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In this Offering Memorandum, “Funds” means Portland Focused Plus Fund LP and Portland Focused Plus Fund and a “Fund” means any one of the Funds; “you”, “your” and “unitholder” mean you and all other investors in Units of a Fund or Funds; “we”, “us”, “our” and the “Manager” means Portland Investment Counsel Inc., the investment fund manager, promoter, and portfolio manager of the Funds; and “Trustee” means Portland Investment Counsel Inc. in its capacity as trustee of Portland Focused Plus Fund. All references to dollars (\$) shall refer to Canadian dollars, unless otherwise stated. The Funds and the securities offered under this Offering Memorandum are not registered with the United States Securities and Exchange Commission and may not be offered or sold in the United States.

Continuous Offering

October 25, 2018



PORTLAND FOCUSED PLUS FUND LP

PORTLAND FOCUSED PLUS FUND

CONFIDENTIAL OFFERING MEMORANDUM

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Dated: October 25, 2018

Continuous Offering

THE ISSUERS:

Name and Head Office: Portland Focused Plus Fund LP
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Calgary, Alberta T2P 0R3

Portland Focused Plus Fund
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Burlington, Ontario L7P 4V7

Phone Number: 1-888-710-4242

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Currently Listed or Quoted: **These securities do not trade on any exchange or market.**

Reporting Issuer: No.

SEDAR Filer: No.

Fundserv Eligible: Yes.

THE OFFERING:

The Funds: The two separate funds offered by this Offering Memorandum are Portland Focused Plus Fund LP (the “**Partnership**”) and Portland Focused Plus Fund (the “**Trust**”) (together, the “**Funds**”).

The Partnership is an open-end limited partnership established under the laws of Alberta and the Trust is an open-end trust established under the laws of Ontario.

Securities Offered: An unlimited number of multiple series of units (each, a “**Unit**” and together, the “**Units**”) offered hereby on a continuous basis in Canadian dollars. Each Unit within a particular series will be of equal value; however, the value of a Unit in one series may differ from the value of a Unit in another series. Each series shall have the attributes and characteristics as set out under the heading “The Offering”.

Price per Security: On the first date on which Units of a series are issued, Units of that series will be issued at an opening Net Asset Value of \$50.00. On each successive date on which Units of that series are issued, the Units may be issued at a Net Asset Value per Unit to be calculated as described under the heading “Net Asset Value”.

Minimum/Maximum Offering: There is no minimum or maximum offering. You may be the only purchaser.

Minimum Subscription Amount: All investors must meet minimum investment criteria as outlined under “Who Should Invest – Minimum Investment Criteria”. Series A Units are

available to all investors making a minimum purchase of Units of \$2,500. Series F Units are generally available to all investors making a minimum purchase of Units of \$2,500 and who purchase Units through a fee-based account with their registered dealer. Series M and Series P Units are generally available to all investors making a minimum purchase of Units of \$500,000 in respect of the Trust, or \$1,000,000 in respect of the Partnership. Series Q Units are generally available to all investors making a minimum purchase of \$10,000,000. Series O Units are generally available to certain institutional investors. See “The Offering”.

Payment Terms: The subscription amount (net of any commission payable to the registered dealer, if applicable) is payable one business day following the Valuation Date. A “**Valuation Date**” is the last business day (that is, the last business day on which the Toronto Stock Exchange is open for trading) of each month and such other business day or days as the Manager may in its discretion designate. No financing of the subscription price will be offered by the Manager.

Income Tax Consequences: There are important tax consequences associated with the ownership of Units. See “Canadian Income Tax Considerations and Consequences of the Partnership” and “Canadian Income Tax Considerations and Consequences of the Trust”.

Registered Plans: The Trust is a mutual fund trust as defined in the *Income Tax Act* (Canada) (the “**Tax Act**”) and as such Units are “qualified investments” under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs (collectively “**Registered Plans**”). Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs, and subscribers of RESPs, should consult with their own tax advisors as to whether Units would constitute a “prohibited investment” under the Tax Act in their particular circumstances.

Selling Agent: None.

RESALE RESTRICTIONS

As there is no market for the Units, it may be difficult or even impossible for subscribers to sell them other than by way of a redemption of their Units. The Units are also subject to resale restrictions under the Partnership’s Limited Partnership Agreement, the Trust’s Declaration of Trust and applicable securities legislation. See “Transfer or Resale”. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss of part or all of their investment. There are additional risk factors associated with investing in the Units. See “Risk Factors”. Subscribers are urged to consult with independent legal, tax and/or investment advisers and to carefully review the applicable documents prior to signing the subscription agreement for the Units.

