Portfolio Manager**”) of the Fund. The principal place of business of Corton is 21 Summer Breeze Drive, Carrying Place, Ontario K0K 1L0.

The principal place of business of the Fund is Suite 1100, Cabot Place, 100 New Gower Street, St. John’s, Newfoundland and Labrador, A1C 6K3.

The fiscal year of the Fund ends on December 31 in each calendar year.

DESCRIPTION OF UNITS

The Fund is authorized to issue an unlimited number of Classes of Units and an unlimited number of Units in each such Class. The Fund currently offers two Classes of Units: Class A Units and Class F Units. Additional Class may be offered in the future.

Class A Units may be purchased by subscribers directly from the Manager or through registered dealers and advisors and a servicing commission is payable to registered dealers and advisors by the Manager as discussed below. Class F Units may be purchased by subscribers who are enrolled in dealer sponsored fee-for-service or “wrap programs” and who are subject to an annual asset-based fee. See “Fees and Expenses – Dealer Compensation”.

The Units of each Class have equal rights and privileges. Each holder of Units (each, a “**Unitholder**” and collectively, the “**Unitholders**”) is not entitled to vote except for the purposes set out in the Declaration of Trust. In such circumstances, each whole Unit is entitled to one vote at meetings of Unitholders. Each whole Unit of a Class is entitled to participate equally with each other Unit of the same Class with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non-assessable. See “Description of Units”.

Fractional Units may be issued up to three decimal places. The respective rights of the Unitholders of each Class will be proportionate to the Net Asset Value of such Class relative to the Net Asset Value of each other Class. On termination of the Fund, Unitholders will be entitled to receive any assets of the Fund remaining after payment of all debts, liabilities and liquidation or termination expenses of the Fund.

A person wishing to become a Unitholder must subscribe for Units by means of the subscription form which accompanies this Offering Memorandum. Any such subscription is subject to acceptance by the Manager and may be accepted in whole or in part in its sole discretion. For a description of the terms and conditions of any subscription for Units, see “Purchase of Units”.

INVESTMENT OBJECTIVE

The Fund's investment objective is to generate double digit annualized returns over a 3-5 year period while protecting capital during prolonged periods of declining equity markets.

INVESTMENT STRATEGIES

The Fund seeks to achieve its investment objective through superior stock selection, focusing predominantly on establishing long positions with listed North American equities while being able to establish some short positions from time to time with respect to companies that are believed to be fundamentally overpriced.

The Fund's investments will include common equities, warrants, preferred shares, trust units, REITs, debt securities, derivative instruments and other securities including engaging in the short selling of such securities and the use of leverage against such long and short positions.

The Portfolio Manager does not plan to vote proxies for the Fund as the Portfolio Manager does not believe the benefit outweighs the cost of voting such proxies.

INVESTMENT GUIDELINES AND RESTRICTIONS

Investments made by the Fund will be subject to certain investment guidelines and restrictions ("**Investment Guidelines and Restrictions**") set out in the Declaration of Trust which include those described in paragraphs (1) – (10) below. The Investment Guidelines and Restrictions may be changed by the Portfolio Manager without notice to Unitholders provided that such change is in accordance with the investment objective of the Fund. All amounts and percentage limitations apply at the date the relevant investment is made, and any subsequent change in any applicable percentage resulting from changing values will not require the disposition of any security from the Fund's investment portfolio.

The Investment Guidelines and Restrictions of the Fund provide, among other things, as follows:

1. *Leverage Restrictions* – The proportion of long positions versus short positions will be a function of the Portfolio Manager's ability to find attractive situations and the strategy being employed. In any event, the aggregate maximum gross exposure will not exceed 150%.
2. *Cash* – The Fund may hold cash and cash equivalents as part of the Fund's investment portfolio.
3. *Purchasing Public Securities and Private Securities* – The Fund may invest in companies listed on a public exchange and will not, in the aggregate, invest more than 10% of the Net Asset Value of the Fund (computed at the time when the investment is made) in companies which are not listed on a public exchange but can invest in derivative instruments to gain access to the returns of publicly listed companies.
4. *Concentration – Long Positions* – The Fund may not hold more than 15% of its Net Asset Value in any single long position (computed at the time the investment is made) with the exception of cash (and equivalent instruments) and index-tracking securities.
5. *Concentration – Short Positions* – The Fund may not hold more than 6% of its Net Asset Value in any single short position (computed at the time the investment is made) with the exception of cash (and equivalent instruments) and index-tracking securities.

6. *Concentration – Individual Issuers* – Security holdings in any one public issuer will be limited to a maximum of 10% of such securities then outstanding.
7. *Restriction on Offshore Investment Fund Properties* – The Fund will not acquire an interest in an “offshore investment fund property” as defined for the purposes of the Tax Act.
8. *Qualified Investments* – The Fund will, so long as it is not a “mutual fund trust” for the purposes of the Tax Act, restrict its purchases of securities to “qualified investments” for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans.
9. *Mutual Fund Trust Status* – The Fund will not make any investment or conduct any activity that would prevent the Fund from qualifying or result in the Fund failing to qualify as a “unit trust” or a “mutual fund trust” as defined for the purposes of the Tax Act.
10. *Sole Undertaking* – The Fund will not engage in any undertaking other than the investment of the Fund’s assets in accordance with its investment objective and investment strategies.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or total assets of the Fund will not be considered a violation of the Investment Guidelines and Restrictions or require the elimination of any investment.

MANAGEMENT OF THE FUND

Corton Capital Inc.

Corton Capital Inc. (“**Corton**” or the “**Manager**”) acts as Trustee, Manager and Portfolio Manager of the Fund pursuant to the provisions of the Declaration of Trust. Corton also may act as an exempt market dealer in connection with the distribution of Units to investors. The head office and principal place of business of Corton is located at 21 Summer Breeze Drive, Carrying Place, Ontario K0K 1L0.

As Trustee, Corton is responsible for the operations of the Fund including the valuation of the Fund’s assets. Corton may also become a Unitholder by purchasing Units.

Corton is registered as a portfolio manager, investment fund manager and an exempt market dealer under the *Securities Act* (Ontario), the *Securities Act* (British Columbia), the *Securities Act* (Québec) and the *Securities Act* (Newfoundland and Labrador); as an exempt market dealer and as a portfolio manager under the *Securities Act* (Alberta), the *Securities Act* (New Brunswick), the *Securities Act* (Saskatchewan) and the *Securities Act* (Nova Scotia); and as an exempt market dealer under the *Securities Act* (Manitoba).

Corton was incorporated on September 20, 2018, for the purpose of creating and providing investment advice to accredited investors and institutional clients, especially with respect to alternative investment products.

Corton’s mission is to work with clients to help them achieve their financial goals. Whether clients seek to create or to enhance their wealth, Corton is committed to honest, forthright and professional investment advice for its clients. Corton draws on the experience of its principals to offer suitable financial advice and products within a prudent and risk-managed framework.

Corton intends to draw on its principals' previously established client relationships and offer portfolio management services and exempt market products to an identified retail¹ and institutional client base. Portfolio management services are also provided to clients who establish separately managed accounts ("SMAs").

Officers, Directors and Key Investment Personnel of Corton

The voting shares of the Fund Manager are owned by David Jarvis (majority), John Duncanson and Julian Clas.

The name and position with the Fund Manager of its directors and executive officers as well as those of its employees who have primary responsibility for providing management and investment advisory services to the Fund are set out below:

Name and Municipality of Residence	Position with Fund Manager
David Jarvis Carrying Place, Ontario	President, Chief Executive Officer, Portfolio Manager, Ultimate Designated Person and Chief Compliance Officer
Greg Schofield	Advising Representative

David Jarvis, President, Chief Executive Officer, Portfolio Manager, Ultimate Designated Person and Chief Compliance Officer

David Jarvis is the founder and a principal of Corton and acts as the firm's Portfolio Manager and Chief Compliance Officer. From September 2017 to September 2018, Mr. Jarvis, was the President and Director of Kaleido Capital Ltd., a mortgage brokerage firm. From October, 2015 to September, 2017, Mr. Jarvis was the Chief Compliance Officer of Forge First Asset Management Inc. ("**Forge First**") where he was primarily responsible for compliance and risk management. While at Forge First, David developed enhanced compliance systems, designed and ran "mock" compliance audits and developed internal risk management guidelines addressing key risk areas - market risk, liquidity risk and credit risk. He also designed various sub category risk metrics and introduced monitoring and reporting programs. From 2005 until September, 2015, Mr. Jarvis was a founding partner, Chief Financial Officer, Chief Operating Officer, Chief Compliance Officer and a Portfolio Manager of Spartan Fund Management Inc. ("**Spartan**"). During his tenure with Spartan, David conceived, designed and co-built the first hedge fund platform in Canada with over 15 funds, portfolio managers/traders/analysts including funds based in Canada and the Cayman Islands. At Spartan David worked closely with each fund group on the platform and customized compliance and risk management programs for each type of fund style. He also managed all of Spartan's operations, accounting, audit reporting and all currency hedging for domestic/non-domestic funds and currency classes as required. During his time with Spartan, the Spartan Multi Strategy Fund LP received Morningstar's Gold Medal for Best Multi Strategy Fund (Canada) in 2011 after winning the Silver Medal in 2010.

