This Confidential Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. ***No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities offered hereby, and any representation to the contrary is an offence.***

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

August 15, 2024

AMENDMENT #1
TO THE CONFIDENTIAL OFFERING MEMORANDUM DATED JANUARY 1, 2024

CLASS A, CLASS F, FOUNDER CLASS A, and
FOUNDER CLASS F UNITS of

Theta™ Alpha Fund (the "Alpha Fund")
Theta™ Balanced Fund (the "Balanced Fund")
Theta™ Income Fund (the "Income Fund")

(the "**Funds**")

This Amendment dated August 15, 2024 (the "**Amendment**"), to the confidential offering memorandum dated January 1, 2024 (the "**Offering Memorandum**"), relating to the continuous offering of the Funds provides certain additional information relating to the Funds, and the Offering Memorandum should be read subject to this information. Unless otherwise defined in this Amendment, all capitalized terms have the same meaning as set forth in the Offering Memorandum or as otherwise defined within any of the respective Agreements discussed herein.

The section titled "Theta Trading Corporation" on page 23 of the Offering Memorandum is hereby deleted and replaced with the following:

THETA TRADING CORPORATION and THETA IQ CORPORATION

Theta Trading Corporation (is a corporation incorporated on August 15, 2019 under the *Canada Business Corporations Act* and its affiliate, Theta IQ Corporation (formerly, "Theta Funds Inc.") is a corporation incorporated on March 4, 2021 under the *Canada Business Corporations Act*. The principal shareholders of each corporation are:

a) Matthew Todman, Co-Founder, of Theta Trading Corporation and Theta IQ Corporation; and
b) Omar Khan, Co-Founder, of Theta Trading Corporation and Theta IQ Corporation;

(the "**Theta Principals**") each of whom are registered dealing representatives of Corton Capital Inc.

Pursuant to the Trademark License Agreement dated January 1, 2024, the Fund Manager pays a fee to Theta Trading Corporation for a license to use the trademarks THETA™ and Theta Trading™. As a result, when selling Units of a Fund to investors, each of the Theta Principals is directly incentivized by Corton Capital as dealing representatives of Corton Capital and will be indirectly incentivized through Theta Trading Corporation whenever trademark licensing fees are paid by Corton Capital to Theta Trading Corporation.

Pursuant to the Portfolio Management, Fund Management, and Distribution Agreement dated June 1, 2023, Theta IQ Corporation and the Fund Manager is paid a fee from Theta IQ Corporation to cover its expenses if the Management Fees and Performance Fees paid to the Fund Manager are lower than a minimum amount. The fees paid to the Fund Manager by Theta IQ Corporation pursuant to this agreement are not reimbursed by or charged to the Funds. As a result, when selling Units of a Fund to investors, each of the Theta Principals is directly incentivized by Corton Capital as dealing representatives of Corton Capital and will be indirectly incentivized to lower Theta IQ Corporation's fees it pays to the Fund Manager.

Theta Trading Corporation has invested seed capital into the Founder Class A Units of the Theta Alpha Fund. Pursuant to a Side Letter agreement entered into by Theta Trading Corporation and the Fund Manager on behalf of the Theta Alpha Fund, the Fund Manager will pay a portion of its Management Fee and Performance Fee to Theta Trading Corporation so long as its investment in the Founder Class A Units of the Theta Alpha Fund remains. As a result, when selling Units of a Fund to investors, each of the Theta Principals is directly incentivized by Corton Capital as dealing representatives and will be indirectly incentivized through Theta Trading Corporation when Theta Trading Corporation receives payments from the Fund Manager in respect of the seed capital it has provided the Theta Alpha Fund.

Neither Theta Trading Corporation, Theta IQ Corporation nor any of their affiliates are registered as an investment fund manager, exempt market dealer or portfolio manager. Upon 30 days' notice to Unitholders, the Trust Declaration may be amended by Corton Capital to appoint Theta Trading Corporation, Theta IQ Corporation, or an affiliate of either as successor Trustee and/or successor Fund Manager and at that time, any trademark licensing fees may be amended or cease.

The paragraph (c) of the section titled "***Investment Guidelines and Restrictions***" on page 25 of the Offering Memorandum is hereby deleted and replaced with the following:

(c) **Concentration Restrictions**: Each Fund will not directly, or indirectly through a publicly offered mutual fund or ETF, invest more than 25% of its Net Asset Value in the securities of a single company issuer. A company issuer is defined as an issuer that is not a mutual fund or ETF. If Corton Capital determines that a Fund's investment in a single company issuer, whether directly or indirectly through a publicly offered

mutual fund or ETF, represents more than 25% of a Fund's Net Asset Value, the applicable Fund will initiate an orderly liquidation to adjust the position accordingly subject to any adverse market conditions. Based on publicly available information, Corton Capital will look at each company issuer a mutual fund or ETF holds to determine what percentage of the applicable Fund each issuer in that mutual fund or ETF represents.

The day-to-day expected direct or indirect concentration in any single company issuer is expected to be approximately 7% to 10% of each Fund's Net Asset Value.

The investment portfolio of each Fund is expected to consist of a minimum of five company issuers at any time, however, each Fund's portfolio may be comprised entirely of cash or cash equivalents from time to time if Corton Capital deems it to be appropriate in the circumstances.

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

Two Day Cancellation Right

You can cancel your agreement to purchase Units. To do so, you must send a notice to each Fund by midnight on the second Business Day after you sign the agreement to buy the Units.

Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the Canadian provinces provides purchasers of securities, or requires purchasers of securities to be provided with, in addition to any other rights they may have at law, a remedy for damages or rescission, or both, where this Offering Memorandum any amendment to it and, in some cases, advertising and sales literature used in connection therewith contains a "**misrepresentation**". The term "misrepresentation" is generally defined under applicable securities legislation as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. A "**material fact**" is generally defined under applicable securities legislation as a fact that would reasonably be expected to have a significant effect on the market price or value of the offered securities. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. The rights discussed below are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

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. The following summaries of rights of action and/or rescission are subject to the express conditions of the applicable legislative provisions, which may be subject to change after the date of this Offering Memorandum, and purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor.

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 defenses 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); the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(b) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The 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.

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan) (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) together with any amendment to it, sent or delivered to a

purchaser contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for recession against the issuer or a selling security holder on whose behalf the distribution is made and has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or any amendment to it; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or any amendment to it.

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

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that person or company;

(b) no person or company is liable in an action for rescission or damages if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) no person or company, other than the issuer or selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in an action for damages, the defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on; and

(e) in no case shall the amount recoverable exceed the price at which the securities were offered to the public.

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

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;

(b) after the filing of the offering memorandum or any amendment to it and before the purchase of securities, on becoming aware of any misrepresentation, the person or company withdrew its consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it;

(c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from a report,

opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert; or (iii) the part of the offering memorandum or any amendment to it was not a fair copy of, or an extract from the report, opinion or statement of the expert;

(d) with respect to any part of the offering memorandum or of the amendment to the offering memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:

(i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or of the amendment to the offering memorandum fairly represented the person's or company's report, opinion or statement; or

(ii) on becoming aware that the part of the offering memorandum or of the amendment to the offering memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Financial and Consumer Affairs Authority of Saskatchewan and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of the amendment to the offering memorandum; or

(e) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.

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

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

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

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

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of a security to whom an offering memorandum or any amendment to it was required to be sent or delivered but was not sent or delivered in accordance with the Saskatchewan Act or the regulations to the Saskatchewan Act.

In Saskatchewan no action shall be commenced to enforce any of the foregoing rights more than

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) one (1) year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six (6) years after the date of the transaction that gave rise to the cause of action.

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

The foregoing summary is subject to the express provisions of the Saskatchewan Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Manitoba

Section 141.1 of *The Securities Act* (Manitoba) (the "**Manitoba 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 is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer and has a right of action for damages against: (i) the issuer; (ii) every director of the issuer at the date of the offering memorandum; and (iii) every person or company who signed the offering memorandum.

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

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

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

(b) in an action for damages, a defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation;

(c) the amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum; and

(d) no person or company will be liable if the person or company proves that the purchaser had knowledge of the misrepresentation.

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

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;

(b) after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report, opinion or statement.

No person or company, other than the issuer will be liable with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation.

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

In Manitoba, no action may be commenced to enforce any of the foregoing rights:

(a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in any other case more than:

(i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) two (2) years after the day of the transaction that gave rise to the cause of action, whichever occurs earlier.

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

The foregoing summary is subject to the express provisions of the Manitoba Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) (the "**Nova Scotia Act**") provides that where an offering memorandum (such as this Offering Memorandum) sent or delivered to a purchaser, together with any amendment to it, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a misrepresentation, the purchaser who purchases a security will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages against the seller, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, a right of rescission against the seller, provided that if the purchaser exercises its right of rescission

against the seller. If the purchaser exercises a right of recession, it will not have a right of action for damages against any aforementioned person or company.

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

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and

(c) the amount recoverable may not exceed the price at which the securities were offered to the purchaser under the offering memorandum or any amendment to it.

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

(a) the offering memorandum or any amendment to it was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent.

(b) after delivery of the offering memorandum or any amendment to it and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

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

No person or company is liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation.

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

In Nova Scotia, no action may be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three (3) years after the day of the transaction that gave rise to the cause of action.

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

The foregoing summary is subject to the express provisions of the Nova Scotia Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

New Brunswick

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

(a) the purchaser has a right of action for damages against the issuer, any selling security holder, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum; or

(b) where the purchaser purchased the securities from any aforementioned person, the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

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

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

(a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(c) in no case shall the amount recoverable exceed the price at which the securities were offered.

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

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent, and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge and consent;

(b) on becoming aware of any misrepresentation, the person withdrew its consent to the offering memorandum, and gave written notice of the withdrawal and the reason for it; or

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

No person, other than the issuer or selling security holder, will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from a report, an opinion or a statement of an expert, unless the person failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there was a misrepresentation.

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

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) one (1) year after the plaintiff first had knowledge of the facts giving rise to the cause of action; and

(ii) six (6) years after the date of the transaction that gave rise to the cause of action.

Similar rights of action for damages and rescission are provided in section 151 of the New Brunswick Act in respect of a misrepresentation in advertising or sales literature disseminated in connection with a trade of securities.

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

Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**") provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) that contains a misrepresentation (as defined in the PEI Act), without regard to whether he or she relied on the misrepresentation:

(a) a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum; and

(b) a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made.

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

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

(a) if the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages;

(b) no person is liable in an action for rescission or damages if that person proves that the purchaser had knowledge of the misrepresentation;

(c) in an action for damages, a defendant will not be liable for any part of the damages that it proves do not represent the depreciation in value of the securities resulting from the misrepresentation; and

(d) the amount recoverable must not exceed the price at which the securities purchased by the plaintiff were offered.

In addition, no person, other than the issuer and selling security holder, will be liable in action for damages if the person proves that:

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

(b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

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

No person, other than the issuer and selling security holder, will be liable in action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or not purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believe that there had been a misrepresentation.

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

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

Section 117 of the PEI Act provides that a person who is a purchaser of a security to whom an offering memorandum was required to be sent or delivered under Prince Edward Island securities laws but which was not sent or delivered as required has a right of action for damages or rescission against the issuer.

In Prince Edward Island, no action shall be commenced to enforce these rights of action more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three (3) years after the date of the transaction giving rise to the cause of action, whichever period expires first.

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

Northwest Territories, Yukon and Nunavut

Section 112 of the *Securities Act* (Northwest Territories, Yukon and Nunavut) (the "**Territorial Acts**") provides that if an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

(a) a right of action for damages against:

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum; and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against the parties in (i), (ii), (iii), and (iv) listed above;

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

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

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

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

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

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

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

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

(b) believed there had been a misrepresentation.

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

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

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

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

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

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

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

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

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

Newfoundland and Labrador

Section 130.1 of the Securities Act (Newfoundland and Labrador) provides that if an offering memorandum, such as this Offering Memorandum, together with any amendment to it or any record incorporated by reference in, or considered to be incorporated into an offering memorandum contains a misrepresentation and it was a misrepresentation at the time of purchase, a purchaser in the Province of Newfoundland and Labrador has, in addition to any other right that the purchaser may have under law and without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the Company, every director of the Company at the date of the offering memorandum, the Manager and every person or company who signed the offering memorandum (if applicable), for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Company (in which case the purchaser will cease to have a right of action for damages), provided that:

(a) no action will be commenced to enforce the foregoing rights:

(i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

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

(b) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(c) no person or company (other than the Company) will be liable if:

(i) the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Company that it was sent without the knowledge and consent of the person or company;

(ii) the person or company proves that the person or company, on becoming aware of any misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice of the withdrawal to the Company and the reason for it;

(iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or statement of an expert, the person or company proves that they did not have any reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and

(iv) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation;

(d) in an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(e) in no case will the amount recoverable exceed the price at which the Units were offered to the investor under the offering memorandum.

In addition, a person or company is not liable for a misrepresentation in forward-looking information if the person or company proves that:

(a) the offering memorandum contains reasonable cautionary language that is proximate to such information identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person or company has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

British Columbia, Alberta and Québec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require each Fund to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (accredited investor exemption) of NI 45-106 and to purchasers in British Columbia and Québec any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, each Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

(i) a person who, at the time the circular or notice was signed, was a director of the offeror,

(ii) a person or company whose consent has been filed under a requirement of the rules, but only with respect to reports, opinions or statements that have been made by them, and

(iii) a person, other than those persons referred to in subparagraphs (i) who signed a certificate in the circular or notice.

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*This Confidential Offering Memorandum ("**Offering Memorandum**") constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.* ***No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities offered hereby, and any representation to the contrary is an offence.***

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

January 1, 2024

CONFIDENTIAL OFFERING MEMORANDUM

CLASS A, CLASS F, FOUNDER CLASS A, and

FOUNDER CLASS F UNITS of

Theta™ Alpha Fund (the "Alpha Fund")
Theta™ Balanced Fund (the "Balanced Fund")
Theta™ Income Fund (the "Income Fund")

(the "**Funds**")

Each of the Theta Alpha Fund (the "**Alpha Fund**"), Theta Balanced Fund (the "**Balanced Fund**"), and Theta Income Fund (the "**Income Fund**", together with the Alpha Fund and the Balanced Fund, the "**Funds**"), is an open-end investment fund established as a trust under the laws of the Province of Ontario on January 1, 2024 and governed by a master declaration of trust dated on January 1, 2024, by Corton Capital Inc. ("**Corton Capital**", the "**Trustee**" or the "**Fund Manager**" as the context requires), as trustee, settlor and manager as the same may be supplemented, amended and restated from time to time (the "**Trust Declaration**").

Investment Objectives and Strategies

Theta Alpha Fund	The Alpha Fund will seek to generate superior investment returns over the long term through capital appreciation and income. To achieve its investment objectives, the Fund Manager shall take positions in listed North American securities and related options. The Alpha Fund may also transact in exchanged traded funds ("**ETFs**"). The Alpha Fund's portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening high quality stocks which may have potential for long-term capital appreciation and potentially above-market future earnings growth rate. The Alpha Fund may take core positions in North American securities and will implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk.
Theta Balanced Fund	The Balanced Fund will seek to generate superior investment returns over the long term, emphasizing capital appreciation, capital preservation and finally income generation.

	To achieve its investment objectives, the Balanced Fund shall be managed with the view of optimizing returns consistent with holding growth and income-oriented securities. The Balanced Fund, as part of its equity strategy, may take positions in listed North American securities,, and related options. The Balanced Fund may also transact in ETFs. The portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening stocks/fixed income products of high-quality companies with potential for long-term capital appreciation that may also pay a dividend. The Balanced Fund, as part of its fixed income strategy, may take positions in North American securities and debt instruments and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk.
Theta Income Fund	The Income Fund will seek to generate an income stream from written options, dividends and/or interest payments. The Income Fund may also seek to enhance investment returns over the long-term through capital appreciation. To achieve its investment objectives, the Income Fund shall be managed with the view of optimizing returns consistent with holding income-oriented securities. The Income Fund, as part of its equity strategy may take positions in listed North American securities, and related options. The Income Fund may also transact in ETFs. The Income Fund's portfolio is actively managed, and the Manager may utilize fundamental, technical, and quantitative approaches in screening stocks/fixed income products which may have potential for paying income (dividends, interest, and options premiums), and capital preservation. The Income Fund, as part of its fixed income strategy, may take positions in North American securities and debt instruments and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk.

The investment objectives, strategy and restrictions of each Funds are described in this Offering Memorandum. Corton Capital acts as the investment fund manager and portfolio manager to each of the Funds.