The Manager, as the Trustee of the Trust, and Portland General Partner (Alberta) Inc. (the “General Partner”), as the general partner of the Partnership, have engaged the Manager to direct the business, operations and affairs of the Funds and the Manager will be paid fees for its services as set out herein. The Manager is a registered dealer participating in the offering of the Units to its clients for which it may receive an initial sales commission with respect to Series A, Series M, Series P and Series Q Units and it will receive a trailing commission with respect to Series A Units. The Funds and any related issuers that are managed by the Manager from time to time may be considered to be

“connected issuers” and “related issuers” of the Manager and the General Partner under applicable securities legislation. The Manager and the General Partner are controlled, directly or indirectly, by the same individual. See “Corporate Governance - Conflicts of Interest”.

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THE PARTNERSHIP

The Partnership was formed under the laws of Alberta and became a limited partnership by filing a Certificate of Limited Partnership under the *Partnership Act (Alberta)* (the “**Partnership Act**”) on October 22, 2012. The Partnership is governed by an amended and restated limited partnership agreement dated as of January 29, 2014 as amended thereafter and as may be amended from time to time (the “**Limited Partnership Agreement**”), made between the General Partner and Monica Cole (the “**Initial Limited Partner**”). The principal place of business of the Partnership and of the General Partner is Centennial Place, East Tower, 1900, 520 - 3rd Avenue S.W., Calgary, Alberta T2P 0R3. See “Limited Partnership Agreement”.

Investors become limited partners of the Partnership (each, a “**Limited Partner**” and together, the “**Limited Partners**”) by acquiring interests in the Partnership designated as Units issued in multiple series and will be bound by the terms of the Limited Partnership Agreement. See “The Offering”.

The Partnership has no fixed term. Dissolution may only occur on 30 days’ written notice by the Manager to each Limited Partner, or 60 days’ written notice following the removal of the General Partner (unless the Limited Partners vote to appoint a replacement General Partner and continue the Partnership). See “Limited Partnership Agreement – Termination of the Partnership”.

The fiscal year end of the Partnership is December 31.

THE GENERAL PARTNER

The General Partner was incorporated under the *Business Corporations Act (Alberta)* on October 18, 2012. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources.

The General Partner is generally responsible for management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement. The General Partner has engaged the Manager to carry out its duties, including management of the Partnership on a day-to-day basis, management of the Partnership’s portfolio and distribution of the Units of the Partnership, but remains responsible for supervising the Manager’s activities on behalf of the Partnership. The General Partner may also purchase Units.

THE TRUST

The Trust is an open-ended unit trust established by the Trustee under the laws of Ontario pursuant to an amended and restated master declaration of trust dated December 13, 2013 (the “**Declaration of Trust**”), as amended thereafter and as may be amended from time to time. The office of the Trust is 1375 Kerns Road, Suite 100, Burlington, Ontario, L7P 4V7. See “Declaration of Trust”. A copy of the Declaration of Trust as amended is available from the Manager upon request.

Investors become unitholders in the Trust by acquiring interests in the Trust designated as Units issued in multiple series. See “The Offering”.

The Trust has no fixed term. The Trust may be terminated if the Manager determines that it is in the best interest of the unitholders to do so and may occur on 30 days' written notice by the Manager to each unitholder. See "Declaration of Trust - Termination of the Trust".

The fiscal year end of the Trust is December 31.

THE TRUSTEE

The Trustee is a corporation amalgamated under the laws of Ontario. The Trustee has ultimate responsibility for the business and undertaking of the Trust in accordance with the terms of the Declaration of Trust. The Trustee has engaged the Manager to manage the Trust on a day-to-day basis, including management of the Trust's portfolio and distribution of the Units of the Trust.

THE MANAGER

The General Partner and Trustee have engaged the Manager to direct the day-to-day business, operations and affairs of each Fund, including management of the Funds' portfolios on a discretionary basis and distribution of the Units of the Funds. The Manager may delegate certain of these duties from time to time. See "Management Agreements".

The Manager is a corporation amalgamated under the laws of Ontario. The principal place of business of the Manager is 1375 Kerns Road, Suite 100, Burlington, Ontario, L7P 4V7.

Certain senior officers and directors of the Manager and/or its affiliates and associates may purchase and hold Units of each Fund and the securities of related issuers and underlying funds from time to time. These Units may represent a material proportion of each Fund.

James Cole is an officer of the Manager and is principally responsible for selecting investments for the Funds.