David acted as a Director and Chair of the Audit Committee of Leviathan Cannabis Group Inc. ("**Leviathan**") from November, 2018 until March, 2022. Leviathan is a publicly traded cannabis company focused on creating brand loyalty while building medical and recreational distribution channels for cannabis products. Since March, 2010, David has also provided expert witness reports and analysis from time to time in relation to compliance and operations for brokerage and asset managers dealing with such matters

¹ The term "retail" includes both accredited and non-accredited investors solely in relation to the provision of investment advisory services.

as suitability, “know your client”, disclosure obligations, and institutional operational practices. In this capacity, David has been retained by retail investors, institutional clients, and several law firms.

David played an important role in the establishment of the Canadian chapter of the Alternative Investment Management Association (AIMA Canada) and served as the organization’s first Vice-Chairman from 2003 – 2005. David also served as an active member of the Practices & Standards Committee and the Compliance Officers’ Network, 2016 – 2018, of the Portfolio Management Association of Canada (PMAC).

David holds a Chartered Financial Analysts (CFA) designation and has an MBA (Queen’s University) and a Hons. BA – Economics (University of Western Ontario).

Greg Schofield, Advising Representative

Greg Scholfield joined Corton Capital in 2023 as a member of the Investment Advisory Committee and became a registered Advising Representative of Corton in February, 2024. Greg started his investment management career in 2014 with the prior investment fund manager and adviser of the Fund, Spartan Fund Management Inc. (“**Spartan**”). During his time with Spartan, Greg worked as a strategist and trader on the Fund, later transitioning to the position of portfolio manager of the Fund. Prior to joining Spartan, Greg worked in property, casualty and disability insurance where he developed a through understanding and knowledge of the financial management industry.

Greg holds a Bachelor of Commerce with a specialty in Financial Services Management from Seneca College and is a CFA charterholder.

The investment advisory services to the Fund will be provided by David Jarvis and Greg Schofield.

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

Duties and Services to be provided by the Manager

The Manager is responsible for the management and direction of the day-to-day business, operations and affairs of the Fund in accordance with and subject to the terms of the Declaration of Trust and applicable laws, and to carry out the investment management functions and provide administrative services required by the Fund including, without limitation, authorizing the payment of all fees and operating expenses, preparing financial statements, income tax returns, financial and accounting information as required, and other reports, ensuring that the Fund complies with regulatory requirements, preparing the reports of the Fund to Unitholders, determining the amount of distributions to be paid by the Fund (if any), and retaining and negotiating contractual agreements with third party providers of services, including advisors, administrators, auditors and printers.

The Manager will also provide investment advisory and portfolio management services to the Fund, which will include making all investment decisions, investing the net proceeds of each issuance of Units in the Fund’s investment portfolio and managing the Fund’s portfolio in accordance with the investment objectives of the Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

Decisions as to the purchase and sale of securities in the Fund’s investment portfolio, as to borrowing by the Fund and as to the execution of all portfolio transactions in the Fund’s portfolio will be made by the Manager, in accordance with and subject to the terms of the Declaration of Trust. In providing all such services, the Manager is authorized, subject to any regulatory restrictions regarding soft dollar

transactions, to cause the Fund to enter into soft dollar arrangements and to effect transactions pursuant to such arrangements. This right does not relieve the Manager from an obligation to obtain best execution and best price for transactions.

The Manager is required in the exercise of its powers and discharge of its duties to act honestly and in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities comprising the Fund's investment portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, gross negligence, disregard of the Manager's standard of care or any material breach or material default by it of its obligations under the Declaration of Trust.

Unless the Manager resigns or is removed as described below, the Manager will continue as Manager until the Fund terminates. The Manager will be deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for the purposes of the Tax Act. The Manager may not be removed other than by an Extraordinary Resolution (as defined below) of the Unitholders in the event that the Manager is in material breach or material default (including, among other things, wilful misconduct, bad faith, gross negligence or disregard of the Manager's standard of care) of the provisions of the Declaration of Trust and, if capable of being cured, any such breach or default has not been cured within twenty (20) Business Days' notice of such breach or default to the Manager.

In the event that the Manager resigns or is removed as provided above, the Manager shall promptly appoint a successor manager to carry out the activities of the Manager until a meeting of the Unitholders is held to confirm such appointment by a majority of the votes cast. The removal or resignation of the Manager shall only become effective upon the appointment of a replacement manager. If within ninety (90) days from the notice of resignation or removal of the Manager, the Manager has not appointed a replacement manager, the Fund will terminate.

The Declaration of Trust requires the Fund to indemnify the Manager and its directors, officers, partners, employees and agents (collectively, "**Indemnified Persons**"), to the fullest extent permitted by law out of the Fund's property against all liabilities and expenses reasonably incurred in connection with such Indemnified Person being or having been such Manager or a director, officer, partner, employee or agent of the Manager, including in connection with any action, suit or proceeding to which any Indemnified Person may be made a party by reason of their having been such Manager, director, officer, partner, employee or agent of the Manager; with the exception of liabilities and expenses resulting from the Indemnified Person's wilful misconduct, bad faith or breach of its standard of care, or failure to fulfill the duties and obligations pursuant to the Declaration of Trust. No Indemnified Person shall be liable to the Fund for any loss or damage relating to any matter regarding the Fund, including any loss or diminution in the value of the assets of the Fund.

The Manager will receive fees for managing the investment portfolio of the Fund and is entitled to be reimbursed for all expenses and liabilities which are properly incurred by it in connection with the activities of the Fund. See "Fees and Expenses".

The Trustee

Corton acts as the Trustee of the Fund under the Declaration of Trust. The Trustee will be required to resign in certain circumstances or may be removed by Extraordinary Resolution (as defined below) of the Unitholders in the event the Trustee is in material breach or default of the Declaration of Trust and,

if capable of being cured, such breach or default has not been cured within twenty (20) Business Days' notice of such breach or default. Any such resignation or removal shall become effective only upon the appointment of a successor trustee. If the Trustee resigns or is removed by Unitholders, the appointment of its successor must be approved by Unitholders. If, after the resignation of the Trustee, no successor has been appointed within ninety (90) days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee. If no successor has been appointed by the court within 90 days of the date of any such court application by the Trustee or any Unitholders, the Declaration of Trust and the Fund shall be terminated. The Trustee (or any replacement thereof) must at all times be a resident of Canada for the purposes of the Tax Act.

The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties thereunder except in cases of wilful misconduct, bad faith, gross negligence or material breach or default by the Trustee of its obligations under the Declaration of Trust or in cases where the Trustee fails to act honestly and in good faith and in the best interests of Unitholders to the extent required by laws applicable to trustees, or fails to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

Corton will receive no fees in respect of the provision of services as Trustee and will only be entitled to reimbursement of out-of-pocket expenses properly incurred by it on behalf of the Fund in connection with its duties as Trustee.

FEES AND EXPENSES

Management Fee

As compensation for its management services, the Manager will receive a management fee from the Fund in an amount equal to 2% per annum of the Net Asset Value attributable to the Class A Units and 1.0% per annum of the Net Asset Value attributable to the Class F Units calculated and payable on each Valuation Date (as defined below) in arrears, plus applicable taxes. See "Fees and Expenses".

Performance Fee

The Fund will pay to the Manager a performance fee, plus applicable taxes, which is calculated and accrued on a quarterly basis (the "**Performance Fee**"). The Performance Fee for Class A Units and Class F Units in respect of a calendar quarter is equal to fifteen percent (15%) of the positive return of each Class of Units (i.e., the amount by which the Net Asset Value per Unit of the relevant Class increased during such quarter) including, for greater certainty, the aggregate amount of all distributions declared on the relevant Class during such quarter.

The Performance Fee payable in respect of Units of a particular Class will be deducted from the Net Asset Value of such Class and, in the case of a redeemed Unit, will be deducted from the redemption proceeds otherwise payable.

Performance Fees, if any, are applied to each Class of Units separately. In the event that the Fund does not generate a positive return on investment in respect of a Class of Units for a calendar quarter (a "**Deficiency**"), then no Performance Fee will be paid for that quarter and the amount of the Deficiency will be added to any cumulative Deficiency of the Class for the prior calendar quarter. For greater certainty, no Performance Fee will be paid to the Manager in respect of a Class of Units for any calendar quarter unless there is a positive performance for the Class as of the end of such quarter and the positive

performance of the Class of Units exceeds the amount of any cumulative Deficiency from any prior calendar quarter.