An investment in a Fund is represented by trust units (the "**Units**") of different Classes, each Class with equal rights and privileges. The Classes of Units of each Fund offered pursuant to this Offering Memorandum have the same investment objective, strategy and restrictions but may differ in respect of one or more features, such as yield, sales commissions, and servicing commissions.

An unlimited number of Units are being offered by each Fund on a continuous basis to an unlimited number of subscribers in each of the provinces and territories of Canada other than the Provinces of Newfoundland and Labrador, Prince Edward Island, and the Northwest Territories (the "**Offering Jurisdictions**") pursuant to exemptions from the prospectus requirements of applicable securities legislation described herein (the "**Offering**"). Units of each Funds may be purchased directly from Corton Capital in its capacity as exempt market dealer or through other Registered Dealers (as hereinafter defined) in the Offering Jurisdictions.

The minimum initial investment in each Fund is $1,000 for Class A, $1,000 for Class F Units and $1,000 for Founder Class A or Founder Class F Units, or in each case, such lesser amount as the Fund Manager may, in its discretion, permit. Subscribers resident in any Offering Jurisdiction must qualify as "accredited investors" (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* or in Section 73.3 of the *Securities Act* (Ontario)) ("**NI 45-106**") or meet the requirements for subscribers purchasing pursuant to other available exemptions from the prospectus requirement in the Offering Jurisdictions under NI 45-106.

Each Class of Units may be purchased on a daily basis as of 4:00 p.m. (Eastern Time) ("**Close of Business**") on a Business Day (as hereinafter defined) (each, a "**Subscription Date**") pursuant to exemptions from the prospectus requirements of applicable securities legislation initially at a subscription price of $10.00 per Unit and subsequent

purchases made thereafter at the applicable Class Net Asset Value per Unit (the "**Subscription Price**"). Fractional Units will be issued up to a maximum of four decimal places.

A "**Business Day**" is any day (A) that is not (i) a Saturday or Sunday, or (ii) on which any of the major banks in the city of Toronto, Ontario is open for business or such other day as the Fund Manager, in its discretion, may determine.

To initially subscribe for Units of a Fund, a subscriber must complete and return to each Fund Manager a subscription agreement (the "**Subscription Agreement**") together with payment of the aggregate Subscription Price for the Units being purchased in accordance with the deadlines specified below. A subscriber purchasing through a Registered Dealer should contact that Registered Dealer in order to understand the deadlines to deliver the completed Subscription Agreement to their Registered Dealer. In this case, the Registered Dealer will make arrangements on behalf of the subscriber to remit payment for the Units purchased to the Fund Manager.

In order for a subscription request for Units of a Fund to be processed as at a particular Subscription Date, delivery of the duly completed Subscription Agreement together with payment of the aggregate Subscription Price and any other required documents (the "**Subscription Package**") must be received by the Fund Manager by no later than the Close of Business one (1) Business Day prior to the relevant Subscription Date or, in each case, such other period permitted or required in the discretion of the Fund Manager (the "**Subscription Deadline**"). If the Subscription Package is received by the Fund Manager after the Subscription Deadline, the subscription order will be processed as of the next Subscription Date (i.e., the subscription will be processed as of the next Subscription Date). Certificates representing the purchased Units of a Fund will not be issued. Provided the Subscription Package is received by the Fund Manager before Subscription Deadline on a Business Day, a purchase order for Units of a Fund will be processed on the next Subscription Date.

Units will be issued at the sole discretion of the Fund Manager.

Provided Holders of Units ("**Unitholders**") deliver a properly completed notice of redemption (a "**Redemption Request**") five (5) Business Days prior to the date (the "**Redemption Date**) they wish to redeem their Units held (each, a "**Redemption**"), Unitholders may redeem all or any portion of their Units on the Redemption Date at the Class Net Asset Value per Unit determined as of the Close of Business on the Redemption Date. The Redemption Request must be provided to the Fund Manager by no later than 4:00 pm (Eastern Time), five (5) Business Days prior to the applicable Redemption Date (the "**Redemption Request Deadline**"). A separate written Redemption Request will be required with respect to each Redemption Date. In the event a Redemption Date is not a Valuation Date for any reason, the next Valuation Date will be applicable Redemption Date for the requested redemption. (see "Deferral or Suspension of Redemption").

Redemption Requests received after the relevant Redemption Request Deadline shall be deemed to have been received for, and will be processed as of, the next Redemption Date save in exceptional circumstances as determined by the Fund Manager in its absolute discretion and provided that the Redemption Requests are received before the Close of Business on the relevant Redemption Date.

If there is a misrepresentation in this Offering Memorandum, purchasers resident in the Offering Jurisdictions may, in certain circumstances, be provided with a remedy for rescission or damages.

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 a Fund.

There is no market through which the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the terms of the Trust Declaration and applicable securities legislation. Therefore, 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. As there is no market for the Units, it may be difficult or even impossible for a Unitholder to sell them. However, Units may be redeemed in accordance with the provisions of this Offering Memorandum.

There are certain additional risk factors associated with investing in the Units. Investors should consult with their own professional advisors to assess the income tax, legal and other aspects of the investment.

Each Fund is a related and connected issuer of Corton Capital under Applicable Securities Laws (as hereinafter defined).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that each Fund, solely in respect of itself, believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of each Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Fund Manager based on information currently available to such persons. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of each Fund to differ materially from those discussed in the forward-looking statements applicable to it, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, that Fund. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets, fluctuations in currency exchange rates and interest rates, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed in this Offering Memorandum. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by Applicable Securities Laws, each Fund disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Fund Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward- looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

SUMMARY

Prospective purchasers are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in a Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum. Capitalized terms not otherwise defined in this summary have the meanings ascribed to them in the Glossary.

Each Funds:	Each of the Theta Alpha Fund (the "**Alpha Fund**"), Theta Balanced Fund (the "**Balanced Fund**"), and Theta Income Fund (the "**Income Fund**"**,** together with the Alpha Fund and the Balanced Fund, the "**Funds**"**)** is an open-end investment fund established as a trust under the laws of the Province of Ontario on January 1, 2024 and operating pursuant to the Trust Declaration (as hereinafter defined).
Trustee, Fund Manager, and Portfolio Manager of each Fund:	Corton Capital Inc. ("**Corton Capital**" or the "**Fund Manager**") 21 Summer Breeze Drive Carrying Place, Ontario K0K 1L0 Corton Capital is the settlor, trustee, portfolio manager and investment fund manager to each of each Funds.
The Offering:	Subject to the subscription limit in respect of the Founder Class Units, an unlimited number of Class A, Class F, Founder Class A, and Founder Class F trust units (collectively, the "**Units**") of each Fund are offered hereunder on a continuous basis to an unlimited number of subscribers resident in or otherwise subject to the securities laws of each of the Offering Jurisdictions. Units of each of each Funds may be purchased directly from Corton Capital in its capacity as exempt market dealer or through other Registered Dealers (as hereinafter defined) in the Offering Jurisdictions. Units of each of each Funds are offered and sold pursuant to available exemptions from the prospectus requirements of the applicable securities legislation in the Offering Jurisdictions. Subscribers for Units must be "accredited investors" or qualify to purchase Units pursuant to another exemption from the prospectus requirement available under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45- 106**") or applicable securities laws in the Offering Jurisdictions (the "**Applicable Securities Laws**"). Subject to any adverse tax issues to each Fund and Applicable Securities Laws, and provided both the Founder Class A Units' and Class A Units' Net Asset Values are above the applicable High Watermark of the Fund, Founder Class A Units of the Fund will be consolidated into Class A Units of that Fund twenty-four (24) months from the date of that Fund's date of inception, subject to the Fund Manager's absolute discretion. A unitholder of a Fund may make additional investment in Units of that Fund in such amounts as the Fund Manager may in its discretion permit, provided that at such time the Unitholder is an accredited investor, or the investment may be made pursuant to another exemption from NI 45-106. Each Fund may, without notice to or consent from any Unitholder, cease offering any class of Units at any time and may issue additional classes or sub-classes of Units in each Fund that may have rights, obligations and/or privileges that are different from the rights, obligations and/or privileges applicable to the other classes

of Units (including with respect to offering periods, liquidity, fees, allocations and/or redemption) of each Fund. Each Fund may take any such actions with respect to all, or fewer than all, Unitholders or prospective Unitholders.

The Fund Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in each Fund and/or to discontinue the offering of Units at any time and from time to time. Each subscriber must satisfy applicable regulatory requirements.

At the discretion of the Fund Manager, subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted.

Class of Units Offered:	Each Fund currently offers four Classes of Units: Class A Units, Class F Units, and Founder Class Units. Each Class of a Fund has the same investment objective, strategy and restrictions but differs in respect of one or more of its features, such as yield, sales commissions, and servicing commissions. Founder Class Units and Class A Units may be purchased by all investors and may carry a front-end sales commission and may pay the Registered Dealer a trailing commission. Class F Units may be purchased by investors who are enrolled in a dealer sponsored fee-for-service or "wrap" program and who are subject to an annual asset-based fee.
Offering Price:	Each Class of Units will initially be offered on a continuous basis a subscription price of $10.00 per Unit and subsequent purchases made thereafter at the applicable Class Net Asset Value per Unit (the "**Subscription Price**"). Fractional Units will be issued up to a maximum of four decimal places.
Subscription Procedure:	To initially subscribe for Units of a Fund, a subscriber must complete and return to the Fund Manager a subscription agreement (the "**Subscription Agreement**") together with payment of the aggregate Subscription Price for the Units being purchased in accordance with the deadlines specified below. A subscriber purchasing through a Registered Dealer should contact that Registered Dealer in order to understand the deadlines to deliver the completed Subscription Agreement to their Registered Dealer. In this case, the Registered Dealer will make arrangements on behalf of the subscriber to remit payment for the Units purchased to the Fund Manager. Each Class of Units may be purchased on a daily basis as of 4:00 p.m. (Eastern Time) ("**Close of Business**") not less than one (1) Business Days (as hereinafter defined) prior to the desired subscription day (the "**Subscription Date**") pursuant to exemptions from the prospectus requirements of applicable securities legislation initially at a subscription price of $10.00 per Unit and subsequent purchases made thereafter at the applicable Class Net Asset Value per Unit (the "**Subscription Price**"). Fractional Units will be issued up to a maximum of four decimal places. In order for a subscription request for Units of a Fund to be processed as at a particular Subscription Date, delivery of the duly completed Subscription Agreement together with payment of the aggregate Subscription Price and any other required documents (the "**Subscription Package**") must be received by the Fund Manager by no later than the Close of Business one (1) Business Day prior

to the relevant Subscription Date or, in each case, such other period permitted or required in the discretion of the Fund Manager (the "**Subscription Deadline**"). If the Subscription Package is received by the Fund Manager after the Subscription Deadline, the subscription order will be processed as of the next Subscription Date (i.e., the subscription will be processed as of the next Subscription Date).

Certificates representing the purchased Units of a Fund will not be issued. Provided the Subscription Package is received by the Fund Manager before Subscription Deadline on a Business Day, a purchase order for Units of a Fund will be processed on the next Subscription Date.

Units will be issued at the sole discretion of the Fund Manager.

If a subscription request is rejected, all payments received with the request will be refunded promptly without interest or deduction. The Fund Manager may permit subscriptions in a Fund from investors outside of the Offering Jurisdictions in its sole discretion, provided it has determined that doing so complies with applicable law and will not have an adverse impact on each Fund or the existing Unitholders as a group.

INVESTMENT OBJECTIVES AND STRATEGIES OF THE FUNDS

Theta Alpha Fund

Investment Objectives

The Alpha Fund will seek to generate superior investment returns over the long term through capital appreciation, and income.

Investment Strategies

To achieve its investment objectives, the Fund Manager shall take positions in listed North American securities and related options. The Alpha Fund may also transact in exchanged traded funds ("**ETFs**"). The Alpha Fund's portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening high quality stocks which may have potential for long-term capital appreciation and potentially above-market future earnings growth rate. The Alpha Fund may take core positions in North American securities and will implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Alpha Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. The Fund Manager may, from time to time, observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning.

In pursuing its investment objective, the Alpha Fund will employ leverage (please refer to "*Use of Leverage"*).

There can be no assurances that the investment objective of the Alpha Fund will be achieved.

Theta Balanced Fund

Investment Objectives

The Balanced Fund will seek to generate investment returns over the long term, through capital appreciation, capital preservation, and income.

Investment Strategies

To achieve its investment objectives, the Balanced Fund shall be managed with the view of optimizing returns consistent with holding growth and income-oriented securities. The Balanced Fund, as part of its equity strategy, may take positions in listed North American securities, and related options. Each Fund may also transact in ETFs. The portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening stocks/fixed income products of high-quality companies with potential for long-term capital appreciation that may also pay a dividend. The Balanced Fund, as part of its fixed income strategy, may take positions in North American securities and debt instruments and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Balanced Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. The Fund Manager may, from time to time, observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning.

In pursuing its investment objective, the Balanced Fund will employ leverage (please refer to *Use of Leverage*).

There can be no assurances that the investment objective of the Balanced Fund will be achieved.

Theta Income Fund

Investment Objectives

The Income Fund will seek to primarily generate an income stream from written options, dividends and interest payments, with an outlook on income, capital preservation, and capital appreciation.

Investment Strategies

To achieve its investment objectives, the Income Fund shall be managed with the view of optimizing returns consistent with holding income-oriented securities. The Income Fund, as part of its equity strategy may take positions in listed North American securities, and related options. The Income Fund may also transact in ETFs. The Income Fund's portfolio is actively managed, and the Manager may utilize fundamental, technical, and quantitative approaches in screening stocks/fixed income products which may have potential for paying income (dividends, interest, and options premiums), and capital preservation. The Income Fund, as part of its fixed income strategy, may take core positions in North American securities and debt instruments and will implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Income Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. Lastly, the Fund Manager may from time to time observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning.

In pursuing its investment objective, the Income Fund will employ leverage (please refer to *Use of Leverage*).

There can be no assurances that the investment objective of the Income Fund will be achieved.

Use of Leverage:

Borrowing for investment purposes is known as "leverage". Leverage is defined as the absolute market value of all long positions and short positions divided by the net assets of the fund. Leverage may be employed using options and other derivative instruments. The investment strategies utilized in respect of each Fund may employ leverage when deemed appropriate by Corton Capital, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments.

While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a greater loss than if the investments were not levered.

Purchase Procedure:

To initially subscribe for Units of each Fund, a subscriber must complete and return to the Fund Manager a subscription agreement (the "**Subscription Agreement**") together with payment of the subscription price for the Class of Units being purchased. A subscriber purchasing through a Registered Dealer (as defined herein) should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to their dealer. In this case, the Registered Dealer will make arrangements on behalf of the subscriber to remit payment for the Units purchased to the Fund Manager.

In order for a subscription request to be processed at the Class Net Asset Value per Unit determined as at a particular Valuation Date, payment of the subscription price in addition to delivery of the duly completed Subscription Agreement and any other required documents (the "Subscription Package") must be received by the Fund by no later than the Close of Business one (1) Business Day prior to the applicable Subscription Date. Provided the Subscription Package is received by the Fund Manager before Subscription Deadline on a Business Day, a purchase order for Units of a Fund will be processed on the next Subscription Date (i.e., the subscription will be processed at the applicable Class Net Asset Value per Unit determined as of the next Valuation Date).

The Fund Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days of receipt of the Subscription Package. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

FEES AND EXPENSES RELATING TO AN INVESTMENT IN THE FUND

Management Fees: Each Fund pays Corton Capital a management fee (the "**Management Fee**") based upon the applicable Net Asset Value (as hereinafter defined) of each Class or Series of that Fund's Units. Management Fees for the classes of Fund Units noted below are paid by each Fund to Corton Capital in its capacity as trustee, investment fund manager and portfolio manager of that Fund:

Alpha Fund	**Management Fee**
Class A Units	2.50% of Net Asset Value
Class F Units	1.50% of Net Asset Value
Founder Class A Units	2.50% of Net Asset Value
Founder Class F Units	1.50% of Net Asset Value
Balanced Fund	
Class A Units	2.25% of Net Asset Value
Class F Units	1.50% of Net Asset Value
Founder Class A Units	2.25% of Net Asset Value
Founder Class F Units	1.50% of Net Asset Value
Income Fund	
Class A Units	1.75% of Net Asset Value
Class F Units	1.00% of Net Asset Value

The Fund Manager may execute side letters on different terms with individual Unitholders.

The Management Fee is calculated daily and paid monthly as at the last Business Day of each month and as at any other day as the Fund Manager may determine.