James Cole

James Cole joined Portland Investment Counsel Inc./AIC Limited in February 2000 as Senior Vice President and Portfolio Manager. James has 35 years of investment experience including 26 years as a portfolio manager responsible for Canadian and U.S. equities. In 2018, the Partnership was a winner of a Canadian Hedge Fund Award for third place for best five year return in the Equity Focused category. In 2017, the Partnership received the Private Capital Markets Association of Canada Investment Fund Award. In 2007, the Canadian balanced fund lead-managed by James Cole won the Lipper Award for having the highest risk-adjusted return in its category for the three years ended in 2006.

Prior to joining the Manager, James was a portfolio manager with Gluskin Sheff + Associates Inc. and prior to this was Vice President and Portfolio Manager with Beutel, Goodman & Company Ltd. James was also a securities analyst for nine years culminating in 1992 with being ranked in the Brendan Woods survey of institutional investors as the #1 communications and media analyst in Canada.

James was formerly the treasurer of CFA Society Calgary and previously served three years as a director of CFA Society Toronto and chairman of its accounting and disclosure committee. James holds a degree in Economics from Trent University and earned his CFA designation in 1986.

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objective

The investment objective of each Fund is to achieve, over the long term, preservation of capital and a satisfactory return.

Investment Strategies

To achieve this investment objective, the Manager will employ the following core techniques:

- a) focused investing in a limited number of long securities positions. These securities will typically be equity securities issued by larger-capitalization companies domiciled in Canada, the United States and globally, which the Manager believes have strong financial positions, superior track records and are undervalued. The Manager expects to place a particular emphasis on high-quality companies with above-average dividend yields and satisfactory historic and prospective dividend growth; and
- b) leverage by purchasing securities on margin. Margin borrowings may generally comprise up to 70% of each Fund's total assets. The Funds will incur such borrowings in Canadian dollars, United States dollars or such other currencies as it may deem advisable from time to time.

To a lesser extent, the following techniques may also be used on an opportunistic basis in order to meet each Fund's investment objective:

- c) derivatives may be used to limit or hedge potential losses associated with currencies, specific securities, stock markets and interest rates or to generate income. Derivatives may include forward currency agreements and options; and
- d) short sale positions may be used to profit from the expected decline in valuations of overvalued securities or to hedge the Funds' long positions.

Each Fund may also invest in real estate investment trusts, other income trusts, exchange-traded funds, preferred shares and debt securities including convertibles, corporate and sovereign debt. Each Fund may hold cash in short-term debt instruments, money market funds or similar temporary instruments pending full investment of the Fund's capital and at any time deemed appropriate by the Manager.

Neither of the Funds has geographic, industry sector, asset class or market capitalization restrictions. There is no restriction on the percentage of the Net Asset Value of each Fund which may be invested in the securities of a single issuer.

The Trust may achieve its investment objective by investing some, all, or substantially all, of its net assets in the Partnership. Regulatory relief may be required prior to the Trust investing in the Partnership.

General

The above-described investment strategies which may be utilized in the management of the Funds are not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Manager will depend upon its assessment of market conditions and the relative attractiveness of the

available opportunities. The Manager may, in its sole and absolute discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to the unitholders. Changes to the investment objective and strategies of the Funds can be made without prior approval of the unitholders.

There can be no assurances that the Funds will achieve their investment objective.

Statutory Caution

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

WHO SHOULD INVEST

The Funds may be suitable for those investors who plan to invest for the medium to long term, are seeking long term capital growth and are able to tolerate volatility. The Manager has identified the investment risk level of the Partnership as medium and the Trust as medium-to-high as an additional guide to help you decide whether an investment in the Funds is right for you.

The Manager's determination of the risk rating for the Funds is guided by both measurable and non-measurable factors. 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, the Fund's historical volatility may not be indicative of its future volatility. An investment in the Funds is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. See "*Risk Factors*".

The Trust is a mutual fund trust under the Tax Act, and as such Units are "qualified investments" under the Tax Act for Registered Plans. Annuitants of RRSPs, and RRIFs, holders of TFSAs and RDSPs, and such subscribers of RESPs should consult with their own tax advisors as to whether Units would be a "prohibited investment" under the Tax Act in their particular circumstances. See "Canadian Income Tax Considerations and Consequences of the Trust – Registered Plans Available to the Trust".

The following persons and entities may not invest in the Partnership:

- (a) a "non-resident", a partnership other than a "Canadian partnership", a "tax shelter", a "tax shelter investment", or any entity an interest in which is a "tax shelter investment" or in which a "tax shelter investment" has an interest, within the meaning of the Tax Act; and
- (b) a partnership which does not have a prohibition against investment by the foregoing persons and entities.