Fund Expenses

The Fund shall be liable for, and the Manager shall be entitled to reimbursement from the Fund for, all costs and operating expenses (the “**Operating Expenses**”) actually incurred in connection with the business of the Fund, including but not limited to:

- (a) administrative fees and expenses of the Fund, which include fees payable to the Manager, fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund’s bank accounts, custodial, prime broker and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, the cost of consulting, research, organizational costs, regulatory filing fees and all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund along with all reasonable extraordinary or non-recurring expenses; and
- (b) fees and expenses relating to the Fund’s portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders, brokerage fees, commissions and expenses, banking fees, interest expenses and taxes of all kinds to which the Fund are subject.

Dealer Compensation

There is no commission payable to the Manager in respect of Units purchased directly by a subscriber through the Manager in its capacity as an exempt market dealer. A subscriber may pay a negotiated fee if purchasing Class A Units through a registered dealer. Any such fee will be payable by the purchaser directly to the dealer.

In respect of Class A Units, the Manager will pay registered dealers and advisors a servicing commission based on the aggregate market value of their clients’ investment in Class A Units of the Fund, at an annualized rate of up to 1%, calculated monthly and paid on a quarterly basis in arrears approximately twenty (20) days after the determination of the quarter-end Net Asset Value of the Class A Units. A registered dealer or advisor is entitled to such fees in respect of Class A Units for so long as the assets remain in the Fund with such dealer. The Manager pays this fee out of its own assets and is not reimbursed for these payments.

Subject to applicable law, the Manager may pay a rebate, negotiated referral fee or trailing commission to subscribers, dealers or other persons (as applicable) in connection with a sale of any Units, provided in the case of payments to dealers, subscribers are advised in writing by the selling dealer of any such fee at or prior to the time of investment.

PURCHASE OF UNITS

General

The Fund is offering an unlimited number of Class A Units and Class F Units on a continuous basis in the Province of Ontario. The Units are being distributed on a basis that is exempt from the requirement

that the Fund file prepare and obtain a receipt for a prospectus from the Ontario Securities Commission. Closings may occur at the discretion of the Manager on each Valuation Date, subject to applicable law.

Pursuant to the Declaration of Trust, Units cannot be held by an investor that would be a “designated beneficiary” for the purposes of Part XII.2 of the Tax Act while the Fund does not qualify as a “mutual fund trust” for purposes of the Tax Act. At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units. No more than 45% of the Units may be held by “financial institutions”, all for purposes of the Tax Act. See “Ownership Restrictions”.

Prospectus Exemptions

The Units are being sold only on a private placement basis by the Manager and by other qualified dealers, pursuant to available exemptions from the prospectus requirement in the Province of Ontario.

Prospective investors will be required to make certain representations in the subscription agreement and the Manager will rely on such representations to establish the availability of an exemption from the prospectus requirement. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

Subscription Procedure

Prospective investors who wish to subscribe for Units must complete, execute and deliver the subscription agreement which accompanies this Offering Memorandum to their registered dealer or the Manager, together with a cheque (or other form of funds transfer acceptable to the Manager) representing payment of the subscription price. Subscription forms and cleared funds received at least one Business Day prior to the end of a month (or such other date as may be determined by the Manager) will be accepted as of the Valuation Date in such month. Subscriptions received after that date will be accepted as of the next Valuation Date. Units will be deemed to be issued on the next Business Day based on the Net Asset Value per Unit on such Valuation Date. See “Valuation of Assets and Computation of Net Asset Value.”

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction.

Minimum Initial and Additional Subscription Amounts

For “accredited investors” as such term is defined in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”) and section 73.3 of the *Securities Act* (Ontario), the minimum initial subscription amount is \$25,000 for Class A Units and Class F Units or such lesser amount at the Manager on behalf of the Fund may accept.

For non-individual investors who do not qualify as “accredited investors”, the minimum subscription amount is \$150,000, payable in cash for Class A Units and Class F Units.

Additional subscriptions for Units shall be for not less than \$5,000 provided that, for non-accredited investors, the investor holds Units with a minimum value of \$150,000 at the time of additional investment.

Offering Price

Units of each Class will be issued at the Net Asset Value per Unit of the applicable Class as of the applicable Valuation Date.

REDEMPTION OF UNITS

Redemption at the Option of the Unitholder

Units may be surrendered for redemption by Unitholders on each Valuation Date provided that the Fund Administrator receives notice of such redemption in writing on or before the date that is at least seven (7) calendar days prior to the applicable Valuation Date (the “**Redemption Date**”). To ensure notice is received by the Fund Administrator, the Unitholder should contact the Manager (if the Unitholder originally subscribed for Units directly from the Fund) or the Unitholder’s investment advisor or dealer.

A Unitholder who surrenders a Unit for redemption will be entitled to receive an amount equal to the Net Asset Value per Unit determined as of the Redemption Date less any brokerage fees and commissions (the “**Redemption Price**”), and should expect to receive payment of the Redemption Price on or about the tenth (10th) Business Day following the applicable Redemption Date.

In the event that a Unitholder seeks to redeem Units comprising twenty-five percent (25%) or more of the Net Asset Value of the Fund on any Redemption Date, the Manager has the discretion to satisfy the payment of the Redemption Price by distributing the assets of the Fund to the redeeming Unitholder *in specie*.

A Unitholder who has purchased Units through a investment advisor or dealer should obtain further information from his or her investment advisor or dealer to determine the timing and other procedural requirements of such investment advisor or dealer in connection with the redemption of Units.

Redemption of Units at the Option of the Manager

Units may be redeemed by the Fund at any time on not less than five (5) days’ prior notice at a price per Unit equal to the Net Asset Value per Unit of the applicable Class determined as of the date scheduled for redemption less any applicable fees and commissions.

RESALE RESTRICTIONS

The distribution of Units in the Province of Ontario is being made pursuant to this Offering Memorandum on a private placement basis and is exempt from the requirement that the Fund prepare and obtain a receipt for a prospectus with Ontario Securities Commission. Accordingly, any resale of the Units that is permitted pursuant to the Declaration of Trust must be made in accordance with applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with, or pursuant to exemptions from the prospectus requirements.

Furthermore, no transfer of Units may be effected unless the Manager, in its sole discretion, approves both the transfer and the proposed transferee. There is no market for the Units and no market is expected to develop, therefore it may be difficult or even impossible for the Unitholder to sell or transfer their Units.

Prospective investors are advised to consult with their legal advisors concerning restrictions on resale and are further advised against reselling or transferring their Units until they have determined that any such resale or transfer is in compliance with the requirements of applicable securities law and the Declaration of Trust.

OWNERSHIP RESTRICTIONS

The Manager may, in its sole discretion, limit participation in the Fund by non-residents. Each prospective Unitholder is required, upon request by the Manager, to provide evidence that they are not a non-resident of Canada within the meaning of the Tax Act. In the event a Unitholder fails to comply with such a request, or if the Manager otherwise determines that a Unitholder no longer satisfies such requirements, the Manager, by written notice directly to such Unitholder may redeem all Units held by such a Unitholder at a redemption price determined in accordance with the section entitled “Valuation of Assets and Computation of Net Asset Value” set forth below.

VALUATION OF ASSETS AND COMPUTATION OF NET ASSET VALUE

The Manager is responsible for the determination of the Net Asset Value of the Fund as well as the determination of the Net Asset Value of each Class of Units and the Net Asset value per Unit. The Manager has appointed SGGG Fund Services Inc (in such capacity, the “**Valuation Agent**”) to calculate the Net Asset Value of each Class of Units and Net Asset Value per Unit of each Class of the Fund as at 4:00 p.m. (Toronto time) (the “**Valuation Time**”) on the last Business Day of each month and as of any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value (each, a “**Valuation Date**”).

The Net Asset Value of the Fund, as of any Valuation Date, shall equal the aggregate value of the property and assets of the Fund held in trust by the Trustee pursuant to the terms of the Declaration of Trust (the “**Fund Property**”), less an amount equal to the liabilities of the Fund as of that Valuation Date. The Net Asset Value per Unit of a Class shall be calculated by dividing the Net Asset Value of the Fund attributable to each Class of Units on the Valuation Date by the number of Units of each Class then outstanding (the “**Net Asset Value per Unit**”), prior to any issuance or redemption (including any exchange) of Units of such Class to be processed by the Fund immediately after the Valuation Time on that Valuation Date.

For the purpose of calculating Net Asset Value of the Fund on a Valuation Date, the Fund Property, and any short positions, of the Trust on such Valuation Date will be determined as follows:

- (a) the value of any cash or its equivalent on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Fund, as applicable, on a date before the Valuation Date as of which the Net Asset Value is being determined, and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof provided that if the Manager or the Valuation Agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Fund, as applicable, on a date before the Valuation Date as of which the Net Asset Value is being determined, and to be received) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager or the Valuation Agent determines to be the fair market value thereof;

- (b) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Valuation Agent) will be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Valuation Agent such value does not reflect the value thereof and in which case the latest offer price or bid price will be used), as at the Valuation Date on which the aggregate value of the Fund Property is being determined, all as reported by any means in common use;
- (c) the value of any bonds, debentures and other debt obligations will be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities on a Valuation Date at such times as the Valuation Agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- (d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;
- (e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the total assets are being determined as determined by the Manager or Valuation Agent (generally such asset will be valued at cost until there is a clear indication of an increase or decrease in value);
- (f) any market price reported in currency other than Canadian dollars shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager or Valuation Agent including, but not limited to, their respective affiliates;
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount if deemed appropriate as determined by the Manager or Valuation Agent and investments in other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the Manager or Valuation Agent; and
- (h) the value of any security or property to which, in the opinion of the Manager or Valuation Agent (in consultation with the Manager), the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the Manager or Valuation Agent, in consultation with the Manager, from time to time adopts.