Performance Fees: Each Fund, other than the Income Fund, pays the Fund Manager a performance fee (the "**Performance Fee**") on the net new appreciation of each Class of each Fund, being the increase in the Net Asset Value of each applicable Class of that Fund above the prior highest Net Asset Value when a Performance Fee was previously paid in respect of that Class of that Fund. The Performance Fee in respect of a Class of Units of a Fund, is payable only on amounts that exceed the highest previous Net Asset Value for that Class of Units of the Fund (the "**High Watermark**"), regardless of how long ago the High Watermark was previously reached for that Class of Units.

For greater certainty, the Performance Fee in respect of a Class of Units of a Fund is payable only on amounts that exceed (a) the initial purchase price of that Class of the Fund and thereafter (b) the highest previous Net Asset Value for such Class of Units of the Fund when a Performance Fee was paid (the "**Period Performance**"). Once paid or accrued, the Performance Fee will reduce the Net Asset Value of such Class of Units of the Fund to which it applies.

The Performance Fee will be calculated and accrued for each class on each Business Day during each Period Performance.

The Performance Fee for a Class of Units of a Fund will be crystallized quarterly in arrears. During the quarter, in respect of each Fund, any accrued and unpaid Performance Fees participate in the increase in Net Asset Value of each Fund. The amount of any Performance Fee attributable to a Unit being redeemed is payable to the Fund Manager as of the date of the redemption.

Accrued Performance Fees for each Class of Units of a Fund will be deducted as an

expense of the applicable Class of Units which is included in the calculation of the Net Asset Value of that Class of Units each Business Day, resulting in a reduction of the Net Asset Value of the applicable Class of Units.

Alpha Fund	**Performance Fee**	**Exceptions**
Class A Units	20% of Period Performance	N/A
Class F Units	20% of Period Performance	N/A
Founder Class A Units	20% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Alpha Fund's inception.
Founder Class F Units	20% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Alpha Fund's inception.
Balanced Fund		
Class A Units	10% of Period Performance	N/A
Class F Units	10% of Period Performance	N/A
Founder Class A Units	10% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Balanced Fund's inception.
Founder Class F Units	10% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Balanced Fund's inception.

No Performance Fees will be charged to the Income Fund. The Fund Manager may execute side letters on different terms.

Establishment, Offering and Operating Expenses of each Fund

Each Fund is responsible for the costs of its own establishment and the offering of Units, including but without limitation, the fees and expenses of legal counsel to each Fund and each Fund's auditors. Each Fund is amortizing these costs over a five (5) year period following the date of the initial closing of the offering of Units.

Each Fund is responsible for the payment of ongoing fees and expenses relating to its operation. The operating fees and expenses to which each Fund is subject include, without limitation, trustee fees, audit, accounting, record keeping, legal fees and expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders and all taxes, assessments or other regulatory and governmental charges levied against each Fund.

Each Fund is generally required to pay applicable sales taxes on most administration expenses that it pays. Each Class or Series of Units is responsible for the expenses specifically related to that Class or Series and a proportionate share of expenses that are common to all Classes and Series.

Dealer Compensation:

Initial Sales Commission. In the event that an investor purchases Units of a Fund through a Registered Dealer, the investor may be required to pay the dealer a sales commission which is negotiated between the investor and the Registered Dealer and is paid by the investor to such dealer. No sales commission is payable in relation to the purchase of Units of each Fund through Corton Capital acting in its capacity as exempt market dealer. No initial sales commission will be payable in respect of the Class F or Founder Class Units of each Fund

Trailing Commission. the Fund Manager will pay a trailing commission to Registered Dealers and/or other person legally eligible to accept a commission (excluding, for greater certainty, any Units purchased through Corton Capital acting in its capacity as exempt market dealer) in connection with their client's holdings of Class A Units and Founder Class A Units of each Fund. Trailing commissions may be modified or discontinued by the Fund Manager at any time as follows:

Alpha Fund	**Trailer Fee**
Class A Units	1.00% per annum
Class F Units	N/A
Founder Class A Units	1.00% per annum
Founder Class F Units	N/A
Balanced Fund	
Class A Units	1.00% per annum
Class F Units	N/A
Founder Class A Units	1.00% per annum
Founder Class F Units	N/A
Income Fund	
Class A Units	0.75% per annum
Class F Units	N/A

Performance Fee. The Fund Manager will pay 20% and 10% of the Performance Fee earned by the Fund Manager in respect of the Alpha Fund and Balanced Fund, respectively, to the Registered Dealer. No Performance Fee is charged in respect of the Income Fund and accordingly, no portion of that fee is paid to the Registered Dealer.

Net Asset Value:

The net asset value ("**Net Asset Value**") of a Fund, Net Asset Value for each Class of Units of a Fund (the "**Class Net Asset Value**"), and the Class Net Asset Value per Unit of a Fund (the "**Class Net Asset Value per Unit**"), will be determined on each Business Day of each month (each, a "**Valuation Date**").

Suspension of Calculation of Net Asset Value:

The Fund Manager may, in respect of a Fund, suspend the calculation of Net Asset Value, Class Net Asset Value, Series Net Asset Value, and any subscriptions or redemptions of the Units: (i) when required or permitted to do so under Applicable Securities Laws (as hereinafter defined); (ii) with the approval of the relevant securities regulatory authorities under Applicable Securities Laws; (iii) in accordance with the Trust Declaration.

Calculation of the valuation of a Fund may be suspended in the judgment of Corton Capital in its capacity as portfolio manager of each Fund: (i) during any period on any market or exchange on which a substantial part of the investment portfolio of each Fund has been restricted in any way; (ii) during any state of affairs which constitutes an emergency which would render a disposition of assets of each Fund impractical or detrimental to investors in each Fund, (iii) in circumstances where, in

	the opinion of Corton Capital, the valuation of such assets cannot be promptly or fairly be ascertained; (iv) when required or permitted to do so under Applicable Securities Laws; or (v) with the approval of the relevant securities regulatory authorities under Applicable Securities Laws.
Redemption of Units:	Subject to certain requirements, Units may be redeemed on each Business Day of each month (each, a "**Redemption Date**"), provided that a written or electronic redemption request is received by the Fund Manager no later than 4:00 pm (Toronto time) on a date which is not less than five (5) calendar days prior to the applicable Redemption Date. Each Fund will redeem all or any part of the Units of a Class or Series held by an investor at the applicable Class Net Asset Value per Unit or Series Net Asset Value per Unit determined as of the next Valuation Date following receipt of the redemption request. All redemption requests received after 4:00 pm (Toronto time) on a Business Day will be processed at the applicable Class Net Asset Value per Unit or Series Net Asset Value per Unit calculated as of the next Valuation Date. Payment for redeemed Units shall be made in cash, on or about five (5) Business Days following the applicable Redemption Date.
Eligibility for Investment:	Provided that a Fund qualifies as a "mutual fund trust" for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") at all times, Units of that Fund offered pursuant to this offering memorandum will be "qualified investments" under the Tax Act for trusts governed by a tax-free savings account ("**TFSA**"), first home savings account ("**FHSA**"), registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), deferred profit sharing plan ("**DPSP**") and registered disability savings plan ("**RDSP**" and together with TFSA, FHSA, RRSP, RRIF, RESP, and DPSP, "**Registered Plans**"). Notwithstanding the foregoing, if the Units are "prohibited investments" (as defined in the Tax Act) for a TFSA, FHSA, RRSP RRIF, RESP, or RDSP, the holder of the TFSA, FHSA, or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as the case may (each, a "**Plan Holder**") will be subject to a penalty tax as set out in the Tax Act. The Units of a Fund will be a "prohibited investment" for a TFSA, FHSA, RRSP, RRIF, RESP, or RDSP if the 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 a Fund unless the Plan Holder owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the Plan Holder does not deal at arm's length. In addition, the Units will not be a "prohibited investment" for a TFSA, FHSA, RRSP RRIF, RESP, or RDSP if such Units are "excluded property", as defined in the Tax Act. Plan Holders should consult with their own tax advisors regarding the "prohibited investment" rules based on their particular circumstances.
Distributions and Automatic Reinvestment of Distributions:	Each Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each calendar year to ensure that each Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. All distributions will be made on a *pro rata* basis to each registered Unitholder determined as of the close of business on the record date of the distribution. All distributions to Unitholders (less any amounts required by law to be deducted

	therefrom) will automatically be reinvested for the account of each Unitholder in additional Units of the same Class or Series at the applicable Net Asset Value per Unit or Net Asset Value per Series next determined after the declaration of the distribution. Following such distributions, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. No sales charge or commission shall be payable by a Unitholder in connection with any reinvestment of distributions. Other than as set forth above, the Fund Manager does not intend to make any distributions on the Units.
Canadian Federal Income Tax Considerations:	A Unitholder of a Fund will generally be required to include in computing income for a given taxation year, the amount of each Fund's income for tax purposes, including net taxable capital gains, paid or payable to the Unitholder in the year. A Unitholder will generally be required to include in income a share of such amounts whether they are in the form of a cash distribution or in the form of additional Units under each Fund's automatic reinvestment procedures. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the Units and any reasonable costs of disposition. While this Offering Memorandum contains a general description of certain Canadian federal income tax considerations, it is provided for information purposes only and is not a complete analysis of all potential tax considerations that may be relevant to an investment in Units of a Fund. See "Certain Canadian Federal Income Tax Considerations". **Each investor should satisfy her/himself as to the tax consequences of an investment in the Units by obtaining advice from her/his tax advisor.**
Risk Factors and Conflicts of Interest:	An investment in Units is subject to certain risks. Each Fund is subject to its own risk factors and conflicts of interest. An investment in the Units should only be made after consultation with qualified sources of investment and tax advice. There can be no assurance that any Fund will achieve their investment objective.
Prime Brokers for each Fund:	National Bank Financial Inc. serves as a prime broker to, and receives fees from, each Fund in relation to the trading activities of each Fund. Corton Capital may change, reduce or appoint additional prime brokers from time to time.
Fund Administrator and Record Keeper:	SGGG Fund Services Inc. Toronto, Ontario (the "**Administrator**")
Auditors of each Fund:	Goodman & Associates LLP Toronto, Ontario
Legal Counsel to each Fund	North Star Legal Professional Corporation Toronto, Ontario
Tax Counsel to each Fund	Thorsteinssons LLP Toronto, Ontario

Year-end:	December 31
Statutory and Contractual Rights of Action:	Purchasers of Units are entitled to the benefit of certain statutory or contractual rights of action. See “Purchasers’ Statutory and Contractual Rights of Action for Rescission and Damages”.

THE FUNDS

Each of the Theta Alpha Fund (the "**Alpha Fund**"), Theta Balanced Fund (the "**Balanced Fund**"), and Theta Income Fund (the "**Income Fund**"**,** together with the Alpha Fund and the Balanced Fund, the "**Funds**"**)** is an open-end investment fund established as a trust under the laws of the Province of Ontario on January 1, 2024 and operating pursuant to the Trust Declaration.

Each Fund is an open-end pooled fund designed to provide eligible investors (see "Purchase Procedure") with the advantages of professional investment management and portfolio diversification.

The only undertaking of each Fund is the investment of its assets. An investment in each Fund is represented by Units. See "Description of Units".

THE TRUST DECLARATION

The Trust Declaration

The rights and obligations of Unitholders are governed by the Trust Declaration. The principal provisions of the Trust Declaration are summarized throughout this Offering Memorandum. A copy of the Trust Declaration may be reviewed at the principal offices of Corton Capital during normal business hours or may be obtained by any Unitholder upon written request to Corton Capital.

This summary is not intended to be complete. A prospective investor may request for their review purposes the Trust Declaration itself for full details of these provisions.

The Trustee

Pursuant to the Trust Declaration, the Trustee acts on behalf of all Unitholders in matters relating to each Fund. The principal office of the Trustee is situated at 21 Summer Breeze Drive, Carrying Place, Ontario, Canada, K0K 1L0.

The Trustee, and any successor trustee of each Fund, must be a resident of Canada for tax purposes. If the Trustee becomes a non-resident of Canada, it shall be automatically removed and replaced by a successor selected by the Fund Manager. The Trustee may resign upon 90 days' written notice to the Fund Manager. The resignation takes effect on the date specified in the notice or, if the Fund Manager appoints a successor trustee in the interim, the resignation is immediately effective upon appointment of the successor trustee. If the Fund Manager fails to appoint a successor trustee within 90 days of the notice of resignation, the Trust Declaration and each Fund shall terminate. In addition, the Fund Manager may remove the Trustee upon 60 days' notice to the Trustee and the Unitholders and the appointment of a successor trustee.

The Fund Manager may at any time terminate and dissolve a Fund by giving to the Trustee and each Unitholder written notice of its intention to terminate at least 60 days before the date on which that Fund is to be terminated (the "**Termination Date**"). During the period after the giving of the notice, the right of Unitholders to require payment for all or any of their Units shall be suspended and the Manager shall make appropriate arrangements for converting the Fund Property of that Fund into cash. Notwithstanding the foregoing, the Manager may pay liquidations proceeds by delivering to the Unitholder securities held by that Fund in kind, unless the Unitholder would be precluded by Applicable Law from acquiring the relevant securities, if in the Manager's discretion circumstances do not permit a payment in cash. After payment of the liabilities of the relevant Fund, each Unitholder registered as such at the Close of Business on the date fixed as the Termination Date shall be entitled to receive from the Trustee the Unitholder's proportionate share of the value of that Fund attributable to the Class of Units held in accordance with the number of Units which the Unitholder then holds. If, six months after the date of termination of that Fund, the Manager is unable to locate any Unitholder as shown on the register of a Fund, the amount that would be distributed to such Unitholder shall be deposited by the Manager in a non-interest bearing account with the Custodian or with any Canadian financial institution in the name of the Unitholder and the Trustee shall thereupon be released from any and all further liability with respect to the monies and thereafter the Unitholder shall have no rights as against the Trustee to the monies or

any accounting therefor other than the right to demand payment from the account of the Custodian or such financial institution, as applicable.

Upon 90 days' notice, the Trustee may resign and appoint, Theta IQ Corporation, or an affiliate of the Trustee or Theta IQ Corporation, as the new trustee of a Fund, without Unitholder approval, provided the new Trustee is qualified under Applicable Law to act in that capacity.

The Trust Declaration provides that the Trustee shall not be liable to the Fund Manager, each Funds or to any Unitholder for any loss or damage relating to any matter regarding each Fund except in cases of willful misconduct, bad faith, and gross negligence, reckless disregard of its duties or breach of its standard of care. In performing its obligations and duties, the Trustee must act honestly and in good faith and must exercise the degree of care, diligence and skill that a reasonably prudent Canadian trust company would exercise in comparable circumstances. Furthermore, the Trustee shall not be liable for any acts or omissions based on reliance upon the instructions of the Fund Manager. In addition, the Trust Declaration contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by any of them in carrying out the Trustee's duties.

The Trustee shall receive an annual fee in respect of its services under the Trust Declaration. The amount of the fee shall be agreed upon between the Trustee and the Fund Manager, and such fee shall be paid for by each Fund.

Meetings of Unitholders

Each Fund will not hold regular meetings; however the Fund Manager may convene a meeting of Unitholders as it considers appropriate or advisable from time to time. Unitholders holding not less than 50% of the votes attaching to all outstanding Units of each Fund may request a meeting of Unitholders by giving written notice to the Fund Manager and the Trustee in accordance with the Trust Declaration.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more Unitholders present in person or by proxy representing not less than 10% of the outstanding Units as of the record date for the meeting. If no quorum is present at such meeting when called, the meeting will be adjourned by the Trustee to a date and time determined by the Trustee, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any written consent or approval of Unitholders under the Trust Declaration must be given by not less than 50% of the Units.

Amendments to Trust Declaration

Subject to the provisions of the Trust Declaration and any approval required under Applicable Securities Laws, the Fund Manager is entitled, in its discretion from time to time by supplemental trust deed or by amending and restating the Trust Declaration to amend, delete, expand, or vary any provision of the Trust Declaration in any appropriate fashion if the amendment, in the opinion of counsel for the Fund Manager, does not constitute a material change and does not relate to any of the matters requiring Unitholder approval pursuant to the Trust Declaration. No amendment to the Trust Declaration shall be made unilaterally by the Fund Manager which adversely affects the pecuniary value of the interest of any Unitholder in each Fund, restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Trust Declaration.

Notice of any amendment to the Trust Declaration made in the discretion of the Fund Manager shall be provided given in writing to Unitholders and any such amendment shall take effect on a date to be specified in such notice (which date shall be not less than 30 days after notice of the amendment is given to Unitholders). However, the Fund Manager and the Trustee may agree that an amendment shall become effective at an earlier time if that seems desirable and the amendment is not detrimental to the interest of any Unitholder.