For the purposes of the foregoing rules, quotations may be obtained from any report in common use, or from a reputable broker or other financial institution, provided always that the Manager shall retain sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Fund, including the use of a formula computation.

For the purposes of the foregoing rules, any values or quotations that are supplied to the Valuation Agent by a third party acceptable to the Manager including without limitation the Manager or any of its agents may be relied upon by the Valuation Agent. The Valuation Agent shall not be required to make any

investigation or inquiry as to the accuracy or validity of such values or quotations and shall be held harmless and shall not be responsible nor held liable whatsoever for any loss or damage in so relying.

The Net Asset Value per Unit will be calculated in accordance with the rules and policies of the Canadian securities administrators or in accordance with any exemption therefrom that the Fund may obtain (“**Transaction Net Asset Value**”). The Net Asset Value per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian GAAP (“**GAAP Net Asset Value**”). The GAAP Net Asset Value will be used for financial statement reporting purposes and a reconciliation between GAAP Net Asset Value and Transaction Net Asset Value will be included.

DISTRIBUTIONS TO UNITHOLDERS

The Fund does not currently intend to pay regular cash distributions but may do so in the future. Distributions will only be paid to the extent that the Trustee determines that it would be advantageous for the Fund to make such distributions.

It is the Fund’s policy to distribute annually to investors sufficient income and capital gains (net of applicable losses) so that it effectively will not pay any Canadian federal income tax under Part I of the Tax Act. The Fund will distribute its annual taxable income and net realized capital gains to Unitholders by December 31 of each year and at such other times as determined by the Manager. All such distributions of the Fund will be automatically reinvested, without charge, in additional Units at the Net Asset Value per Unit and on the date of each distribution the Units will be automatically consolidated into that number of Units outstanding immediately prior to the distribution. Accordingly, the effect of such distributions will generally be to increase the adjusted cost base of the Units, not the number of Units outstanding.

MEETINGS OF UNITHOLDERS

The Fund does not intend to hold annual meetings of Unitholders. The Manager may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding twenty-five percent (25%) or more of Units outstanding. Each Unitholder is entitled to one vote for each Unit held. A quorum for ordinary meetings of Unitholders will consist of two or more Unitholders present in person or represented by proxy and representing not less than twenty-five percent (25%) of Units outstanding. If a quorum is not present at a meeting within thirty (30) minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not more than ten (10) days later, selected by the Manager and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Certain matters require the approval of Unitholders by extraordinary resolution (an “**Extraordinary Resolution**”). An Extraordinary Resolution is a resolution passed by Unitholders holding not less than seventy-five percent (75%) of Units voting thereon at a meeting duly convened for the consideration of such matter. A quorum for any meeting convened to consider a matter requiring the approval of Unitholders by Extraordinary Resolution will consist of two or more Unitholders present in person or represented by proxy and representing not less than ten percent (10%) of Units then outstanding.

The matters which require Unitholder approval by Extraordinary Resolution include the removal of the Trustee or the Manager, the termination of the Fund and certain matters described below under “Amendments to the Declaration of Trust”.

AMENDMENTS TO THE DECLARATION OF TRUST

Except as described below, the Declaration of Trust may only be amended with the consent of Unitholders. Changes, in any manner, to the investment objective of the Fund or the liability of any Unitholder require approval by Extraordinary Resolution.

The Manager is entitled, without the consent of Unitholders, to make certain amendments to the Declaration of Trust to make any change or correction which is of a typographical nature or is required to cure or correct a clerical omission, for the purpose of curing an ambiguity in the Declaration of Trust, for the purpose of supplementing any provision which may be defective or inconsistent with another provision, purpose of compliance with applicable law, for the purpose of conforming the Declaration of Trust with current administrative practice or to provide additional protection to Unitholders. Such amendments may be made only if they will not materially, adversely affect the interest of any Unitholder. The Manager may also amend the Declaration of Trust to change the investment strategies and/or restrictions of the Trust without Unitholder approval. Any amendments made by the Manager without the consent of the Unitholders will be disclosed in the next regularly scheduled report to Unitholders. In addition to any other provision in the Declaration of Trust, Unitholders will be given not less than sixty (60) days written notice before any of the following changes may be implemented:

- (a) a material change to the Declaration of Trust or to any management agreement executed by the Manager on behalf of the Fund;
- (b) a change of the Manager, or the delegation by the Manager of day-to-day management responsibilities for the business and affairs of the Fund to another entity, other than to an affiliate or subsidiary of the Manager in which case no prior notice is required;
- (c) a change in the fundamental investment objective of the Fund; or
- (d) a decrease in the frequency of calculating the Net Asset Value.

TERMINATION OF THE FUND

The Fund will continue until the removal or resignation of the Trustee or the Manager as described under “Management of the Fund” or the Manager determines to terminate the Fund. The Manager, may, in its discretion, terminate the Fund without the approval of Unitholders if, in the opinion of the Manager, the Net Asset Value of the Fund is reduced as the result of redemptions or otherwise so that it is no longer economically feasible to continue the Fund and it would be in the best interests of the Unitholders to terminate the Fund. The Fund will provide Unitholders with notice in writing no less than thirty (30) days and no more than sixty (60) days prior to such termination.

Upon the termination of the Fund, the Manager will sell or redeem or cause to be sold or redeemed all investments which then form part of the Fund Property and, after paying outstanding liabilities (including any payments owing to the Manager), the Fund will distribute its remaining assets attributable to each Class of Units *pro rata* to the Unitholders of such Class. The remaining assets of the Fund may be distributed *in specie*, it being in the absolute discretion of the Manager which assets are distributed *in specie* and, for such purposes, Fund Property need not be distributed *pro rata*.

AUDITORS

Deloitte LLP, Toronto, Ontario (the “**Auditor**”) has been appointed by the Manager to act as the auditor of the Fund. The Manager may change the Auditor of the Fund from time to time upon prior written notice to the Unitholders.

ADMINISTRATOR

SGGG Fund Services Inc. (the “**Fund Administrator**”) has been appointed by the Manager to provide valuation and fund administration services to the Fund pursuant to a fund administration agreement dated as of December 27, 2023 (the “**Fund Administration Agreement**”). The Fund Administrator has its principal place of business in Canada at 1200, 60 Yonge Street, Toronto, Ontario, M5E 1H5. The Fund Administrator’s telephone number is 416-967-0038 and its facsimile number is 416-967-1969.

The Fund Administrator will also act as the Valuation Agent in connection with the calculation of the Net Asset Value of the Fund, the Net Asset Value per Unit of each Class and subscription and redemption prices for Units, maintaining the accounting books and records of the Fund, maintaining the register of Unitholders of the Fund and processing subscriptions, redemption requests and transfer requests. The Fund Administrator may, at its own expense, appoint an agent or delegate to perform any of the aforementioned services.

The Fund Administration Agreement contains certain disclaimers of liability by the Fund Administrator, for example, in calculating the Net Asset Value of the Fund the Fund Administrator may use pricing information supplied by the Manager (or any affiliate thereof), pricing services, brokers, market makers or other intermediaries and will not be liable for any loss suffered by the Fund by reason of any error in calculation resulting from any inaccuracy in the information provided.

The Fund Administrator will not be responsible for ensuring that the investment transactions comply with the investment objectives and policies set forth in this Offering Memorandum. The Fund Administrator will not be liable for the failure by the Manager to adhere to any investment objective, investment policy, investment restrictions or borrowing restrictions for or imposed upon the Fund.

The Manager, and not the Fund Administrator, is responsible for determining that the Units of the Fund are marketed and sold in compliance with all applicable securities and laws.

The Fund Administrator may terminate its relationship with the Fund, and the Fund may terminate its relationship with The Fund Administrator, at any time upon at least sixty (60) days’ prior written notice to the other party (or upon such shorter notice as the other party may agree to accept). The administration agreement may also be terminated immediately by either party under certain circumstances.

PRIME BROKER AND CUSTODIAL ARRANGEMENTS

Interactive Brokers Group Inc., Toronto, Ontario acts as the custodian and prime broker for the assets of the Fund (the “**Prime Broker**”) pursuant to the terms of a prime brokerage agreement (the “**Settlement Services Agreement**”). The Prime Broker will be responsible for the safekeeping of all of the investments and other assets of the Fund delivered to it and will act as the custodian of such assets, other than assets of the Fund transferred to another entity, as the case may be, as collateral or margin. The Prime Broker may also provide the Fund with financing lines and short-selling facilities.