The Trust Declaration may be amended, deleted, expanded or varied by the Fund Manager without any prior notice

to, or approval of, Unitholders if the amendment is:

(a) necessary to comply with applicable laws or regulatory authorities or to bring the Trust Declaration into conformity with current practice;

(b) to correct any ambiguity, defective or inconsistent provision, omission, mistake or error contained in the Trust Declaration; or

(c) to provide additional protection to Unitholders or enhance the rights of Unitholders;

provided, in each case, that Unitholders are provided with notice of the amendments in the next regularly scheduled report from the Fund Manager to Unitholders.

Upon 30 days' prior notice, the Trust Declaration may be amended without any approval of Unitholders if the amendment is to accept the resignation of the Fund Manager as investment fund manager or portfolio manager of a Fund, and appoint an affiliate of the Fund Manager, Theta IQ Corporation, or its affiliate, as investment fund manager or portfolio manager of the Fund.

Other than amendments requiring the approval of Unitholders, unless a shorter notice period is stipulated in the Trust Declaration, the Trust Declaration may be amended, deleted, expanded or varied by the Fund Manager, with the approval of the Trustee, upon 90 days' prior written notice to Unitholders, or earlier with the consent of the Unitholders.

The attributes of any Class of Units of each Fund may be amended, deleted, expanded or varied by the Fund Manager in its discretion without any prior notice to, or approval of, Unitholders of that Class if the amendment is, in the opinion of the Fund Manager, for the protection of or benefit to Unitholders of that Class.

Any provision of the Trust Declaration may be amended, deleted, expanded or varied with the approval of the relevant Unitholders for any of the following purposes:

(a) any change to the amendment provisions of the Trust Declaration;

(b) any proposed amendment to the Trust Declaration that would change the basis of the calculation of a fee or expense that is charged to each Fund in a way that could result in an increase in charges to each Fund;

(c) the Fund Manager is changed, unless the new manager is an affiliate of the current Fund Manager, or subject to qualifying to act as such under applicable Securities Law, Theta IQ Corporation, or an affiliate thereof;

(d) the fundamental investment objectives of each Fund are changed;

(e) each Fund decreases the frequency of the calculation of its Net Asset Value;

(f) the redesignation of Classes of Units which have been issued as Units of any other Class if approval for such redesignation is required under the Trust Declaration;

(g) each Fund undertakes a reorganization with, or transfers its assets to, another fund, if:

(i) each Fund ceases to continue after the reorganization or transfer of assets, and

(ii) the transaction results in the Unitholders of each Fund becoming unitholders in the other fund; or

(h) each Fund undertakes a reorganization with, or acquires assets from, another fund, if:

(i) each Fund continues after the reorganization or acquisition of assets,

(ii) the transaction results in the unitholders of the other fund becoming Unitholders in each Fund, and

(iii) the transaction would be a significant change to each Fund.

The amendments, deletions, expansions or variations requiring Unitholder approval (a "proposed change") as described above may only take effect upon the approval of not less than a majority (50%) of the votes cast at a meeting of the Unitholders of each Fund or the Class of Units as the case may be, duly called for the purpose of considering the proposed change (or by written resolution of such Unitholders or Class of Unitholders, as applicable, in accordance with the provisions of the Trust Declaration).

CORTON CAPITAL INC.

Corton Capital is a corporation incorporated on September 20, 2018 under the *Business Corporations Act* (Ontario) for the purpose of creating and providing investment advice to accredited investors and institutional clients, especially with respect to alternative investment products.

Corton Capital'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 Capital is committed to honest, forthright and professional investment advice for its clients. Corton Capital draws on the experience of its principals to offer suitable financial advice and products within a prudent and risk-managed framework.

Corton Capital is registered as:
(a) a portfolio manager, investment fund manager and an exempt market dealer in accordance with the applicable securities laws of Ontario, Quebec, and British Columbia;
(b) an exempt market dealer in accordance with the applicable securities laws of Manitoba, Nunavut and Yukon; and
(c) a portfolio manager and an exempt market dealer in accordance with the applicable securities laws of Alberta, Saskatchewan, New Brunswick, and Nova Scotia.

Corton Capital intends to draw on its principals' previously established client relationships and offer portfolio management services and exempt market products to an identified retail (defined as including both accredited and non-accredited investors solely in relation to the provision of portfolio management services) and institutional client base. Portfolio management services are also provided to clients who establish separately managed accounts.

Fund Manager

Corton Capital acts as the investment fund manager and portfolio manager to each Fund (in such capacity, the "**Fund Manager**") pursuant to the provisions of the Trust Declaration.

The Fund Manager is responsible for the day-to-day business of each Fund including management of each Fund's investment portfolio. The Fund Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of each Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. Among its other powers, the Fund Manager will establish each Fund's operating expense budget and authorize the payment of operating expenses.

The Fund Manager's responsibilities include general administrative and management services and the calculation and reporting to each Fund of its Net Asset Value on a daily basis. The Fund Manager has delegated certain administrative functions to the Administrator pursuant to the Administration Agreement.

In acting as portfolio manager to each Fund, Corton Capital provides portfolio managementand portfolio management services to each Fund pursuant to the provisions of the Trust Declaration. Corton Capital is solely responsible for all investment decisions relating to each Fund and for monitoring each Fund's investments. In acting in such capacity, Corton Capital is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of each Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances.

The services of the Fund Manager are not exclusive to the Fund, and no provision in the Trust Declaration 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.

Resignation and Replacement of Fund Manager

The Trust Declaration provides that Corton Capital may resign as Fund Manager by giving notice in writing to the Trustee and the Unitholders not less than 90 days prior to the date on which such resignation is to take effect. The Trust Declaration also provides that without Unitholder approval Corton Capital may assign its duties as Fund Manager to Theta IQ Corporation, or an affiliate of the Trustee or Theta IQ Corporation, as the new Fund Manager upon 90 days' prior notice to the Unitholders. The resignation of such duties by Corton Capital shall take effect on the date specified in such notice.

Following its resignation Corton Capital may:

(a) upon 90 days' notice to Unitholders, amend the Trust Declaration to appoint, Theta IQ Corporation, or an affiliate of the Trustee or Theta IQ Corporation, as the new investment fund manager, and/or portfolio manager of a Fund, without Unitholder approval, provided the new appointee is qualified under Applicable Law to act in that capacity; or

(b) upon any necessary notice to, and approval of Unitholders being given or obtained by the Trustee, amend the Trust Declaration to appoint any person, other than Theta IQ Corporation, or an affiliate of Corton Capital or Theta IQ Corporation, as investment fund manager and/or portfolio manager to a Fund;

and upon such successor agreeing to act as investment fund manager and/or portfolio manager of each applicable Fund and assuming the duties and responsibilities of Corton Capital under the Trust Declaration, Corton Capital shall cease to be investment fund manager and/or portfolio manager of each applicable Fund and shall be relieved from its duties and responsibilities under the Trust Declaration. Upon a change of investment fund manager and/or portfolio manager, Corton Capital shall deliver to, or the order of, at the request of the successor investment fund manager and/or portfolio manager, all records or other documents with respect to each applicable Fund which it has in its possession.

If, prior to the effective date of resignation by Corton Capital, a successor investment fund manager and portfolio manager is not appointed, the Trust Declaration shall be terminated upon the effective date of resignation of Corton Capital and the net assets of each Fund shall be distributed in accordance with the provisions of the Trust Declaration. In such circumstances Corton Capital shall continue to act as Fund Manager until all of the net assets of each Fund have been distributed to Unitholders.

Indemnification of Fund Manager

The Trust Declaration provides that the Fund Manager and its affiliates, subsidiaries and agents and their respective directors, officers and employees and any other person (collectively the "**Indemnified Persons**" and individually, an "**Indemnified Person**") have a right of indemnification from each Fund for all costs, charges and expenses sustained or incurred including all legal fees, judgments and amount paid in settlement in or about any action, suit or proceeding that is brought, commenced or prosecuted against it for or in respect of any act, deed, omission, matter or thing whatsoever made, done or permitted by it in or about the proper execution of the services provided under the Trust Declaration provided that the act, deed, omission, matter or thing that caused the payment of the costs, charges, expenses, fees, judgments or amounts paid in settlement was in the best interests of each Fund and provided that such Indemnified Persons shall not be indemnified by each Fund where there has been gross negligence, misfeasance or willful misconduct on the part of the Fund Manager or such Indemnified Person or in circumstances where the Fund Manager has failed to fulfill its standard of care as set out in the Trust Declaration unless in an action brought against

such Indemnified Persons, they have achieved complete or substantial success as a defendant or, in the case of a criminal suit or administrative action or proceeding, such Indemnified Person had reasonable grounds for believing that its conduct was lawful.

Officers, Directors and Key Investment Personnel of Corton Capital

The voting shares of the Fund Manager are owned by David Jarvis (majority), John Duncanson and Julian Clas. Corton Capital currently has twelve (12) employees and three (3) consultants.

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 each Fund are set out below:

Name and Municipality of Residence		*Position with Fund Manager*
David Jarvis Toronto, Ontario		President, Chief Executive Officer, Portfolio Manager, Ultimate Designated Person and Chief Compliance Officer
John Duncanson Toronto, Ontario		Executive Vice-President, Timber Analyst
Moataz Elagami Saskatoon, Saskatchewan		Chief Risk Officer

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

David Jarvis founded Corton in 2018 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. 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 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 1CM Inc. ("**1CM**") formerly "Leviathan Cannabis Group Inc", from November, 2018 until March, 2022. 1CM 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 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 to 2005. David also served as an active member of the Practices & Standards Committee and the Compliance Officers' Network, 2016 to 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 an Hons. BA – Economics (University of Western Ontario).

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

John Duncanson - Executive Vice-President and Timber Analyst

John Duncanson is a shareholder of Corton Capital and acts as the firm's Timber Analyst for the Corton Capital Global Timber Fund. John is a Registered Professional Forester (RPF) Ontario. He has served as an expert witness on several international trade issues involving wood products, most recently in 2017/18 as the Expert Analyst for the Government of Ontario in the U.S. trade case against Canadian uncoated groundwood paper imports. From 2011 to 2014, John was the Timber Analyst for the former Exemplar Timber Fund. John has a unique blend of experience. He has worked for over 40 years in both the forest industry and the investment industry. From 1974 to 1983 John worked for the Noranda Group at Northwood Mills Limited**.** He was Vice-President - Sales at Northwood from 1981 to 1983. From 1983 to 1988, John worked as a Senior Financial Analyst and Director covering the paper and forest sector at McLeod Young Weir, Wood Gundy and McCarthy Securities. In 1988, he established Duncanson Investment Research Inc. providing independent investment advice to clients including the Chase Manhattan Bank from 1988 to 1998, and Jennings Capital from 2003 to 2007. John has advised the Ontario government on many forestry related issues including a major interprovincial benchmarking study of government-mandated costs related to the forest industry for the Ministry of Finance. John has worked with several First Nations including the Matawa and the Fort William First Nation. John also co-authored a country wide review of theFederal Government sponsored forestry projects on First Nation lands for the Department of Indian and Northern Affairs. John has traveled throughout the world on various forestry projects. He has toured forest plantations, sawmills, panel plants, and pulp and paper mills in every province in Canada, most states in the USA, Finland, Sweden, England, Scotland, Portugal, Russia, China, Vietnam, Venezuela, Chile, Brazil, Ecuador, Argentina, Fiji, and New Zealand. John earned his Bachelor of Science in Forestry (B.SC.F.) from the University of Toronto and subsequently gained his RPF designation. He is also an International Standards Organization (ISO) Auditor having gained his accreditation from the Quality Management Institute.

Moataz Elagami - Chief Risk Officer

Moataz Elagami acts as Corton Capital's Chief Risk Officer. Moataz is a RIMS - Certified Risk Management Professional - with more than 10 years of hands-on experience in financial management, cost analysis, and internal audit & control.

Moataz served as a financial services representative for The National Benefit Authority from September 2020 to August 2021, providing advice and guidance to a wide range of clients who qualified for the Disability Tax Credit ("**DTC**") and assisting them throughout their DTC application process.

From March 2012 to March 2020, Moataz held several positions ranging from an accountant to finance manager of Atyab Food Industries L.L.C ("**Atyab**"), a major Gulf region food manufacturing company and a subsidiary of Atyab Investments Group, located in Oman. During his time with Atyab, Moataz developed the company's cost accounting system to measure the profitability of more than 300 freshly produced items sold in local and international markets. He was awarded a "*lean practitioner"* certificate for continuous operational improvements while at Atyab.

From May 2011 to March 2012, Moataz was an assistant auditor for a privately owned Audit Firm, The Egyptian Accountants, located in Egypt.

Moataz's career has been marked by a strong focus on improving operational efficiencies, risk management, enhancing business decisions, and ensuring compliance with regulations and policies.

Moataz has successfully completed the Chief Compliance Officer's and Exempt Market Proficiency exams and holds a Bachelor of Science degree in finance from Alexandria University in Egypt.

THETA TRADING CORPORATION

Theta Trading Corporation is a corporation incorporated on August 15, 2019 under the *Canada Business Corporations Act* and its affiliate, Theta IQ Corporation (formerly, "Theta Funds Inc.") is a corporation incorporated on March 4, 2021 under the *Canada Business Corporations Act*. The principal shareholders of each corporation are:

a) Matthew Todman, Co-Founder, Theta Trading Corporation and Co-Founder, Theta IQ Corporation;
b) Omar Khan, Co-Founder, Theta Trading Corporation and Co-Founder, Theta IQ Corporation; and
c) Robert Burgess, Vice President, Theta IQ Corporation

(the "**Theta Principals**") each of whom are registered dealing representatives of Corton Capital Inc.

The Fund Manager pays a fee to Theta IQ Corporation for a license to use the trademarks THETA™ and Theta Trading™. As a result, when selling Units of a Fund to investors, each of the Theta Principals are incentivized by Corton Capital Inc. directly as dealing representatives of Corton Capital and will be incentivized indirectly through Theta IQ Corporation when trademark licensing fees are paid by Corton Capital to Theta IQ Corporation.

Neither Theta Trading Corporation, Theta IQ Corporation nor any of their affiliates are registered as an investment fund manager, exempt market dealer or portfolio manager. Upon 30 days' notice to Unitholders, the Trust Declaration may be amended by Corton Capital to appoint Theta Trading Corporation, Theta IQ Corporation, or an affiliate of either as successor Trustee and/or successor Fund Manager and at that time, any trademark licensing fees may be amended or cease.

INVESTMENT OBJECTIVE AND STRATEGY OF THE FUND

THETA ALPHA FUND

Investment Objectives

The Alpha Fund will seek to generate superior investment returns over the long term through capital appreciation, and income.

Investment Strategies

To achieve its investment objectives, the Fund Manager shall take positions in listed North American securities and related options. The Alpha Fund may also transact in exchanged traded funds ("**ETFs**"). The Alpha Fund's portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening high quality stocks which may have potential for long-term capital appreciation and potentially above-market future earnings growth rate. The Alpha Fund may have core positions in North American securities and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Alpha Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. The Fund Manager may, from time to time, observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning.

In pursuing its investment objective, the Alpha Fund will employ leverage (please refer to "*Use of Leverage"*).

There can be no assurances that the investment objective of the Alpha Fund will be achieved.

THETA BALANCED FUND

Investment Objectives

The Balanced Fund will seek to generate investment returns over the long term, through capital appreciation, capital preservation, and income.

Investment Strategies

To achieve its investment objectives, the Balanced Fund shall be managed with the view of optimizing returns consistent with holding growth and income-oriented securities. The Balanced Fund, as part of its equity strategy, may take positions in listed North American securities, and related options. Each Fund may also transact in ETFs. The portfolio shall be actively managed utilizing fundamental, technical, and quantitative approaches in screening stocks/fixed income products of high-quality companies with potential for long-term capital appreciation that may also pay a dividend. The Balanced Fund, as part of its fixed income strategy, may take positions in North American securities and debt instruments and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Balanced Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. The Fund Manager may, from time to time, observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning.

In pursuing its investment objective, the Balanced Fund will employ leverage (please refer to *Use of Leverage*).

There can be no assurances that the investment objective of the Balanced Fund will be achieved.

THETA INCOME FUND

Investment Objectives

The Income Fund will seek to primarily generate an income stream from written options, dividends and interest payments, with an outlook to income, capital preservation, and capital appreciation.