The Settlement Services Agreement entered into between the Fund and Prime Broker contains provisions governing where the assets of the Fund will be held, the manner in which the Fund's assets will be held, the standard of care of the Prime Broker and the responsibility for loss of the Fund's assets. The Settlement Services Agreement permits the appointment of sub-custodians of the Fund's assets by the Prime Broker.

An escrow bank account is maintained at the Bank of Montreal for the trust account which receives subscription funds on behalf of the Fund. This trust account is used to process subscriptions and redemptions of Units of the Fund. All funds being transferred from the escrow account into the custodial (prime brokerage) accounts maintained at Interactive Brokers Group Inc. and any other custodial arrangements entered into by the Manager, require the approval of the Manager and the Fund Administrator. All funds leaving the custodial accounts require written as well as verbal approval by the Manager. All redemptions are satisfied by payment in exactly the same form as the original subscription was received without exception (i.e. identical name and form of payment) and require written approval by the Manager and the Fund Administrator. Funds in the escrow account are limited to subscriptions and redemptions.

In selecting the Prime Broker to act as custodians of the Fund's assets, the Manager considered such factors as: (i) ease of execution and speed of access to the markets on which the assets of the Fund are traded; (ii) the size, financial stability and strength of each Prime Broker; (iii) the reduction of risk of loss to the Fund's assets through the selection of more than one prime broker to act as custodian; and (iv) the laws and regulations to which each Prime Broker is subject in its principal jurisdiction.

Although the Manager believes that the selection of large, financially sound and regulated prime brokers to act as custodians of the Fund's assets substantially reduces the risk of loss or misappropriation of the Fund's assets is in the best interests of the Fund, the assets of the Fund could potentially be at risk of loss in the event of (i) the insolvency of the Prime Broker or (ii) an error or negligence on the part of the Prime Broker resulting in a loss to the Fund which is not reimbursable to the under the terms of the Settlement Services Agreement.

The Manager monitors its custodial arrangements with the Prime Broker and may in the future appoint additional prime brokers and/or custodians if the Manager feels this is in the best interests of the Fund and will further reduce the risk of loss or misappropriation of the Fund's assets.

The Manager and Trustee will not be responsible for any losses or damages to the Fund arising out of any action or inaction of the Prime Broker or any sub-custodian holding the portfolio securities and other assets of the Fund.

REPORTS TO UNITHOLDERS

Audited annual financial statements of the Fund will be prepared and sent to Unitholders who elect to receive such financial statements in conformity with the provisions of National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as amended from time to time (“**NI 81-106**”). Unaudited interim financial statements of the Fund will be prepared and distributed to Unitholders at the sole discretion of the Manager.

The Manager will, within ninety (90) days of the end of the applicable fiscal year, forward to each Unitholder the audited financial statements for such fiscal year together with a report on taxable income or loss and distributions of cash to the Manager and the Unitholders for such fiscal period and tax information to enable each Unitholder to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

The annual financial statements of the Fund will be audited in accordance with Canadian generally accepted auditing standards by the Auditor. The Fund intends to rely on an exemption from the requirement to file its financial statements with the securities regulators pursuant to section 2.11 of NI 81-106. In order to rely on the exemption, the Fund will prepare and distribute its financial statements in accordance with the requirements of NI 81-106.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of February 13, 2024, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this offering. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all material times, is resident in Canada, deals at arm's length and is not affiliated with the Fund and holds Units as capital property (a "**Canadian Unitholder**"). Generally, Units will be considered to be capital property to a Canadian Unitholder provided that the Canadian Unitholder does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the provisions of the Tax Act and the regulations thereunder each as of February 13, 2024, the published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") publicly released prior to February 13, 2024 and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to February 13, 2024 (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as proposed, although there can be no assurance that the Tax Proposals will be enacted in their current form, or at all.. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations.

This summary assumes that none of the issuers of securities held by the Fund will be a "foreign affiliate" of the Fund or any Unitholder, or a non-resident trust that is not an "exempt foreign trust", each as defined in section 94 of the Tax Act. This summary also assumes that the Fund will not be: (i) a "SIFT trust" for the purposes of the Tax Act; (ii) a "financial institution" for the purposes of the tax Act; or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act. Provided that Units of, or other investments in, the Fund are not listed or traded on a stock exchange or other public market, the Fund is not expected to be a "SIFT trust" for the purposes of the Tax Act.

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

Status of the Fund

This summary is based on the assumption that the Fund will qualify at all times as a "unit trust" within the meaning of the Tax Act and that at all times its only undertaking will be the investing of its funds in property other than real property that is not capital property.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains. The Fund will generally be entitled to deduct, in computing its income in each taxation year, reasonable administrative expenses and fees incurred to earn income. The Fund should generally be entitled to deduct the reasonable costs incurred by it in connection with the issuance of Units on a five-year, straight-line basis, subject to proration for short taxation years. The Fund should also generally be entitled to deduct in computing its income for a taxation year the portion thereof that it pays or declares payable to Unitholders in the year. Provided the Fund makes distributions in each year of its net income and net realized capital gains as described under “Distributions”, it should generally not be liable in such year for income tax under Part I of the Tax Act.

The Fund will be required to include in its income for a taxation year all dividends received in the year on shares of corporations. The Fund will be required to include in its income for each taxation year, all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

Gains and losses realized by the Fund on the disposition of securities will generally be reported as capital gains and capital losses. The Fund has elected under subsection 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are “Canadian securities” as defined in the Tax Act) will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by the Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage between the derivative and the security being hedged and subject to the detailed rules in the Tax Act. Whether gains or losses realized by the Fund in respect of a particular security (other than a Canadian security) are on income or capital account will depend largely on factual considerations.

Notwithstanding the foregoing, the derivative forward agreement rules (the “**DFA Rules**”) in the Tax Act deem gains on the settlement of certain forward agreements (described as “derivative forward agreements”) to be included in ordinary income rather than treated as capital gains. The Tax Act exempts from the application of the DFA Rules currency forward contracts and certain other derivatives that are entered into to hedge foreign exchange risk in respect of an investment held as capital property.

Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

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

The Fund 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 Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund’s income, the Fund may

generally designate a portion of its foreign source income in respect of its Unitholders so that such income, and a portion of the foreign tax paid by the Fund, may be regarded as foreign source income of, and foreign tax paid by, the Unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

On a disposition of an investment held by the Fund that is capital property, the Fund will realize a capital gain (or capital loss) to the extent that the aggregate of the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such investment and any reasonable costs of disposition.

Capital gains which may arise upon the sale of securities in connection with redemptions of Units will be allocated to the redeeming Unitholder to the extent permitted by, and subject to the special limitations set out in, the Tax Act.

The Tax Act provides for a special tax on designated income of certain trusts (other than mutual fund trusts) which have designated beneficiaries. The Declaration of Trust prohibits an investment in Units by designated beneficiaries while the Fund does not qualify as a mutual fund trust and so it is not expected that Part XII.2 tax will be payable by the Fund.

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

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The non-taxable portion of the Fund’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 Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units, except to the extent such amount is the non-taxable portion of a capital gain of the Fund the taxable portion of which was designated to the Unitholder.

Provided that appropriate designations are made by the Fund, such portion of (a) the net realized taxable capital gains of the Fund, and (b) the taxable dividends received by the Fund on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply, including the enhanced dividend tax credit in respect of “eligible dividends” paid by Canadian corporations.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount which is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder’s income but will be a return of capital and the adjusted cost base of the Unitholder’s Units will be reduced by such amount.

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued at the time Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder’s share of income and gains of the Fund that accrued before the Units were acquired.

On the disposition or deemed disposition of a Unit, a Unitholder will generally realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of Units and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a Unitholder, when a Unit is 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 before that time. For this purpose the cost of Units that have been issued as a distribution or on the automatic reinvestment of income or distributions (as contemplated under "Distributions to Unitholders") will generally be equal to the amount of the distribution to the Unitholder that has been reinvested in Units.

One-half of any capital gain ("**taxable capital gain**") realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss ("**allowable capital loss**") realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

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

Tax Reporting

Generally, Unitholders will be required to provide information related to their citizenship, tax residence and, if applicable, their foreign tax identification number. If a Unitholder is identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of such Unitholder's investment in the Fund will generally be reported to the CRA unless the Units are held inside certain Registered Plans (as defined below). The CRA may provide the information to the relevant foreign tax authorities under exchange of information treaties or other agreements.

International Tax Reporting

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

U.S. Foreign Account Tax Compliance Act

The U.S. Foreign Account Tax Compliance Act ("**FATCA**") imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement ("**IGA**"), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax (as defined below) for Canadian entities, such as the Fund provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of

Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, holders of Units of the Fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of “Specified U.S. Persons” or certain non-U.S. entities controlled by “Specified U.S. Persons”, will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service (“IRS”). The Fund may be subject to FATCA Tax (as defined below) if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation.