Investment Strategies

To achieve its investment objectives, the Income Fund shall be managed with the view of optimizing returns consistent with holding income-oriented securities. The Income Fund, as part of its equity strategy may take positions in listed North American securities, and related options. The Income Fund may also transact in ETFs. The Income Fund's portfolio is actively managed, and the Manager may utilize fundamental, technical, and quantitative approaches in screening stocks/fixed income products which may have potential for paying income (dividends, interest, and options premiums), and capital preservation. The Income Fund, as part of its fixed income strategy, may take positions in North American securities and debt instruments and may implement an active written options overlay in related securities to generate premiums, efficiently enter and exit positions, and manage risk. The Income Fund will not invest in private corporations.

In order to mitigate downside risks, the Fund Manager may utilize derivatives, ETFs and/or hold significant amounts of cash at times. Lastly, the Fund Manager may from time to time observe tactical opportunities to reposition each Fund and capture short term market dislocations and may engage in short term derivative positioning. In pursuing its investment objective, the Income Fund will employ leverage (please refer to *Use of Leverage*).

There can be no assurances that the investment objective of the Income Fund will be achieved.

Use Of Leverage

Borrowing for investment purposes is known as "leverage". Leverage is defined as the absolute market value of all long positions and short positions divided by the net assets of the fund. . Leverage can also be employed through the use of options and other derivative instruments. The investment strategies utilized in respect of each Funds may employ leverage when deemed appropriate by Corton Capital, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments.

While leverage presents the opportunity for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a greater loss than if the investments were not levered.

See "Risk of Leverage" under "Risk Factors – Risks Related to Investment Strategies".

Each Fund expects to employ leverage to enhance investment returns where the use of leverage is deemed by Corton Capital to be suitable and appropriate. See "Investment Guidelines and Restrictions" for details on each Fund's maximum leverage limits.

The investment program employed in respect of each Fund may entail various risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objective of each Fund will be achieved. See "Risk Factors".

Investment Guidelines and Restrictions

The investment activities of each Fund will be conducted within a disciplined set of investment guidelines and restrictions, including those discussed below:

(a) **No Investment in Private Companies:** The Funds will only invest directly or indirectly in US and non-US listed equities, ETFs, fixed income and derivative products. The Funds will not invest in private companies. The Funds may hold private investments if a public company distributes non-exchange traded securities.

(b) **No Participation in IPOs:** The Funds will not participate in any initial public offerings for companies but may participate in secondary offerings of securities relating to companies which meet the investment objectives for the applicable Fund.

(c) **Concentration Restrictions:** Each Fund will not invest more than 25% of its Net Asset Value in the securities of a single issuer. Should Corton Capital determine that a single issuer represents more than 25% of a Fund's Net Asset Value, the applicable Fund will initiate an orderly liquidation to adjust the position accordingly subject to any adverse market conditions.

The day-to-day expected concentration in any single issuer is expected to be approximately 7% to 10% of the Net Asset Value of each Fund.

The investment portfolio of each Fund is expected to consist of a minimum of 5 issuers at any time, however, each Fund's portfolio may be comprised entirely of cash or cash equivalents from time to time if Corton Capital deems it to be appropriate in the circumstances.

(d) **Short Selling Limit:** Each of the Funds will not engage in the short selling of securities in excess of 50% of the Net Asset Value of the applicable Fund.

(e) **Tax Restrictions**. in connection with requirements of the Tax Act, each of the Funds will not:

(i) hold any "taxable Canadian property" within the meaning of the Tax Act;

(ii) make or hold any investment that would result in the Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act;

(iii) invest in any security that would be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act;

(iv) invest in the securities of any non-resident corporation, trust or other non-resident entity (or of any partnership that holds such securities) if the Fund (or the partnership) would be required to include any significant amount in income under any of sections 94, 94.1, or 94.2 of the Tax Act;

(v) invest in any security of an issuer that would be a foreign affiliate of the Fund for purposes of the Tax Act; or

(vi) carry on any business and make or hold any investments that would result in the Fund itself being subject to the tax for specified investment flow-through ("SIFT") trusts as provided for in section 122 of the Tax Act.

(f) **Leverage:** Corton Capital expects that leverage may range up to:

(i) 1.75 times Net Asset Value of the Alpha Fund;
(ii) 1.50 times Net Asset Value of the Balanced Fund; and
(iii) 1.50 times Net Asset Value of the Income Fund.

When the leverage employed by a Fund approaches the upper limit of the leverage range detailed above, the Fund Manager will take reasonable action to reduce the leverage of that Fund.

(g) **Foreign Investments:** Each of the Funds may have significant exposure to U.S. listed equities and to ADRs that provide exposure to other global markets. There are no foreign investment limit restrictions applicable to any of the Funds.

(h) **Currency Exposure:** Each Fund may have significant exposure to U.S. dollars. The Funds will not allow net foreign currency exposure to exceed 50% of the Net Asset Value of any Fund.

Statutory Caution

The foregoing disclosure of each Fund's investment objectives and strategies may constitute "forward looking information" for the purposes of Ontario securities legislation, as it contains statements of Corton Capital's intended course of conduct and future operations of each Fund. These statements are based on assumptions made by Corton Capital of the success of its investment strategies in certain market conditions, relying on the experience of Corton Capital's officers and employees and their knowledge of historical economic and trends. Investors are cautioned that the assumptions made by Corton Capital and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of Corton Capital's intended strategies as well as its actual course of conduct. Investors are encouraged to read the "Risk Factors" section below for a discussion of some of the other factors that will impact the operations and success of each Fund.

DETAILS OF THE OFFERING

Subject to the subscription limit in respect of the Founder Class Units, an unlimited number of Units are being offered by each Fund on a continuous basis to an unlimited number of subscribers in each of the Offering Jurisdictions pursuant

to the exemptions from prospectus requirements described herein (the "**Offering**"). Units may be purchased directly from Corton Capital in its capacity as exempt market dealer or through other Registered Dealers. Subscribers for Units must either qualify as "accredited investors" (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") or in Section 73.3 of the *Securities Act* (Ontario)) or purchase Units pursuant to another available exemption from the prospectus requirement under Applicable Securities Laws. The minimum initial investment in each Fund is $1,000 for Class A, $1,000 for Class F Units and $1,000 for Founder Class A Units or Founder Class F Units, or in each case, such lesser amount as the Fund Manager may, in its discretion, permit.

There are four classes (each, a "**Class**") of Units currently offered by each Fund pursuant to this Offering Memorandum: Class A Units, Class F Units, Founder Class A Units, and Founder Class F Units. Each Class of a Fund has the same investment objective, strategy and restrictions but may differ in respect of one or more of their features, such as yield, sales commissions, and servicing commissions.

Founder Class A Units and Class A Units may be purchased by all investors and may carry a front-end sales commission and may pay the Registered Dealer a trailing commission. Subject to any adverse tax issues to each Fund and Applicable Securities Laws, and provided both the Founder Class A Units' and Class A Units' Net Asset Values are above the applicable High Watermark of the Fund, Founder Class A Units of the Fund will be consolidated into Class A Units of that Fund twenty-four (24) months from the date of that Fund's date of inception, subject to the Fund Manager's absolute discretion.

Class F Units may be purchased by investors who are enrolled in a dealer sponsored fee-for-service or "wrap" program and who are subject to an annual asset-based fee.

A Unitholder may make an additional investment in any Class of Units in such amounts as the Fund Manager may in its discretion permit, provided that at such time the Unitholder is an accredited investor under Applicable Securities Laws.

The Fund Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in each Fund and/or discontinue the offering of Units at any time and from time to time. Each subscriber must satisfy applicable regulatory requirements.

Subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under Applicable Securities Laws, may be accepted by the Fund Manager at its sole discretion.

Subscriptions for Units may be suspended in certain circumstances. See "Determination of Net Asset Value – Suspension of Calculation of Net Asset Value".

SUBSCRIPTION PROCEDURE

To initially subscribe for Units of a Fund, a subscriber must complete and return to the Fund Manager a subscription agreement (the "**Subscription Agreement**") together with payment of the aggregate Subscription Price for the Units being purchased in accordance with the deadlines specified below. A subscriber purchasing through a Registered Dealer should contact that Registered Dealer in order to understand the deadlines to deliver the completed Subscription Agreement to their Registered Dealer. In this case, the Registered Dealer will make arrangements on behalf of the subscriber to remit payment for the Units purchased to the Fund Manager.

Each Class of Units may be purchased on a daily basis as of 4:00 p.m. (Eastern Time) ("**Close of Business**") on a Business Day (as hereinafter defined) (each, a "**Subscription Date**") pursuant to exemptions from the prospectus requirements of applicable securities legislation initially at a subscription price of $10.00 per Unit and subsequent purchases made thereafter at the applicable Class Net Asset Value per Unit (the "**Subscription Price**"). Fractional Units will be issued up to a maximum of four decimal places.

In order for a subscription request for Units of a Fund to be processed as at a particular Subscription Date, delivery of the duly completed Subscription Agreement together with payment of the aggregate Subscription Price and any other

required documents (the "**Subscription Package**") must be received by the Fund Manager by no later than the Close of Business one (1) Business Day prior to the desired Subscription Date or, in each case, such other period permitted or required in the discretion of the Fund Manager (the "**Subscription Deadline**"). If the Subscription Package is received by the Fund Manager after the Subscription Deadline, the subscription order will be processed as of the next Subscription Date (i.e., the subscription will be processed as of the next Subscription Date). Certificates representing the purchased Units of a Fund will not be issued. Provided the Subscription Package is received by the Fund Manager before Subscription Deadline on a Business Day, a purchase order for Units of a Fund will be processed on the next Subscription Date (i.e., the subscription will be processed at the applicable Class Net Asset Value per Unit determined as of the next Valuation Date).

The Fund Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days of receipt of the Subscription Package. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

Certificates representing the purchased Units of a Fund will not be issued. Purchases of Units of a Fund will be processed within two (2) Business Days of the relevant Subscription Date.

Units will be issued at the sole discretion of the Fund Manager.

The Fund Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days of receipt of the Subscription Package. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

The Fund Manager may permit subscriptions in a Fund from investors outside of the Offering Jurisdictions in its sole discretion, provided it has determined that doing so complies with applicable law and will not have an adverse impact on each Fund or the existing Unitholders as a group.

FEES AND EXPENSES RELATING TO AN INVESTMENT IN THE FUND

Management Fees

Each Fund pays Corton Capital a management fee (the "**Management Fee**") based upon the applicable Net Asset Value (as hereinafter defined) of each Class or Series of that Fund's Units. Management Fees for the classes of Fund Units noted below are paid by each Fund to Corton Capital in its capacity as trustee, investment fund manager and portfolio manager of that Fund:

Alpha Fund	**Management Fee**
Class A Units	2.50% of Net Asset Value
Class F Units	1.50% of Net Asset Value
Founder Class A Units	2.50% of Net Asset Value
Founder Class F Units	1.50% of Net Asset Value
Balanced Fund	
Class A Units	2.25% of Net Asset Value
Class F Units	1.25% of Net Asset Value
Founder Class A Units	2.25% of Net Asset Value
Founder Class F Units	1.25% of Net Asset Value
Income Fund	
Class A Units	1.75% of Net Asset Value
Class F Units	1.00% of Net Asset Value

The Fund Manager may execute side letters on different terms with individual Unitholders.

The Management Fee is calculated daily and paid monthly as at the last Business Day of each month and as at any other day as the Fund Manager may determine.

Performance Fees

Each Fund, other than the Income Fund, pays the Fund Manager a performance fee (the "**Performance Fee**") on the net new appreciation of each Class of each Fund, being the increase in the Net Asset Value of each applicable Class of that Fund above the prior highest Net Asset Value when a Performance Fee was paid in respect of that Class of that Fund. The Performance Fee in respect of a Class of Units of a Fund, is payable only on amounts that exceed the highest previous Net Asset Value for that Class of Units of the Fund (the "**High Watermark**"), regardless of how long ago the High Watermark was previously reached for that Class of Units.

For greater certainty, the Performance Fee in respect of a Class of Units of a Fund is payable only on amounts that exceed (a) the initial purchase price of that Class of the Fund and thereafter (b) the highest previous Net Asset Value for such Class of Units of the Fund when a Performance Fee was paid (the "**Period Performance**"). Once paid or accrued, the Performance Fee will reduce the Net Asset Value of such Class of Units of the Fund to which it applies.

The Performance Fee will be calculated and accrued for each class on each Business Day during each Period Performance.

The Performance Fee for a Class of Units of a Fund will be crystallized quarterly in arrears. During the quarter, in respect of each Fund, any accrued and unpaid Performance Fees participate in the increase in Net Asset Value of each Fund. The amount of any Performance Fee attributable to a Unit being redeemed is payable to the Fund Manager as of the date of the redemption.

Accrued Performance Fees for each Class of Units of a Fund will be deducted as an expense of the applicable Class of Units which is included in the calculation of the Net Asset Value of that Class of Units each Business Day, resulting in a reduction of the Net Asset Value of the applicable Class of Units.

Alpha Fund	**Performance Fee**	**Exceptions**
Class A Units	20% of Period Performance	N/A
Class F Units	20% of Period Performance	N/A
Founder Class A Units	20% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Alpha Fund's inception.
Founder Class F Units	20% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Alpha Fund's inception.
Balanced Fund		
Class A Units	10% of Period Performance	N/A
Class F Units	10% of Period Performance	N/A
Founder A Class Units	10% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Balanced Fund's inception.
Founder F Class Units	10% of Period Performance	No Performance Fee will be paid on the Founder Class Units for the first 24 months from the date of the Balanced Fund's inception.

No Performance Fees will be charged to the Income Fund. The Fund Manager may execute side letters on different terms.

Establishment, Offering and Operating Expenses of each Fund

Fund Expenses

Each Fund is responsible for the costs of its own establishment and the offering of Units, including but without limitation, the fees and expenses of legal counsel to each Fund and each Fund's auditors. Each Fund is amortizing these costs over a five (5) year period following the date of the initial closing of the offering of Units.

Each Fund is responsible for the payment of ongoing fees and expenses relating to its operation. The operating fees and expenses to which each Fund is subject include, without limitation, trustee fees, audit, accounting, record keeping, legal fees and expenses, custody and safekeeping charges, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders and all taxes, assessments or other regulatory and governmental charges levied against each Fund.

Each Fund is generally required to pay applicable sales taxes on most administration expenses that it pays. Each Class or Series of Units is responsible for the expenses specifically related to that Class or Series and a proportionate share of expenses that are common to all Classes and Series.

DEALER COMPENSATION

Initial Sales Commission

In the event that an investor purchases Units of a Fund through a Registered Dealer, the investor may be required to pay the dealer a sales commission which is negotiated between the investor and the Registered Dealer and is paid by the investor to such dealer. No sales commission is payable in relation to the purchase of Units of each Fund through Corton Capital acting in its capacity as exempt market dealer. No initial sales commission will be payable in respect of the Class F or Founder Class F Units of each Fund

Trailing Commission

The Fund Manager will pay a trailing commission to Registered Dealers and/or other persons legally eligible to accept a commission (excluding, for greater certainty, any Units purchased through Corton Capital acting in its capacity as exempt market dealer) in connection with their client's holdings of Class A Units and Founder Class A Units of each Fund. Trailing commissions may be modified or discontinued by the Fund Manager at any time as follows:

Alpha Fund	**Trailer Fee**
Class A Units	1.00% per annum
Class F Units	N/A
Founder Class Units	1.00% per annum
Founder Class A Units	N/A
Balanced Fund	
Class A Units	1.00% per annum
Class F Units	N/A
Founder Class A Units	1.00% per annum
Founder Class F Units	N/A
Income Fund	
Class A Units	0.75% per annum
Class F Units	N/A

Performance Fee

The Fund Manager will pay 20% and 10% of the Performance Fee earned by the Fund Manager in respect of the Alpha Fund and Balanced Fund, respectively, to the Registered Dealer. No Performance Fee is charged in respect of the Income Fund and accordingly, no portion of that fee is paid to the Registered Dealer.

DESCRIPTION OF UNITS

Subject to the subscription limit in respect of the Founder Class Units, an unlimited number of Class, each Fund is authorized to issue an unlimited number of Classes of Units. All Classes of Units of a Fund have the same investment objective, strategy and restrictions but may differ in respect of one or more of their features, such as yield, sales commissions, and servicing commissions. The Classes of Units currently authorized for issuance by each Fund consist of Class A, Class F, Founder Class A, and Founder Class F Units.

Each Unit of the same Class of a Fund will represent an equal undivided interest in the net assets of the Fund attributable to that Class of Units. Each whole Unit of a particular Class has equal rights to each other Unit of the same Class with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with such Fund.

Units of each Fund are fully paid and non-assessable when issued. Fractions of Units may be issued to a maximum of four decimal places so that subscription funds may be fully invested. Fractional units carry the rights and privileges and are subject to the restrictions and conditions applicable to whole Units in the proportions that they bear to one unit.

At the request of a Unitholder, Units of a particular Class of a Fund may be redesignated as to such number of Units of another Class of the Fund having an aggregate equivalent Net Asset Value to the redesignated Units, provided the requesting Unitholder is eligible to hold Units of such other Class of the Fund and provided further that the Unitholder's request for redesignation is received by the Fund Manager at least 15 Business Days prior to the date on which the Unitholder is requesting the redesignation of the applicable Class of Units to the redesignated Units.

If a particular Unitholder ceases to be eligible to hold Units of a particular Class, the Fund Manager may, at its discretion, upon at least five (5) Business Days prior notice to the affected Unitholder, redesignate such Units held by the particular Unitholder as such number of Units of another Class of each Fund that the Unitholder is eligible to hold having an aggregate equivalent Net Asset Value.

The Fund Manager may, at any time, sub-divide or consolidate any Units of each Fund.

No certificates representing Units shall be issued. Unitholders will, however, receive written confirmation of their holdings.

The provisions or rights attaching to Units of the Funds and other terms of the Trust Declaration may only be modified, amended or varied in accordance with the provisions contained in the Trust Declaration (see "The Trust Declaration – Amendments to Trust Declaration"). Units are transferable on the register of each Fund only by a registered Unitholder or his or her legal representative, subject to compliance with Applicable Securities Laws. Unitholders are entitled to redeem Units, subject to the Fund Manager's right to suspend the right of redemption. See "Redemption of Units".

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Fund, the Class Net Asset Value, Class Net Asset Value per Unit will be determined in the manner set forth below as of each Business Day of each month (each, a "**Valuation Date**").

The Administrator has been appointed by the Fund Manager pursuant to the provisions of the Administration Agreement to calculate the Net Asset Value of each Fund.

Net Asset Value of each Fund/Class Net Asset Value

The Net Asset Value of each Fund as of each Valuation Date is the amount by which, according to International Financial Reporting Standards ("**IFRS**"), the value of all securities, property and assets, real and personal, tangible and intangible, transferred, conveyed or paid to the Fund (the "**Fund Property**") as at the close of business on the Valuation Date exceeds the aggregate of the amount of liabilities of each Fund accrued at the close of business on the Valuation Date (including provisions in respect of the expenses of each Fund).

The fair market value of the assets and the amount of the liabilities of each Fund shall be calculated by the Administrator in such manner as Corton Capital, in its sole discretion shall determine from time to time, subject to the following:

(a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the net asset value is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Administrator, based on the agreed upon pricing policy and valuation principles, determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator, based on the agreed upon pricing policy and valuation principles,, determines to be the reasonable value thereof;

(b) the value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a Business Day, on the last Business Day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. If the closing price is outside of the closing bid-ask range, then the closest bid or ask to the last trade will be used. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued on the basis of the market quotation which, in the opinion of the Administrator based on the agreed upon pricing policy and valuation principles, most closely reflects their fair market value;

(c) all property of a Fund valued in a foreign currency and all liabilities and obligations of a Fund payable by the Fund in foreign currency shall be converted into Canadian dollars by applying the rate of exchange obtained from the best available sources to the Administrator based on the agreed upon pricing policy and valuation principles;

(d) each transaction of purchase or sale of portfolio securities effected by a Fund will be reflected in the computation of the net asset value of the Fund on the trade date;

(e) the value of any security or property to which, in the opinion of the Administrator based on the agreed upon pricing policy and valuation principles,, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the Administrator based on the agreed upon pricing policy and valuation principles,, may from time to time determine based on standard industry practice;

(f) short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above; and

(g) all expenses or liabilities of each Fund shall be calculated on an accrual basis.

The Fund Manager may determine such other rules for the calculation of the net asset value of each Fund or Units as it deem necessary from time to time.

Where, for purposes of the calculation of the net asset value of a Fund the Administrator is provided with a value, quotation, or other information related to the valuation of the securities or other assets of the Fund by a third party (collectively "**Third Party Data**"), including without limitation, the Fund Manager, its agents or any third party data provider, the Administrator may rely on such Third Party Data and shall not be required to make any investigation or inquiry as to the accuracy, completeness or validity of such Third Party Data. If such Third Party Data is not available to the Administrator, such valuation of the securities or other assets of the Fund shall be based on an estimate or estimates provided by the Fund Manager or any other party acting in a similar capacity for the Fund (as applicable), or in such other manner as the Administrator shall determine. The Administrator shall have no responsibility or

liability, whatsoever, for any loss or damage arising out of or in connection with the Administrator's reliance on such Third Party Data or any such estimates.

Class Net Asset Value/Class Net Asset Value per Unit

The "Class Net Asset Value" of a Class of Units, as of any date, shall equal the fair market value of the assets of each Fund as of such date attributable to the Class, less an amount equal to the total liabilities attributable to the Class as of such date (in each case as adjusted for subscriptions, redemptions, conversions and redesignations on the next following Subscription Date). The "Class Net Asset Value per Unit" shall be computed by the Administrator as at each Valuation Date by dividing the applicable Class Net Asset Value by the total number of Units of such Class then outstanding on such Valuation Date, prior to any issuance or redemption (including an exchange) of Units of such Class to be processed by the Fund Manager immediately following such calculation.

Suspension of Calculation of Net Asset Value

The Fund Manager may suspend the calculation of Net Asset Value of each Fund and Class Net Asset Value and defer or suspend any subscriptions or redemptions of the Units: (i) when required or permitted to do so under Applicable Securities Laws; (ii) with the approval of the relevant securities regulatory authorities under Applicable Securities Laws; (iii) during any period when any market or exchange on which a substantial part of the investment portfolio of the applicable Fund has been restricted in any way; (iv) during any state of affairs which constitutes an emergency which would render a disposition of assets of the Fund impractical or detrimental to investors in the Fund; or (v) in circumstances where the valuation of such assets, in the opinion of Corton Capital cannot be promptly or fairly ascertained.

REDEMPTION OF UNITS

Provided Holders of Units ("**Unitholders**") deliver a properly completed notice of redemption (a "**Redemption Request**") five (5) Business Days prior to the date (the "**Redemption Date**) they wish to redeem their Units held (each, a "**Redemption**"), Unitholders may redeem all or any portion of their Units on the Redemption Date at the Class Net Asset Value per Unit determined as of the Close of Business on the Redemption Date. The Redemption Request must be provided to the Fund Manager by no later than 4:00 pm (Eastern Time), five (5) Business Days prior to the applicable Redemption Date (the "**Redemption Request Deadline**"). A separate written Redemption Request will be required with respect to each Redemption Date. In the event a Redemption Date is not a Valuation Date for any reason, the next Valuation Date will be applicable Redemption Date for the requested redemption. (see "Deferral or Suspension of Redemption").

Redemption Requests received after the relevant Redemption Request Deadline shall be deemed to have been received for, and will be processed as of, the next Redemption Date save in exceptional circumstances as determined by the Fund Manager in its absolute discretion (reasons to be documented) and provided that the Redemption Requests are received before the Close of Business on the relevant Redemption Date.

Each Fund will redeem all or any part of the Units of a Class held by an investor at the applicable Class Net Asset Value per Unit determined as of the applicable Redemption Date following receipt of the redemption request. Payment for redeemed Units shall be made in cash, on or about five (5) Business Days following the applicable Redemption Date in cash and in full based on the estimated and unaudited Net Asset Value of the applicable Class.

Any Redemption Request given in respect of a Redemption Date is irrevocable and may be rescinded only with the written consent of the Fund Manager, which consent may be withheld in its sole and absolute discretion. Unless otherwise agreed to by the Fund Manager, Redemption Requests will be deemed to apply with respect to such Unitholder's Units in the order in which they were purchased (i.e., on a "first- in-first-out" basis).

Deferral or Suspension of Redemption

If the Fund Manager has received requests to redeem Units of a Fund having an aggregate value of 10% or more of the net asset value of the Fund on any Redemption Date, the Fund Manager may, in its sole discretion, defer redemptions

of Units in excess of 10% of the net asset value of the applicable Fund until the next Redemption Date. In such circumstance, the deferral of the redemption shall be applied on a pro rata basis in respect of all Units for redemption requests have been received for the Redemption Date in question and the redeeming holder of Units will receive the applicable Class Net Asset Value calculated as of the next Redemption Date in respect of any Units for which redemption has been deferred.

The Fund Manager may suspend, or continue a suspension of, the right of redemption of Units of a Fund during any period in which the calculation of the Net Asset Value of the Fund is suspended or where the Fund Manager determines that conditions exist during which a redemption of Units is not reasonably practicable or such a suspension is in the best interests of Unitholders.

If the Fund Manager suspends the right of redemption of Units, a Unitholder may either withdraw his, her or their redemption application or receive payment based on the Net Asset Value per Unit next determined after the termination of the suspension.

Each Fund may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption proceeds shall be allocated pro rata according to the aggregate Class Net Asset Value of the Unitholder's holdings (without reduction for redemption requests as of such Redemption Date).

Mandatory Redemptions

The Fund Manager is entitled, at any time and from time to time, at its absolute discretion, upon giving ten (10) days' prior written notice to compulsorily redeem or cause to be redeemed all or any part of the Units held by any Unitholder, including, but not limited to: (i) if at any time, as a result of redemptions, the aggregate Class Net Asset Value of the Units held by that Unitholder is less than the minimum balance, if any, set by the Fund Manager; and (ii) as a result of a refusal or failure on the part of the Unitholder to provide and/or consent to the disclosure of information concerning the Unitholder which is required to be disclosed by each Fund in accordance with applicable laws. Such a redemption shall be made on such terms and conditions as the Fund Manager may, from time to time, determine, at its discretion, at the applicable Class Net Asset Value per Unit calculated in the manner provided in the notice provided to the Unitholder.

REPORTING TO UNITHOLDERS

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

Each Fund will deliver to Unitholders the financial statements of each Fund in accordance with the provisions of NI 81-106. Each Fund is relying on the exemption pursuant to section 2.11 of NI 81-106, not to file its financial statements with the Ontario Securities Commission.

Pursuant to NI 81-106, Unitholders will be sent audited annual financial statements within 90 days of each Fund's year-end and unaudited semi-annual financial statements within 60 days after June 30th in accordance with their instructions. Under NI 81-106, Unitholders are given the option to receive or not receive annual and interim financial statements and have the ability to change their selection at any time by contacting the Fund Manager.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Units of each Fund by a

Unitholder who, at all relevant times, is resident or deemed to be resident in Canada, deals at arm's length, and is not affiliated, with each Fund and the Fund Manager, and will hold their Units as capital property, all within the meaning of the Tax Act.

Generally, Units will be considered to be capital property to a Unitholder, provided the 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. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and advisable under their own circumstances.

This summary is not applicable to a Unitholder: (i) that is a "financial institution", (ii) that is a "specified financial institution", (iii) that has elected to determine its Canadian tax results in accordance with the "functional currency" rules, (iv) an interest in which is a "tax shelter investment", or (v) who enters into a "derivative forward agreement" with respect to the Units (as all such terms are defined in the Tax Act). In addition, this summary does not address the deductibility of interest by a unitholder who has borrowed to acquire trust units. All such unitholders should consult with their own tax advisors.

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) ("**Finance**") prior to the date hereof (the "**Proposed Amendments**") and the current published administrative policies and assessing practices of the Canada Revenue Agency (CRA). This summary assumes that any Proposed Amendments will be enacted as proposed. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or any changes in the administrative policies and assessing practices of the CRA.

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

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. This summary does not address income tax consequences relating to the deductibility of interest on money borrowed to acquire Units, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors are urged to consult with their own tax advisors for advice with respect to their particular circumstances.

Status of the Fund

This summary is based on the assumption that each Fund qualifies as a "mutual fund trust", as defined in the Tax Act, at the time of the closing of this offering, and is expected to continuously qualify as a "mutual fund trust" at all relevant times. Such assumption is based upon a certificate of the Trustee and Fund Manager as to certain factual matters. In order to qualify as a "mutual fund trust", each Fund must restrict its undertakings to investing in certain property, must comply, on a continuous basis, with certain minimum distribution requirements relating to the Units, and must not be established or maintained primarily for the benefit of non-residents. If a Fund does not qualify as a "mutual fund trust" for the purposes of the Tax Act at all times, the income tax considerations described below could be materially and adversely different.

This summary is also based on the assumption that each Fund will at no time be a "SIFT trust" as defined in the Tax Act. A Fund will be a "SIFT trust" as defined in the Tax Act for a taxation year of the Fund if in that year any

"investments" in the Fund are listed or traded on a stock exchange or other public market and the Fund holds one or more "non-portfolio properties," as defined in the Tax Act. For these purposes, an "investment" would include an interest in or debt issued by the Fund as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. The Trustee and Fund Manager does not expect any Units or other "investment" in any of the Funds to be listed or traded on a stock exchange or other public market. In the event that a Fund was considered a "SIFT trust", the income tax considerations discussed below would, in some respects, be materially and adversely different.

Taxation of each Fund

In each taxation year, each Fund will be subject to tax under Part I of the Tax Act on the amount of its income (or deemed income) for the year (including net realized taxable capital gains) less the portion thereof that it deducts in computing its income in respect of amounts paid or payable to Unitholders (whether in cash, additional Units, or otherwise) in the taxation year. An amount will be considered to be payable to a Unitholder in a year if it is paid in the year or if the Unitholder is entitled to enforce payment of the amount in the year.

Each Fund may be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). The Tax Act contains a special anti-avoidance rule that will deny each Fund a deduction in computing its income for the taxation year in respect of the portion of an amount paid or made payable to a Unitholder on a redemption of units (a) that would be, without reference to subsection 104(6) of the Tax Act, an amount paid out of the income (other than taxable capital gains) of the Fund, and (b) that is a capital gain of the Fund designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholder's proceeds of disposition are reduced by the designation. Any taxable capital gains that would otherwise have been designated to redeeming Unitholders may be made payable to the remaining non-redeeming Unitholders to ensure each Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of each Fund may be greater than they would have been in the absence of the special anti-avoidance rule.

Each Fund intends to pay or make payable to Unitholders a sufficient amount of its income (including net realized taxable capital gains) each year so that each Fund will not be liable in any year for income tax under Part I of the Tax Act after taking into account the capital gains refund. Losses incurred by each Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by each Fund in future years in accordance with the Tax Act.

Generally, profits and losses realized by a Fund from investing in derivatives will be treated as ordinary income or losses. Gains and losses realized by a Fund on the disposition of securities held in long positions will generally be reported as capital gains and capital losses, respectively. Each Fund generally intends to account for gains and losses realized on short sales on income account. Whether gains and losses realized by a Fund are on income or capital account will depend largely on factual considerations.

In computing its income under the Tax Act, each Fund may deduct reasonable administrative, interest and other expenses incurred to earn income subject to the detailed rules in the Tax Act. A Fund generally may also deduct from its income for the year a portion of the reasonable expenses incurred by it to issue Units. The portion of the issue expenses deductible by a Fund in a taxation year is 20% of the total issue expenses, pro-rated where the Fund's taxation year is less than 365 days.

To the extent a Fund's investments include assets denominated in currencies other than the Canadian dollars, the Fund (in computing its income under the Tax Act in the circumstances described above) is required to compute all relevant amounts, including interest, the cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. As a result, the amount of income, gains or losses for each Fund may be affected by changes in the value of foreign currencies relative to the Canadian dollar.

The Fund may derive income or gains from investments in countries other than Canada and, as a result, it may be liable

to pay income or profits tax to such countries. Each Fund will generally be considered to have derived its share of such income and gains from these sources and to have paid its share of such taxes. Subject to the detailed rules in the Tax Act, each Fund may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by each Fund on such income that has not been deducted by each Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. However, for the purposes of these rules, foreign taxes paid in respect of income from a property that exceed 15% of such income may not be designated to a Unitholder and may generally be deducted by each Fund in computing its income for the purposes of the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder the portion of the net income, including the taxable portion of net realized capital gains, of each Fund paid or payable to the Unitholder in that particular taxation year whether in cash or in additional Units. Provided that appropriate designations are made by each Fund, such portion of (a) the net realized taxable capital gains of each Fund, (b) the foreign source income for each Fund and foreign taxes eligible for the foreign tax credit, and (c) the taxable dividends received by each Fund on shares of taxable Canadian corporations as are paid or becomes payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the applicable gross-up and dividend tax credit rules will apply.