ELIGIBILITY FOR INVESTMENT

The Fund is registered as a “registered investment” within the meaning of the Tax Act for registered retirement savings plans (“RRSPs”); registered retirement income funds (“RRIFs”), tax-free savings accounts (“TFSA”), first home savings accounts (“FHSAs”), registered education savings plans (“RESPs”), registered disability savings plans and deferred profit sharing plans (“DPSPs”) (collectively, “Registered Plans”).

To qualify as a “registered investment” for Registered Plans, the Fund must (i) hold only investments that are qualified for such plans; (ii) be a “unit trust” for the purposes of the Tax Act and (iii) have, as its only undertaking, the investment of its funds in property other than real property that is not capital property.

If, and so long as, the Fund is a registered investment for Registered Plans. Units will be qualified investments for trusts governed by such Registered Plans.

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

Plan Holders should consult with their own tax advisors to determine whether Units would be a “prohibited investment” for their TFSA, RRSP, RRIF, FHSA[, RDSP] or RESP, based on their particular circumstances.

RISK FACTORS

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

Risks Associated with an Investment in the Fund

Limited Ability to Liquidate Investment

There is no formal market for the Units and one is not expected to develop. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of redemption of their Units at any Valuation Date subject to the limitations described under "Redemption of Units". Unitholders may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under applicable securities law.

Use of Borrowed Funds to Finance Acquisition of Units

Prospective investors are not advised to finance the acquisition of Units through the use of borrowed money. Using borrowed money to finance the purchase of securities involves a greater risk than a purchase using the investor's cash resources only. If an investor borrows money to purchase Units, the investor's obligation to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the Units purchased declines.

Reliance on the Manager

The Fund relies on the ability of the Manager to manage the assets of the Fund. The Manager will make investment decisions upon which the success of the Fund will depend significantly. No assurance can be given that the investment approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if needed. Removal of the Manager will not terminate the Fund, but will expose Unitholders to the risks involved in whatever new investment management arrangements the replacement advisor is able to negotiate. In addition, the liquidation of positions held for the Fund as a result of the resignation or removal of the Manager may cause substantial losses to the Fund.

Not a Public Mutual Fund

Although the Fund is a "mutual fund" as defined in the securities legislation applicable in certain provinces, it does not operate in accordance with the requirements of National Instrument 81-102 – *Mutual Funds* and other policies and regulations of the securities regulatory authorities that are applicable to mutual funds that have offered securities under a prospectus and are reporting issuers. As a result, the Fund is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, each of the Manager and the Fund have become potentially more susceptible to operational risks through breaches of cyber security. A breach of cyber security refers to both intentional and unintentional events that may cause the Manager or the Fund to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may

involve unauthorized access to the Manager's or the Fund'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 Investment Manager's or the Fund's third-party service providers (e.g., administrators and custodians) or issuers that the Fund invests in can also subject the Manager and the Fund to many of the same risks associated with direct cyber security breaches.

Tax Related Risks

In determining its income for tax purposes, the Fund will generally treat gains or losses on the disposition of securities as capital gains and capital losses. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained.

If the Fund fails or ceases to qualify as a "registered investment" for Registered Plans under the Tax Act the income tax considerations described above under the heading "Eligibility for Investment" would be materially and adversely different in certain respects.

If the Fund holds property that is not a qualified investment for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans at the end of a month where the Fund is a registered investment for such plans, it may be subject to a penalty tax in respect of such holdings under Part X.2 of the Tax Act.

The return on the investment in Units of the Fund is subject to changes in Canadian federal, provincial and foreign tax laws, tax proposals, and other governmental policies or regulations as well as changes in governmental, administrative or judicial interpretation of the foregoing. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner that will fundamentally alter the tax consequences to investors of acquiring, holding or disposing of Units of the Fund.

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

If the Fund experiences a "loss restriction event", (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined for the purposes of the loss restriction rules in the Tax Act, unless the Fund qualifies as an "investment fund" for the purposes of those rules.

All Unitholders will be responsible for the preparation and filing of their own tax returns in respect of their investment in the Fund. Costs associated with the preparation and filing of such returns may be material. Potential investors should consult their own tax advisers for the specific Canadian federal and provincial and foreign tax consequences to them.

FATCA Compliance Risk

The governments of Canada and the United States have entered into an 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 U.S. tax law (the “**FATCA Tax**”) for Canadian entities such as the Fund, provided (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act (the “**Canadian Legislation**”), and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavor to comply with the requirements imposed under the IGA and the Canadian Legislation. Under the Canadian Legislation, Unitholders are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, will be provided by the Fund to the CRA and from the CRA to the IRS. However, the Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or the Canadian Legislation or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Fund would reduce the Fund’s distributable cash flow and Net Asset Value.

Possible Effect of Redemptions

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

Charges to the Fund

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

Potential Indemnification Obligations

Under certain circumstances, the Fund may be subject to significant indemnification obligations in respect of the Manager, the Trustee, the Fund Administrator, the Prime Broker, any sub-adviser or other parties. The Fund will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Fund’s Net Asset Value and, by extension, the value of the Units.

Lack of Independent Experts Representing Unitholders

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

Changes in Investment Strategy

The Manager may alter the Fund’s investment strategy without prior approval by the Unitholders if the Manager determines that such change in strategy is consistent with the Fund’s investment objective and

in the best interests of Unitholders. There is no guarantee that such a change in investment strategy will be profitable or will not cause losses for Unitholders.

Valuation of the Fund's Investments

While the Fund will be independently audited by the Auditor on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's securities and other investments may involve uncertainties and subjective determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Declaration of Trust.

No Involvement of Unaffiliated Selling Agent

No outside selling agent has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Trustee or the Manager.

Use of a Prime Broker to Hold Assets

Some or all of the Fund's assets may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Fund's assets in such accounts, which may result in a potential loss of such assets. As a result, the Fund's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded.

Securities Lending

The Fund may engage in securities lending. Although the Fund will receive collateral for the loans and such collateral is marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Potential Unitholder Liability

The Fund is a unit trust and, as such, the Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations or unitholders of trusts that have filed a prospectus in certain jurisdictions. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust will provide that no Unitholder, in its capacity as such, will be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons will look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and the Fund's property only will be subject to levy or execution. Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless out of the Fund's assets each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having limited liability.

The Declaration of Trust provides that the Manager will use reasonable means to cause the Fund's operations to be conducted in such a way as to minimize any such risk and, in particular, where feasible, to cause every written contract or commitment of the Fund to contain an express disavowal of liability of Unitholders.

In any event, it is considered that the risk of any personal liability of Unitholders is minimal in view of the anticipated equity of the Fund, and the nature of its activities. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

Risks Associated with the Fund's Portfolio

General Economic and Market Conditions

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

Counterparty Risk

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

The use of leverage as part of the Fund's investment strategies generally requires the Fund to post portfolio assets as collateral with a lender, borrowing agent, prime broker or other counterparty. Even if the counterparty is a qualified custodian under applicable securities laws, collateral posted with the counterparty may be comingled with the counterparty's assets and subject to greater risk of loss in the event (i) the counterparty becomes bankrupt; (ii) there is a breakdown in the counterparty's information technology systems; or (iii) due to the fraud, willful or reckless misconduct, negligence or error of the counterparty or its personnel. The Investment Manager has reviewed each counterparty's reputation, financial stability and relevant internal controls and has concluded that the counterparty's system of controls and supervision is sufficient to manage risks of loss to Fund assets in accordance with prudent business practice, having regard for the potential for the leverage strategies used by the Fund to hedge certain investment risks associate with, and/or enhance the returns of the Fund. See "Leverage" and "Prime Broker and Custodial Arrangements".

Liquidity of Underlying Investments

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

Fixed Income Securities

The Fund, to the extent that it holds fixed income securities, will be influenced by financial market conditions and the general level of interest rates in Canada. In particular, if fixed income investments are not held to maturity, the Fund may suffer a loss at the time of sale of such securities.

Equity Securities

To the extent that the Fund holds equity securities, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Fund. Additionally, the Fund will be holding foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Fund.

Currency Risk

Investment in securities denominated in a currency other than Canadian dollars will be affected by the changes in the value of Canadian dollar in relations to the value of the currency in which the security is denominated. Thus the value of securities within the Fund may be worth more or less depending on their susceptibility to foreign exchange rates. Although the Fund intends to hedge a substantial part of the foreign currency risk of the Fund there can be no assurances that such hedge will be effective.

Foreign Investment Risk

To the extent that the Fund invests in securities of foreign issuers, it will be affected by world economic factors and in many cases by the value of the Canadian dollar as measured against foreign currencies. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climate may differ, affecting stability and volatility in foreign markets. As a result, the Fund's value may fluctuate to a greater degree by investing in foreign equities, than if the Fund limited its investments to Canadian securities.

Options

Selling call and put options is a highly specialized activity and entails greater than ordinary investment risk. The risk of loss when purchasing an option is limited to the amount of the purchase price of the option, however investment in an option may be subject to greater fluctuation than an investment in the underlying security. In the case of the sale of an uncovered option there can be potential for an unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

Risks of Special Techniques

The special investment techniques that the Manager may use are subject to risks including those summarized below.

Short Sales

The possible losses to the Fund from a short sale of security differ from losses that could be incurred from a long position in the security. Losses from a short sale may be unlimited. Losses from a long

position are limited to the total amount of the investment. Short positions require the borrowing of stock from another party. A recall of borrowed stock could cause the Fund to close out a short position at a disadvantageous price.

Leverage

The Fund may use financial leverage by borrowing funds against the assets of the Fund. The use of leverage increases the risk to the Fund and subjects the Fund to higher current expenses. Also, if the Fund's portfolio value drops to the loan value or less, Unitholders could sustain a total loss of their investment.

Concentration

The Manager may take more concentrated positions than a typical fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Investment in the Fund involves greater risk and volatility since the performance of one particular sector, market, or issuer could significantly and adversely affect the overall performance of the Fund.

Liquidity

If the Fund is required to sell securities before its intended investment horizon, for example as a result of redemptions, the performance of the Fund could suffer. The Fund will be affected by those securities that are difficult to sell because they are not traded regularly. Difficulty in selling securities may result in a loss or a costly delay.

Hedging

Although a hedge is intended to reduce risk, it does not eliminate risk entirely and it is not always possible to implement a perfect hedge. A hedging strategy may not be effective. A hedge can also result in a loss in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) a cease trade order being issued in respect of the underlying security, (ii) the inability to maintain a short position, due to the repurchase or redemption of shares by the issuing company, (iii) disappearance of any conversion premium due to premature redemptions, changes in conversion terms or changes in an issuer's dividend policy, (iv) credit quality considerations, such as bond defaults and (v) lack of liquidity during market panics. To protect the Fund's capital against the occurrence of such events, the Manager will attempt to maintain a diversified portfolio.

Suspension of Trading

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

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

CONFLICTS OF INTEREST

When making investment decisions, the Manager has fiduciary duty to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent

person would 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 the following policies regarding conflicts of interest.

Investors should be aware that there will be occasions when the Manager, and its respective affiliates may encounter potential conflicts of interest in connection with the activities of the Fund. By acquiring Units, each Unitholder will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived, to the fullest extent permitted by law, any claim with respect to any liability arising from the existence of any such conflict of interest. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the Fund.

Identifying and Responding to Conflicts of Interest

When carrying out its responsibilities, there will be circumstances where material conflicts of interest may arise between the Manager, including its individual portfolio managers, and the Fund. In order to mitigate against these conflicts of interest, the Manager has adopted a personal trading code (the “**Personal Trading Code**”) which limits the personal trading activities which may be conducted by its employees, including without limitation, by prohibiting its employees from trading personally any securities or other instruments which the Manager has purchased on behalf of the Fund within a prescribed time period prior to and after such purchase, subject to certain limited exceptions.

In addition to adhering to the Personal Trading Code, all employees of the Manager are required to identify and report other potential conflicts of interest which may arise between the Manager and the Fund or any other clients of the Manager. Upon identifying a material conflict of interest of which a reasonable investor would be expected to be informed, the Manager will disclose, in a timely manner, the nature and extent of the conflict of interest to the Fund or other client whose interest conflicts with the interest identified.

Disclosure when Recommending Securities of Related or Connected Issuers

The securities laws of the Province of Ontario require registered portfolio managers and dealers, 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 portfolio managers and dealers, prior to trading with or advising their clients, to inform them of the relevant relationships and connections with the issuer of the securities. Potential investors should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

In this case, because the Manager is the Trustee of the Fund and earns fees from the ongoing management of the Fund’s investment portfolio, the Fund is considered both a related issuer and a connected issuer of the Manager. Details of this relationship and the fees earned by the Manager are fully disclosed under the headings “The Manager” and elsewhere in this Offering Memorandum.

Because the Manager is registered as both a portfolio manager and an exempt market dealer, potential conflicts of interest could arise in connection with its acting in both capacities. However, as an exempt market dealer, the Manager intends only to sell Units of the Fund and/or other pooled funds organized or managed by the Manager and will not be remunerated by the Fund and/or other pooled funds for acting in that capacity. Accordingly, there is no opportunity for a potential conflict to arise as there would be if, for example, the Manager also sold, or sought investors for, securities of unrelated issuers. The Manager’s relationship with any other pooled funds organized by the Manager will be fully disclosed to all potential investors.

Other than the Fund and other investment funds that are managed advised by Corton, the Manager does not have any related or connected issuers.

Standards to Ensure Fairness in the Allocation of Investment Opportunities

The investment objectives, strategies and restrictions of the Manager's clients may vary. In order provide a fair allocation of investment opportunities for all clients' accounts, including the Fund's, the Manager shall ensure that each client account is supervised separately and distinctly from its other clients' accounts. The Manager owes a duty to each client and, therefore, it has an obligation to treat each client fairly. It may be determined, however, that the purchase or sale of a particular security is appropriate for more than one client account, i.e. that particular client orders should be aggregated or "bunched", such that in placing orders for the purchase or sale of securities, the Manager may pool the Fund's order with that of another client or clients.

Simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, when bunching orders, and allocating block purchases and block sales, it is the Manager's policy to treat all clients fairly and to achieve an equitable distribution of bunched orders. All new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of the Manager's clients in a manner it considers to be fair and equitable, generally pro rata by available funds in each account. Price and commission will be allocated similarly in blocked or bunched orders. In the course of managing a number of discretionary accounts, there arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Under such conditions, as a general policy, and to the extent that no client will receive preferential treatment, purchases or sales will be allocated to client accounts in a manner similar to either:

- Pro rata by available funds of each account, or
- In proportion to order size.

Whichever method is chosen, it must be followed in the future where similar conditions exist. Where it is impracticable to ensure complete fairness, despite following these guidelines, every effort shall be made by the Manager to compensate at the next opportunity in order that every client, large or small, over time, receives equitable treatment in the filling of orders. In allocating bunched orders, the Manager uses several criteria to determine the order in which participating client accounts will receive an allocation thereof. Criteria for allocating bunched orders include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities.

In the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis in proportion to the order size. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, including the Fund.

The Manager will not knowingly direct any trade in portfolio securities, or instruct a dealer to execute a trade in portfolio securities between the Fund or any other client and the account of: (i) any "responsible person" of the Manager, (ii) the "associate" of any responsible person of the Manager, or (iii) any other client account managed by the Manager. The Manager will also not knowingly cause the Fund or any other client to provide a guarantee or loan to a responsible person or any associate of a responsible person. A "responsible person" means the Manager, each of its directors and officers, each of its employees, agents and affiliates (and each of such affiliates' directors, officers, employees or agents) who have access to, or

participate in formulating, any investment decisions made by the Manager on behalf of its clients. An “associate” of a responsible person means: (i) an issuer of which the responsible person holds voting securities carrying more than 10% of the voting rights; (ii) a partner of the responsible person; (iii) a trust or estate in which the responsible person has a substantial beneficial interest or serves as a trustee or in a similar capacity; and/or (iii) a member of the responsible person’s household.

Other present and future activities of the Manager and its affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, Corton will resolve such conflict in favour of the Fund or will avoid such Conflict.

STATEMENT OF RELATED AND CONNECTED ISSUERS

Applicable securities legislation require securities dealers and advisors, 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 advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal advisor.

The Fund is a related issuer of Corton. Corton will earn the Corton Management Fees and Performance Fees from the Fund. Please see “Fees and Expenses”.

Corton 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 advisors to inform their clients if the dealer or advisor has a principal shareholder, director or officer that is a principal shareholder, director or officer of another dealer or advisor and of the policies and procedures adopted by the dealer or advisor to minimize the potential for conflicts of interest that may result from this relationship.

At this time, Corton has no related registrants.

MANAGER’S POLICIES AND STATUTORY DISCLOSURE

Dispute Resolution Services

In the event that any dispute arises between the Fund or any Unitholder and the Manager regarding the portfolio management or other services provided by the Manager to the Fund or any Unitholder, and such dispute cannot be resolved by the Manager, independent dispute resolution or mediation services are available to the Fund or Unitholder, at the expense of the Manager, to mediate any such dispute.

Use of Client Brokerage Commissions

Brokerage Selection Process

Brokerage selection is a function of the accuracy, timeliness and value of advice and trade execution services provided to the Manager. Due to the nature of the Manager’s investment strategies, a portion of its trading is conducted through an order management system, which offers direct electronic access (DEA) to

all of the major Canadian securities markets as well as many other global markets. The Manager's order management system features a "smart order router" that automatically checks the bid/ask prices for orders entered on all relevant markets and routes the order to the market which offers the best price.

However, in some circumstances the Manager selects brokers to execute trades on our behalf and may pay higher commission rates for such brokerage services. When selecting brokers, the Manager always keeps its fiduciary duty in mind and seeks to ensure that the Fund receives the best execution possible. The following factors are considered, without limitation, when selecting such executing brokers:

- Quality of investment ideas and opportunities;
- Issuer-specific investment advice and knowledge;
- Industry-specific insight and knowledge;
- Trade execution abilities (including liquidity and liability capital);
- Facilitating access to issuer and industry research, analysts, and management teams;
- Accuracy and timeliness of issuer and industry information;
- Prevailing market conditions; and
- Regulatory restrictions relating to transacting with affiliates (if applicable).