The non-taxable portion of net realized capital gains of each Fund paid or payable to a Unitholder in a taxation year will not be included in the Unitholder's income for the year and will not reduce the adjusted cost base of the Unitholder's Units provided each Fund makes a designation in respect of the amount of such capital gains. Any amount in excess of each Fund's net income and the non-taxable portion of net realized capital gains designated to the Unitholder for a taxation year that is paid or payable to the Unitholder in such year will not generally be included in the Unitholder's income but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and will be added to the adjusted cost base of the Unit such that the adjusted cost base will be zero.

The Net Asset Value per Unit will reflect any income and gains of each 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 each Fund that accrued before the Units were acquired notwithstanding that such amounts will have been reflected in the price paid for the Units.

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

One-half of any capital gains ("**taxable capital gains**") realized by a Unitholder will generally be included in the Unitholder's income and one-half of any capital loss ("**allowable capital losses**") realized may generally be deducted only from taxable capital gains realized in the year. To the extent that such allowable capital losses exceed taxable capital gains in the year, such allowable capital losses may be applied against taxable capital gains realized in any of the three taxation years preceding the year or any taxation year following that year to the extent provided for, and in accordance with, the provisions of the Tax Act.

Generally, net income of each Fund paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains and capital gains realized on the disposition of Units may

increase the Unitholder's liability for alternative minimum tax.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC (as defined in the Tax Proposals) may be liable to pay an additional refundable tax payable on its "aggregate investment income" (as defined in the Tax Act), including taxable capital gains. Such Unitholders are advised to consult their own tax advisors in this regard.

Tax Information Reporting

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act ("**FATCA**"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement ("**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 each Fund, provided that (i) each 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. Each Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to each 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 each Fund to the CRA and from the CRA to the U.S. Internal Revenue Service. Each Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if each Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of each Fund would reduce each Fund's distributable cash flow and net asset value.

Part XIX of the Tax Act implements the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development ("**CRS**"). 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 each Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans (as defined below). Each Fund, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any obligations imposed on it under the Tax Act in respect of CRS.

Each Fund's ability to satisfy its obligations under Part XIX of the Tax Act depends on each Unitholder in each Fund providing each Fund with any information, including information concerning the direct or indirect owners of such Unitholders, that each Fund determines is necessary to satisfy such obligations. In its subscription agreement, each Unitholder will, among other things, agree to provide such information and documentation upon request from each Fund. If a Unitholder provides information and documentation that is misleading, or it fails to provide each Fund (or its agents) with the requested information and documentation necessary in either case to satisfy each Fund's obligations under the Tax Act, then each Fund reserves the right to (i) take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the Unitholder's Units; and (ii) hold back from any redemption proceeds, or deduct from the Net Asset Value in respect of the Unitholder's Units, any liabilities, costs, expenses, penalties or taxes caused (directly or indirectly) by the Unitholder's action or inaction. **Unitholders are encouraged to consult with their own tax advisors regarding the possible implications of CRS in respect of their interests in each Fund.**

Taxation of Registered Plans

Amounts of income and capital gains in respect of Units included in the income of trusts governed by a TFSA, FHSA,

RRSP, RRIF, RESP, DPSP and RDSP (collectively, "**Registered Plans**") are generally not taxable under Part I of the Tax Act, provided the Units are "qualified investments" for such Registered Plan for purposes of the Tax Act. See "Eligibility for Investment". Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

ELIGIBILITY FOR INVESTMENT

Provided that each Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all times, Units offered pursuant to this Offering Memorandum will be qualified investments under the Tax Act for Registered Plans.

Notwithstanding the foregoing, if the Units are "prohibited investments" (as defined in the Tax Act) for a TFSA, FHSA, RRSP, RRIF, RESP, or RDSP, the Plan Holder will be subject to a penalty tax as set out in the Tax Act. The Units of a Fund will be a "prohibited investment" for a TFSA, FHSA, RRSP, RRIF, RESP, or RDSP if the 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 a Fund unless the Plan Holder owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the Plan Holder does not deal at arm's length. In addition, the Units will not be a "prohibited investment" for a TFSA, FHSA, RRSP RRIF, RESP, or RDSP if such Units are "excluded property", as defined in the Tax Act. Plan Holders should consult with their own tax advisors regarding the "prohibited investment" rules based on their particular circumstances.

INVESTMENT RISK LEVEL

The Fund Manager has identified the investment risk level of each Fund as an additional guide to help prospective investors decide whether each Fund is right for the investor. The Fund Manager's determination of the risk rating for each Fund is guided by the methodology recommended by each Fund Risk Classification Task Force of The Investment Funds Institute of Canada (the "**Task Force**") as of June 28, 2016 and modified in the manner described below. The Task Force concluded that the most comprehensive, easily understood form of risk is the historical volatility of a fund as measured by the standard deviation of its performance. While the Fund Manager believes that the true risk of a fund is best represented by the chance of a permanent impairment of capital, it recognizes that standard deviation is a widely used measurement tool that allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Under the Task Force methodology, a fund's risk is measured using rolling one, three and five year annualized standard deviation of returns and comparing these values against other funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods. For new funds or funds which have a historical performance of less than three to five years, an appropriate benchmark index is used to estimate the expected volatility and therefore risk level of the fund.

No Fund has at present, a three-year track record and, as such, the Fund Manager has analyzed a similar investment strategy as an appropriate benchmark for the time period prior to launch.

The Fund Manager has in place effective internal operational risk management policies and procedures in order to identify, measure, manage and monitor operational risks, including professional liability risk to which it (and/or each Fund) is or could reasonably be exposed to. However, investors should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, each Fund's historical volatility may not be indicative of its future volatility.

The Alpha Fund is expected to exhibit the same risk profile as other growth equity funds that employ a similar investment strategy.

The Balanced Fund is expected to exhibit the same risk profile as other balanced funds that employ a similar investment strategy.

The Income Fund is expected to exhibit the same risk profile as other income funds that employ a similar investment strategy.

RISK FACTORS

An investment in a Fund involves various risks. An investment in Units should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in a Fund is not intended as a complete investment program. A subscription for Units should only be considered by persons who understand and can bear the risk of loss associated with an investment in the Fund. **The following does not purport to be a complete summary of all the risks associated with an investment in a Fund:**

Reliance on Corton Capital

All investment and trading decisions for each Fund will be made by Corton Capital and its judgment and ability will determine the success of each Fund. No assurance can be given that the investment strategies of each Fund will prove successful under any or all market conditions.

Limited Operating History

Although all persons involved in the management and administration of each Fund have significant experience in their respective fields of specialization, the Funds have no operating or performance history upon which prospective investors can evaluate the Funds' likely performance.

Limited Ability to Liquidate Investment

There exists no established market for the sale of the Units of each Fund, and none is expected to develop within the foreseeable future. The Units of each Fund may be resold only pursuant to exemptions available under applicable securities legislation or redeemed at the applicable Net Asset Value per Unit.

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.

Effect of Substantial Redemptions

Substantial redemptions of Units could require a Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the redemptions. Each Fund will be permitted to borrow cash necessary to pay for redemptions when Corton Capital determines that it is not advisable to liquidate the Fund's assets for that purpose, and also will be authorized to pledge the Fund's assets as collateral security for the repayment of such loans.

In addition, substantial redemptions/repurchases of other classes of a Fund could require Corton Capital to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund. In these circumstances, the Fund may defer redemptions/repurchases, for a maximum period of 30 days. Substantial redemptions/repurchases might result in the liquidation of the Fund.

Loss of Investment

An investment in a Fund is not intended as a complete investment program. A subscription for Units should only be considered by persons who understand and can bear the risk of loss associated with an investment in a Fund. Investors should review closely the investment objectives and investment strategies to be utilized by a Fund as outlined herein

to familiarize themselves with the risks associated with an investment in that Fund.

Income

An investment in the Alpha Fund or Balanced Fund is not suitable for an investor seeking an income from such investment.

Past Performance/Use of Benchmarks

There can be no assurance that any of the Funds will achieve their respective investment objectives. Each of the Funds are new and do not have any past performance history. Past investment performance of any other funds managed by Corton Capital or its personnel should not be construed as an indication of the future results of an investment in a Fund.

A comparison of a Fund's performance to market indices will be of limited use to an investor because the Fund's investment portfolio may contain, among other things, options and other securities and may employ leverage not found in a market index. As a result, there may be no market indices that are directly comparable to the results of each Fund and reliance should not be placed upon such comparisons for the purposes of an investment decision.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, each of Corton Capital and each 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 Corton Capital or the Funds to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause Corton Capital, or the Funds 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 Corton Capital's or the Funds' 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 Corton Capital's or a Fund's third-party service providers (e.g. administrators and custodians) or issuers that the Fund invests in can also subject Corton Capital and the Funds to many of the same risks associated with direct cyber security breaches.

Unitholder Liability

The Trust Declaration provides that no Unitholder shall be subject to any liability whatsoever, in contract or otherwise, to any person in connection with Fund Property or the obligations or the affairs of each Fund and all such persons shall look solely to Fund Property for satisfaction of claims of any nature arising out of or in connection therewith and Fund Property only shall be subject to levy or execution. Notwithstanding the foregoing statement in the Trust Declaration relating to unsettled claims on each Fund's assets, there is a risk, that the Fund Manager considers minimal in the circumstances, that a Unitholder could be held personally liable for obligations of their Fund. It is intended that each Fund's operations be conducted in such a way as to minimize any such risk. In the event that a Unitholder should be required to satisfy any obligation of a Fund, such Unitholder will be entitled to reimbursement from any available assets of that Fund.

Lack of Independent Experts Representing Unitholders

The Fund Manager and each Fund have consulted with a single legal counsel regarding the formation and terms of each Fund and the offering of Units and a single legal counsel regarding the tax summary herein. Unitholders have not, however, been independently represented. Therefore, to the extent that the Unitholders would benefit by further independent review, 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 a Fund.

Legal and Regulatory

Costs of complying with laws, regulations and policies of regulatory agencies, as well as possible legal actions, may impact the value of investments held by a Fund.

Not a Mutual Fund Offered by Prospectus

The Funds are not mutual funds offered by prospectus. As such, the Funds are not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of their respective investment portfolios. In addition, the rules designed to protect investors who purchase securities of a mutual fund offered by prospectus will not apply to Fund Units.

Conflicts of Interest

Each of the Funds and Corton Capital may be subject to various conflicts of interest. See "Conflicts of Interest".

Indemnification Obligations of each Fund

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

Risks Related to Investment Strategies Utilized in Connection with the Funds

There can be no assurance that any trading method employed by Corton Capital on behalf of a Fund will produce profitable results. Moreover, past performance is not necessarily indicative of future returns.

General Risks of Investing

An investment in a Fund is subject to all risks incidental to investment in securities and other assets which the Fund may own. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world and changes in general market conditions and other factors such as local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on a fund and its investments and could also result in fluctuations in the value of a fund. There can be no guarantee that any profits will be realized by a Fund.

Economic and Market Conditions

The success of a 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 that Fund's investments. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

Short Sales

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

securities available at current market prices, a Fund may have to bid up the price of the security in order to cover the short position, resulting in losses to the Fund.

Currency and Exchange Rate Risks

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

Counterparty Risk

To the extent that any counterparty with or through which the Fund engages in trading and maintains accounts does not segregate the Fund's assets, the Fund will be subject to a risk of loss in the event of the insolvency of such person. Even where the Fund's assets are segregated, there is no guarantee that in the event of such 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 Fund 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 each Fund to hedge certain investment risks associate with, and/or enhance the returns of that Fund. See "Risk of Leverage" and "Prime Brokers and Custodial Arrangements".

Credit Risk

Credit risk is associated with the uncertainty in a company's ability to meet its debt obligations. Debt securities rated below investment grade or unrated securities offer a better yield but are generally more volatile and less liquid than other debt securities. There is also a greater likelihood that issuers of below investment grade or unrated debt securities may default, which may result in losses. The market for lower rated debt securities can also be affected by adverse publicity toward the high yield bond markets, which can impact prices of such securities. The value of investment funds (such as the Fund) that hold these securities may rise and fall substantially.

Derivatives Risk

The Funds may use derivative instruments to help it achieve its investment objective. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (which could be, for example, currency or stocks) or from an economic indicator (such as a stock market index or a specified interest rate). Derivatives may be used to limit, or hedge against losses that may occur because of the Fund's investment in a security or exposure to a currency or market. The Fund may use four types of derivatives: options, forwards, futures and swaps. The use of derivatives carries several risks:

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

- It is possible that the other party to the derivative contract will not meet its obligations under the contract. To minimize this risk, Corton Capital monitors all of the Fund's derivative transactions regularly to ensure that the credit rating of the contract counterparty or its guarantor will generally be at least as high as the minimum approved credit rating required under Canadian securities laws.

- When entering into a derivative contract, the Fund may be required to deposit Funds with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations in respect of the Fund, the Fund could lose these deposits.

- Securities and commodities exchanges could set daily trading limits on options and futures. This could prevent the Fund or the counterparty from carrying out its obligations under a derivative contract.

- There is no assurance that the Fund's strategies will be effective. There may be an imperfect historical correlation between the behaviour of the derivative instrument and the investment being hedged. Any historical correlation may not continue for the period during which the hedge is in place.

- Using futures and forward contracts to hedge against changes in currencies, stock markets or interest rates cannot eliminate fluctuations in the prices of securities in the portfolio or prevent losses if the prices of these securities decline.

Hedging may also limit the opportunity for gains if the value of the hedged currency or stock market rises or if the hedged interest rate falls. The inability to close out options, futures, forward and other derivative positions could prevent the Fund from using derivatives to effectively hedge its portfolio or implement its strategy.

Equity Investment Risk

Equity investments, such as stocks, carry several risks. A number of factors may cause the price of a stock to fall. These include specific developments relating to the company, stock market conditions where the company's securities trade and general economic, financial and political conditions in the countries where the company operates. Since the Fund's unit price is based on the value of its investments, an overall decline in the value of the stocks it holds will reduce the value of the Fund. However, if the price of the stocks in the portfolio increases, your investment in each Fund will be worth more. Equity funds (such as the Alpha Fund and to a lesser extent, the Balanced Fund) generally tend to be more volatile than fixed income funds, and the value of their units can vary widely.

Foreign Investment Risk

The value of foreign securities will be affected by factors affecting other similar securities and could be affected by additional factors such as the absence of timely information, less stringent auditing standards, and less liquid markets. As well, different financial, political and social factors may involve risks not typically associated with investing in Canada.

Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment.

Interest Rate Risk

The value of fixed income securities will generally rise if interest rates fall and, conversely, will generally fall if interest rates rise. Changes in interest rates may also affect the value of equity securities. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates.

Issuer Risk

Issuer risk is the risk that the value of a security held by the Fund may decline in value for reasons that directly relate

to the issuer of the security.

Liquidity of Investments

At various times, the markets for other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets make it difficult for the companies to get an order executed at a desired price.

The share prices of smaller companies can be more volatile than those of larger companies. Their shares may trade less frequently and in smaller volume. Smaller companies may have fewer shares outstanding, so a sale or purchase will have a greater impact on the share price.

Regulatory and Legal Risk

Some industries, such as telecommunications and financial services, are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities of issuers in regulated industries may change substantially based on these factors.

In addition, there can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the Fund. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund.

Risk of Leverage

The Fund may utilize leverage as part of its investment program. The use of leverage, while providing the opportunity for a higher return in investment, also increases the volatility of such investments and the risk of loss. Unitholders should be aware that an investment program utilizing leverage creates a greater potential for losses, than a program which does not utilize leverage.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units.

Commodity Risk

If a fund has direct exposure to commodities or to a company whose business is dependent on commodities such as oil or gold, the value of the fund's portfolio may be affected by movements in the price of commodities. If commodity prices decline, a negative impact can be expected on the earnings of companies whose businesses are dependent on commodities and on the performance of funds that invest in such companies.

Cybersecurity Risk

With the increased use of technologies such as the internet to conduct business, the manager and each of the funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the funds, the manager or the funds' service providers (including, but not limited to, a fund's portfolio manager, transfer agent, custodian and sub custodians) have the ability to cause disruptions and impact each of their respective business operations, potentially

resulting in financial losses, interference with the funds' ability to calculate their NAV, impediments to trading, the inability of securityholders to transact business with the funds and the inability of the funds to process transactions including redeeming securities, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the manager and the funds have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the manager and the funds cannot control the cyber security plans and systems of the funds' service providers, the issuers of securities in which the funds invest or any other third parties whose operations may affect the funds or their securityholders. As a result, the funds and their securityholders could be negatively affected.

Performance Fee Risk

To the extent described in this document, the Fund Manager will receive a Performance Fee from each Fund, other than the Income Fund based on the net new appreciation of each Class of the Fund, being the increase in the Net Asset Value of each applicable Class of that Fund above the prior highest Net Asset Value when a Performance Fee was previously paid in respect of that Class of the Fund.. However, the Performance Fee may create an incentive for the Fund Manager to make investments that are riskier than would be the case if such fee did not exist. In addition, because the Performance Fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Canadian Tax Risks

The return on the Unitholder's investment in Units is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. To the extent a Fund earns income in countries other than Canada, it is also exposed to changes in the tax laws, tax proposals, other governmental policies or regulations of that country and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof in Canada or another country, will not be changed in a manner which will fundamentally alter the tax consequences to Unitholders acquiring, holding or disposing of Units.

It is intended that each of the Funds qualifies as a "mutual fund trust" for the purposes of the Tax Act. However, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the treatment of "mutual fund trusts" and "unit trusts" will not be changed in a manner which adversely affects the Unitholders. If a Fund were not to qualify as a "mutual fund trust" under the Tax Act, the federal income tax considerations described in this Offering Memorandum would, in some respects, be materially and adversely different. In addition, if a Fund ceases to qualify as a "mutual fund trust" under the Tax Act, Units of that Fund will cease to be qualified investments for Registered Plans. There can be no assurance that Units will continue to be qualified investments for Registered Plans.

Unitholders may be required to include amounts in their taxable income even where they have not received a cash distribution in respect of such amounts, which can result in Unitholders having a tax liability without a corresponding distribution of cash to pay that tax liability.

CONFLICTS OF INTEREST

When making investment decisions, the Fund Manager has fiduciary duty to act honestly, in good faith and in the best interests of each of each 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 Fund Manager has adopted the following policies regarding conflicts of interest.

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 Fund Manager, including its individual portfolio managers, and each Fund. In order to mitigate against these conflicts of interest, the Fund Manager has adopted a 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 Fund Manager has purchased on behalf of each 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 Fund Manager are required to identify and report other potential conflicts of interest which may arise between the Fund Manager and each Fund or any other clients of the Fund Manager. Upon identifying a material conflict of interest of which a reasonable investor would be expected to be informed, the Fund Manager will disclose, in a timely manner, the nature and extent of the conflict of interest to each 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 advisor.

Because the Fund 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 Fund Manager intends only to sell Units of each Fund, and/or other pooled funds organized by the Fund Manager and will not be remunerated by each 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 Fund Manager also sold, or sought investors for, securities of unrelated issuers. The Fund Manager's relationship with any other pooled funds organized by the Fund Manager will be fully disclosed to all potential investors.

As the Fund Manager, Corton Capital has the following related or connected issuers:

Name:	**Entity Type:**	**Corton's Involvement:**
CMI Prime Mortgage Fund Corp.	Mortgage Investment Corporation	Corton acts as the Exempt Market Dealer
CMI Balanced Mortgage Fund Corp.	Mortgage Investment Corporation	Corton acts as the Exempt Market Dealer
CMI High-Yield Opportunity Fund Corp.	Mortgage Investment Corporation	Corton acts as the Exempt Market Dealer
Delphia Canadian Fund LP	Open-End Investment Fund	Corton acts as the Investment Fund Manager, Portfolio Manager, and the Exempt Market Dealer
Delphia Canadian Fund	Open-End Investment Fund	Corton is the Trustee and has been engaged as the Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer
Relevance Diversified Credit Fund	Open-End Investment Fund	Corton acts as the Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer

Standards to Ensure Fairness in the Allocation of Investment Opportunities

The investment objectives, strategies and restrictions of the Fund Manager's clients may vary. In order provide a fair allocation of investment opportunities for all clients' accounts, including each Fund's, the Fund Manager shall ensure that each client account is supervised separately and distinctly from its other clients' accounts. The Fund 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 Fund Manager may pool each 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 Fund 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 Fund 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 Fund 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 Fund 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 each Fund.

The Fund Manager will not knowingly direct any trade in portfolio securities, or instruct a dealer to execute a trade in portfolio securities between a Fund or any other client and the account of: (i) any "responsible person" of the Fund Manager, (ii) the "associate" of any responsible person of the Fund Manager, or (iii) any other client account managed by the Fund Manager. The Fund Manager will also not knowingly cause a 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 Fund 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 Fund Manager on behalf of its clients. An "associate" of a responsible person means:

(a) an issuer of which the responsible person holds voting securities carrying more than 10% of the voting rights;
(b) a partner of the responsible person;
(c) 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
(d) a member of the responsible person's household.

STATEMENT OF RELATED AND CONNECTED ISSUERS

Applicable Securities Laws 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.

Corton Capital 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, the Fund Manager has no related registrants.

FUND ADMINISTRATOR

SGGG Fund Services Inc. (the "**Administrator**") has been appointed record-keeper and administrator for each Fund pursuant to the Administration Agreement. The Administrator has its principal place of business in Canada at 1200, 121 King Street West, Suite 300, Toronto, Ontario, M5H 3T9. The Administrator's telephone number is 416-967-0038 and its facsimile number is 416-967-1969.

The Administrator will assist the Fund Manager to determine the Net Asset Value, profit and loss of each Fund; maintain the capital accounts of Unitholders and each Fund's accounting books; maintain the register of Unitholders and, process subscriptions, redemption requests and transfer requests and perform certain middle office services for each Fund. The Administrator may, at its own expense, appoint an agent or delegate (which shall be an affiliate of the Administrator) to perform any of the aforementioned services.

The Administration Agreement provides that the Administrator will accept liability for any loss the Fund Manager or Fund may sustain as a result of the Administrator's own fraud, gross negligence or wilful default or that of any agent or delegate. Pursuant to the terms of the Administration Agreement the Fund Manager (out of the assets of each Fund save in the event of fraud, gross negligence, wilful default or breach of the Administration Agreement representations and warranties by the Fund Manager) will indemnify the Administrator from and against any and all liabilities and losses (other than those resulting from the fraud, gross negligence or wilful default on the part of the Administrator or any agent or delegate) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties under the Administration Agreement.

The Administration Agreement contains certain disclaimers of liability by the Administrator, for example:

- in calculating the fair market value of each Fund and the profit and loss of each Fund, the Administrator may use pricing information supplied by the Fund Manager (or any of its affiliates), pricing services, brokers, market makers or other intermediaries and will not be liable for any loss suffered by the Fund Manager or each Fund by reason of any error in calculation resulting from any inaccuracy in the information provided; and
- where the investments of each Fund include investments in collective investment schemes, the Administrator may rely on the price (including estimated prices) provided by the manager, administrator or valuation agent of such scheme, and in such circumstances the Administrator will not be liable for any loss suffered by the

Fund Manager or each Fund by reason of any error in calculation resulting from any inaccuracy in the information provided.

The Administrator will not be liable for the failure of the Fund Manager to adhere to any investment objective, investment policy, investment restrictions or borrowing restrictions for or imposed upon each Fund.

Either the Fund Manager or the Administrator may terminate the Administration Agreement at any time upon at least 90 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.

The Administrator will be paid out based on the fees outlined in the Administration Agreement of the assets of each Fund an annual fee based on a percentage of the month-end Net Asset Value of each Fund, subject to a monthly minimum. Such fee is computed on a sliding scale rate which decreases as the Net Asset Value of each Fund increases.

The register of Unitholders of each Fund is maintained at the principal office of the Administrator at the address noted above.

PRIME BROKERS AND CUSTODIAL ARRANGEMENTS

The Funds has engaged National Bank Independent Bank ("**NBIN**") as its prime broker. Any assets of the Funds will be held in the custody of these prime brokers or such other custodians, each of which is a "qualified custodian" under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Exemptions* of the Canadian Securities Administrators ("**NI 31-103**").

NBIN will serve as the prime-brokers for, and receive fees from, the Funds. Corton Capital reserves the right, in its discretion, to change, reduce or appoint additional prime-brokers for the Funds from time to time.

The prime brokers or affiliates of prime brokers of the Funds may also act as distributors of Units of each Fund and may receive selling and servicing commissions in respect of such sales. The prime brokers of the Funds also receives commissions in respect of the securities trading activities of the Funds. The receipt of such trading fees from the Funds may create an incentive for the prime brokers and/or its affiliates to distribute Units of each Fund.

The prime brokerage agreement entered into between Corton Capital and each prime broker contains provisions governing where the assets of the Funds will be held, the manner in which the Fund's assets will be held, the standard of care of each prime broker and the responsibility for loss of the Fund's assets. The prime brokerage agreements permit the appointment of sub-custodians of the Fund's assets by the prime broker.

In selecting the prime brokers of each Fund to act as custodians of the Fund's assets, Corton Capital 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 the 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 Corton Capital believes that the selection of large, financially sound and regulated financial institutions and prime brokers to act as custodians of each Fund's assets substantially reduces the risk of loss or misappropriation of such assets and is in the best interests of each of each Fund, the assets of each Fund could potentially be at risk of loss in the event of (i) the insolvency of each Fund's custodian or a 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 Fund under the terms of the applicable prime brokerage agreement. See "Risk Factors - Risks Related to Investment Strategies – Counterparty Risk".

Corton Capital monitors its custodial arrangements in relation to each of each Fund and may in the future appoint additional custodians if it feels this is in the best interests of each Fund and will further reduce the risk of loss or misappropriation of each Fund's assets.

LEGAL COUNSEL

North Star Legal Professional Corporation acts as legal counsel to each Fund and Corton Capital in respect of matters pertaining to this offering other than tax advice. Thorsteinssons LLP acts as tax counsel to each Fund and Corton Capital.

AUDITORS

Goodman & Associates LLP is the auditors of each Fund.

STATEMENT OF RELATED AND CONNECTED ISSUERS

Applicable Securities Laws 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.

Each Fund is a related issuer of Corton Capital. Corton Capital as Fund Manager will earn the Management Fees and Performance Fees from each Fund.

Corton Capital 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.

Theta IQ Corporation has granted Corton Capital a license for trademarks and other intellectual property for a fee. Matthew Todman, Omar Khan and Robert Burgess are shareholders of Theta IQ Corporation and are registered individuals of Corton Capital.

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 Capital has no related registrants.

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

Two Day Cancellation Right

You can cancel your agreement to purchase Units. To do so, you must send a notice to each Fund by midnight on the second Business Day after you sign the agreement to buy the Units.

Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the Canadian provinces provides purchasers of securities, or requires purchasers of securities to be provided with, in addition to any other rights they may have at law, a remedy for damages or rescission, or both, where this Offering Memorandum any amendment to it and, in some cases, advertising and sales literature used in connection therewith contains a "**misrepresentation**". The term "misrepresentation" is generally defined under

applicable securities legislation as an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. A "**material fact**" is generally defined under applicable securities legislation as a fact that would reasonably be expected to have a significant effect on the market price or value of the offered securities. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. The rights discussed below are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

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. The following summaries of rights of action and/or rescission are subject to the express conditions of the applicable legislative provisions, which may be subject to change after the date of this Offering Memorandum, and purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor.

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 defenses 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); the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(b) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The 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.

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan) (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) together with any amendment to it, sent or delivered to a purchaser contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for recession against the issuer or a selling security holder on whose behalf the distribution is made and has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or any amendment to it; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or any amendment to it.

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

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that person or company;

(b) no person or company is liable in an action for rescission or damages if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) no person or company, other than the issuer or selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in an action for damages, the defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on; and

(e) in no case shall the amount recoverable exceed the price at which the securities were offered to the public.

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

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;

(b) after the filing of the offering memorandum or any amendment to it and before the purchase of securities, on becoming aware of any misrepresentation, the person or company withdrew its consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it;

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

(d) with respect to any part of the offering memorandum or of the amendment to the offering memorandum purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:

(i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or of the amendment to the offering memorandum fairly represented the person's or company's report, opinion or statement; or

(ii) on becoming aware that the part of the offering memorandum or of the amendment to the offering memorandum did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Financial and Consumer Affairs Authority of Saskatchewan and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of the amendment to the offering memorandum; or

(e) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a

correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.

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

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

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

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

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of a security to whom an offering memorandum or any amendment to it was required to be sent or delivered but was not sent or delivered in accordance with the Saskatchewan Act or the regulations to the Saskatchewan Act.

In Saskatchewan no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) one (1) year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six (6) years after the date of the transaction that gave rise to the cause of action.

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

The foregoing summary is subject to the express provisions of the Saskatchewan Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Manitoba

Section 141.1 of *The Securities Act* (Manitoba) (the "**Manitoba 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 is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer and has a right of action for damages against: (i) the issuer; (ii)

every director of the issuer at the date of the offering memorandum; and (iii) every person or company who signed the offering memorandum.

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

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

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

(b) in an action for damages, a defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation;

(c) the amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum; and

(d) no person or company will be liable if the person or company proves that the purchaser had knowledge of the misrepresentation.

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

(a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;

(b) after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the offering memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report, opinion or statement.

No person or company, other than the issuer will be liable with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation.

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

In Manitoba, no action may be commenced to enforce any of the foregoing rights:

(a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in any other case more than:

(i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) two (2) years after the day of the transaction that gave rise to the cause of action, whichever occurs earlier.

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

The foregoing summary is subject to the express provisions of the Manitoba Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Nova Scotia

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

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

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and

(c) the amount recoverable may not exceed the price at which the securities were offered to the purchaser under the offering memorandum or any amendment to it.

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

(a) the offering memorandum or any amendment to it was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or any amendment to it and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or any amendment to it purporting to be made

on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

No person or company is liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation.

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

In Nova Scotia, no action may be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the day of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three (3) years after the day of the transaction that gave rise to the cause of action.

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

The foregoing summary is subject to the express provisions of the Nova Scotia Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

New Brunswick

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

(a) the purchaser has a right of action for damages against the issuer, any selling security holder, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum; or

(b) where the purchaser purchased the securities from any aforementioned person, the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

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

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

(a) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(c) in no case shall the amount recoverable exceed the price at which the securities were offered.

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

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent, and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge and consent;

(b) on becoming aware of any misrepresentation, the person withdrew its consent to the offering memorandum, and gave written notice of the withdrawal and the reason for it; or

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

No person, other than the issuer or selling security holder, will be liable with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from a report, an opinion or a statement of an expert, unless the person failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there was a misrepresentation.

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

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) one (1) year after the plaintiff first had knowledge of the facts giving rise to the cause of action; and

(ii) six (6) years after the date of the transaction that gave rise to the cause of action.

Similar rights of action for damages and rescission are provided in section 151 of the New Brunswick Act in respect of a misrepresentation in advertising or sales literature disseminated in connection with a trade of securities.

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

Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**") provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) that contains a misrepresentation (as defined in the PEI Act), without regard to whether he or she relied on the misrepresentation:

(a) a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum; and

(b) a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made.

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

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

(a) if the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages;

(b) no person is liable in an action for rescission or damages if that person proves that the purchaser had knowledge of the misrepresentation;

(c) in an action for damages, a defendant will not be liable for any part of the damages that it proves do not represent the depreciation in value of the securities resulting from the misrepresentation; and

(d) the amount recoverable must not exceed the price at which the securities purchased by the plaintiff were offered.

In addition, no person, other than the issuer and selling security holder, will be liable in action for damages if the person proves that:

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

(b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

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

No person, other than the issuer and selling security holder, will be liable in action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert, or not purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believe that there had been a misrepresentation.

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

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

Section 117 of the PEI Act provides that a person who is a purchaser of a security to whom an offering memorandum was required to be sent or delivered under Prince Edward Island securities laws but which was not sent or delivered as required has a right of action for damages or rescission against the issuer.

In Prince Edward Island, no action shall be commenced to enforce these rights of action more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three (3) years after the date of the transaction giving rise to the cause of action, whichever period expires first.

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

Northwest Territories

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

(a) a right of action for damages against:

(i) the issuer;

(ii) the selling security holder on whose behalf the distribution is made;

(iii) every director of the issuer at the date of the offering memorandum; and

(iv) every person who signed the offering memorandum; and

(b) a right of rescission against:

(i) the issuer; or

(ii) the selling security holder on whose behalf the distribution is made.

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

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

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

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

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

(b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation, or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

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

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

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

(b) believed there had been a misrepresentation.

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

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.
The issuer, and every director of the issuer at the date of the offering memorandum who is not a selling security holder, is not liable if the issuer does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the issuer, unless the misrepresentation:

(a) was based on information previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

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

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

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

(b) in the case of any action other than an action for rescission,

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

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

British Columbia, Alberta and Québec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require each Fund to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (accredited investor exemption) of NI 45-106 and to purchasers in British Columbia and Québec any rights of action in circumstances where this Offering Memorandum or an amendment hereto contains a misrepresentation, each Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.