Good Faith Determination

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager in exchange for brokerage business from the Fund. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Manager may nonetheless enter into such arrangements when: (a) such goods and services are used to assist with investment or trading decisions or with effecting securities transactions on behalf of the Fund; and (b) the Manager has made a good faith determination that the Fund receives reasonable benefit considering both the use of the goods and services and the amount of client brokerage commissions paid.

Permitted Goods and Services

The Manager only enters into soft dollar arrangements with brokers in respect of the following goods and services:

- **Order execution goods and services:** order execution and goods and services directly related to order execution (i.e. the Manager's order management system, algorithmic trading software and market data, and custody, clearing and settlement services, each to the extent that they assist, effect, or relate to the execution of orders and/or completion of a securities transaction), and
- **Research goods and services:** (i) advice relating to the value of a security or the advisability of effecting a transaction in a security, (ii) analyses or reports concerning securities, portfolio strategy or performance, issuers, industries, or economic or political factors and trends, and (iii) databases or software to the extent they are designed mainly to support the services referred to above. In addition to traditional research reports and publications, acceptable research goods and services may include quantitative analytical software, market data from feeds or databases, post-trade analytics from prior transactions, any aspects of the Manager's order management system that assists with the research process and conferences and seminars which provide research (but not the costs of travel/accommodations/entertainment associated with such conferences or seminars). Research goods and services are only acceptable to the extent they are received or used prior to the Manager's making an investment decision relating to such research;

in each case whether provided by the broker or a third party. The Manager does not acquire any such permitted goods or services from or through any of its affiliates.

Expense Allocation Policy

The Fund is responsible for its own expenses as described in this Offering Memorandum. Each other client of the Manager bears its own expenses as set forth in its respective investment management or other agreement with Corton or its affiliates. Expenses born by the other clients of Corton may differ from the expenses born by the Fund. In certain instances, the Fund may bear expenses that Corton has agreed to bear for one or more other clients. In other instances, the other clients may bear expenses that Corton has agreed to bear for the Fund.

Common expenses frequently will be incurred on behalf of the Fund and one or more other clients. Corton seeks to allocate those common expenses among the Fund and the other clients in a manner that is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., an incentive to favor accounts that pay higher incentive fees or amounts, or conflicts relating to different expense arrangements with certain clients). Under its current expense allocation policies, Corton generally expects to allocate common expenses among the Fund and the other clients pro rata based on relative assets under management. Corton may, however, use other methods to allocate certain common

expenses among the Fund and the other clients if it deems another method more appropriate based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by the Fund and the other clients from the product or service, or other relevant factors. Nonetheless, investors should note that the portion of a common expense that Corton allocates to the Fund for a particular product or service, may not reflect the relative benefit derived by the Fund from that product or service in any particular instance. Corton's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by Corton in good faith will be final and binding on the Fund.

Referral Arrangements

Subject to compliance with all applicable laws, Corton may enter into written referral arrangements whereby it pays a fee to a third party for the referral of a client to Corton or to one of the investment funds managed by Corton. No such payments will be made unless the referred investors are advised of the arrangement prior to the opening of their client account or any services being provided to the client in accordance with the requirements section 13.10 of National Instrument 31-103.

MATERIAL CONTRACTS

The only material contracts of the Fund are the Declaration of Trust relating to the Fund (the "**Material Contracts**"). A copy of such Material Contracts may be inspected by Unitholders at the principal office of the Manager during normal business hours. To the extent there is any inconsistency or conflict between any of the Material Contracts and this Offering Memorandum, the provisions of the Material Contracts shall prevail.

CURRENCY

Unless otherwise specified, all references herein to "\$" or dollars are references to Canadian Dollars.

ANTI-MONEY LAUNDERING

In order to comply with applicable Canadian legislation aimed at the prevention of money laundering, the Trustee and/or the Manager is required to take reasonable steps to establish the identity of its clients and, if there is cause for concern, make reasonable inquiries into the reputation of its clients. The Subscription Agreement contains detailed guidance on the identity verification documents and information which must be provided with the Subscription Agreement.

Release of Confidential Information

Under applicable anti-money laundering legislation, the Trustee, the Manager or the Fund Administrator may voluntarily release confidential information about Unitholders and, if applicable, about the beneficial owners of corporate Unitholders, to regulatory or law enforcement authorities if they determine to do so in their discretion.

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

PRIVACY POLICY

The Manager values the privacy of investors in the Fund. Set forth below are Corton's policies with respect to information such as the name, address, phone number, email address and tax identification number ("**personal information**") in relation to its clients and former clients, including the Unitholders, which the Manager collects, maintains and, where required, discloses. The Fund, the Trustee and the Manager collect personal information to enable them to provide Unitholders with services in connection with their investment in the Fund, to meet legal and securities regulatory requirements and for any other purpose to which they may consent in the future. The personal information of Unitholders is collected from the following sources:

- Subscription Agreements or other forms and documents submitted by Unitholders;
- transactions between Unitholders and the Manager and its affiliates; and
- meetings and telephone conversations with Unitholders.

Unless a Unitholder otherwise advises, by providing the Manager with their personal information they have consented to its collection, use and disclosure of their information for the purposes contemplated herein. The Manager collects and maintains personal information in order to provide Unitholders with the best possible service and allow it to establish their identity, protect the Manager from error and fraud, comply with applicable laws and assess their eligibility to invest in the Fund.

The Manager may disclose personal information to third parties, when necessary, and to its affiliates in connection with the services provided related to their subscription for Units of the Fund, including:

- financial service providers, such as banks and others used to finance or facilitate transactions by, or operations of, the Fund;
- other service providers to the Fund, such as accounting, legal, or tax preparation services; and
- taxation and securities regulatory authorities and agencies.

The Manager seeks to carefully safeguard the private information of its clients and, to that end, restricts access to personal information concerning clients only to those employees and other persons who need to know the information to enable Corton to provide services. Each employee of the Manager is responsible for ensuring the confidentiality of all personal information they may access.

Unitholders' personal information is maintained on the Manager's networks or on the networks of its service providers and is accessible at 21 Summer Breeze Drive, Carrying Place, Ontario, K0K 1L0. Personal information may also be stored on a secure off-site storage facility. Unitholders may access their personal information to verify its accuracy, to withdraw their consent to any of the foregoing collections, uses and/or disclosures being made of their personal information and may update their information by contacting the Manager at 416.627.5625 or at info@cortoncapital.ca. Please note that a Unitholder's ability to participate in the Fund may be impacted should the Unitholder withdraw its consent to the collection, use and disclosure of its personal information as outlined above.

Subscribers for Units resident in Ontario should be aware that the Fund is required to file with the Ontario Securities Commission a report setting out their name and address, the Class of Units issued, the date of issuance and the purchase price of Units issued to each subscriber. Such information is collected indirectly by the Ontario Securities Commission pursuant to the authority granted to it under securities legislation, for the purposes of the administration and enforcement of the securities legislation of Ontario. By submitting a Subscription Agreement, a subscriber for Units authorizes such indirect collection of the information by the Ontario Securities Commission. The following

official can answer questions about the Ontario Securities Commission's indirect collection of the information:

**Administrative Assistant to the Director of Corporate Finance
Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8086
Facsimile: (416) 593-8252**

INVESTORS' STATUTORY RIGHTS OF ACTION FOR RESCISSION AND DAMAGES

Rescission of Purchase

Pursuant to Ontario securities legislation, purchasers of securities of mutual funds may rescind their purchase within forty-eight (48) hours after receipt of the sale confirmation. Purchasers of mutual funds under a regular investment plan may have longer to cancel an order. Purchasers must exercise these rights within the prescribed time limits. Purchasers should refer to applicable provisions of the securities legislation or consult with their legal advisor for more details.

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum (such as this Offering Memorandum) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a "Misrepresentation". Where used herein, "**Misrepresentation**" means 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 any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

Ontario

Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**") provides that where an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer and a selling security holder on whose behalf the distribution is made; and a right of 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;
- (b) the issuer and the selling security holder will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) the defendant 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.

An issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation was: based on information that was previously publicly disclosed by the issuer; a misrepresentation at the time of its previous public disclosure; and not subsequently publicly corrected or superseded by the issuer prior to the completion of the distribution of the securities being distributed.

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

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

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 (accredited investor exemption) and section 2.10 (minimum amount 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 Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.
- (e) The foregoing summary is subject to the express conditions of the Ontario Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to and do not derogate from any other right that the purchaser may have at law.

A PERSON CONSIDERING AN INVESTMENT IN THE FUND SHOULD CONSULT ITS OWN FINANCIAL, LEGAL AND TAXADVISORS IN ORDER TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE FUND WITH RESPECT TO SUCH PERSON'S PARTICULAR SITUATION.