By purchasing Units, a Limited Partner represents and warrants that he, she or it is not one of the persons and entities referred to above and shall indemnify and hold harmless the Partnership and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of a breach of such representation and warranty. Any Limited Partner who fails to provide evidence satisfactory to the Manager of such status when requested to do so from time to time may be removed as a Limited Partner by the redemption of his or her Units in accordance with the Limited Partnership Agreement.

Any Limited Partner purchasing Units pursuant to this Offering Memorandum whose status changes in regard to the above shall be deemed to have ceased to be a Limited Partner (for all purposes other than taxation and liability) immediately prior to the date on which such status changes and shall thereafter only be entitled to receive from the Partnership an amount equal to the lesser of the Net Asset Value of such Limited Partner's Units as at the date on which he, she or it ceases to be a Limited Partner and the Net Asset Value of such Units as at the date the Manager learns that such Limited Partner's status has changed, less all such deductions as provided in the Limited Partnership Agreement, as if such Limited Partner voluntarily redeemed his, her or its Units.

In addition, any Limited Partner purchasing pursuant to this Offering Memorandum that is or becomes a "financial institution" within the meaning of section 142.2 of the Tax Act (or any successor provision) shall disclose such status to the Manager at the time of subscription (or when such status changes) and the Manager may (if the Manager determines that it is in the best interest of the Partnership and the other Limited Partners to do so) restrict the participation of any such Limited Partner or require any such Limited Partner at any time to redeem all or some of such Limited Partner's Units. A Limited Partner that fails to identify itself as a financial institution shall indemnify and hold harmless the Partnership, the General Partner and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of such failure. Any Limited Partner who is or who becomes a financial institution after becoming a Limited Partner shall (if the Manager determines it would be prejudicial to the Partnership and the other Limited Partners not to) be deemed to have, immediately prior to the date on which it becomes a financial institution (or the date of issue of Units to such financial institution, whichever is later), redeemed (or rescinded its subscription for) some or all of such Limited Partner's Units to the extent necessary to result in financial institutions owning in the aggregate Units having a Net Asset Value that is less than one-half of the Net Asset Value of all of the Units, and shall be entitled to receive from the Partnership as redemption proceeds an amount equal to the lesser of the Net Asset Value of such redeemed Units as at the date on which it is deemed to have redeemed such Units and the Net Asset Value of such Units as at the date the Manager learns that such Limited Partner is a financial institution, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed its Units.

The Manager reserves the right at its sole discretion to require any Limited Partner to redeem all or a portion of the Units held by such Limited Partner including where a Limited Partner is or becomes a United States citizen or resident of the United States or a resident of another foreign country if the Manager concludes that the participation of such Limited Partner has the potential to cause adverse regulatory or tax consequences for the Partnership, the General Partner or other Limited Partners.

Minimum Investment Criteria

Units are being offered on a continuous basis to investors resident in the provinces and territories of Canada: (a) who are accredited investors under National Instrument 45-106 – *Prospectus Exemptions*, as may be amended from time to time ("**Accredited Investors**"); (b) who are not individuals and that invest

a minimum of \$150,000 in a Fund and are not a resident of Alberta; or (c) to whom Units may otherwise be sold ((a), (b) and (c) will be referred to, collectively, as the “**Minimum Investment Criteria**”).

A list of criteria to qualify as an Accredited Investor is set out in the subscription agreement (the “**Subscription Agreement**”) delivered with this Offering Memorandum and generally includes individuals who have net assets of at least \$5,000,000, or financial assets of at least \$1,000,000, or personal income of at least \$200,000, or combined spousal income of at least \$300,000 in the previous two years with reasonable prospects of same in the current year, or an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a registered adviser or dealer.

Unless an investor can establish to the Manager’s satisfaction that another exemption is available, subscribing for Units will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is either an Accredited Investor or is not an individual and is investing a minimum amount of \$150,000. This minimum amount is net of any initial sales commissions paid by an investor to his or her registered dealer. An investor (other than an individual) that is not an Accredited Investor, or is an Accredited Investor solely on the basis that they have net assets of at least \$5,000,000, must also represent to the Manager (and may be required to provide additional evidence at the request of the Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. Investors will be required to make certain representations in the Subscription Agreement and the Manager will rely on such representations to establish the availability of the exemptions. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

THE UNITS

Each Fund may issue an unlimited number of Units in an unlimited number of series. Each issued and outstanding Unit of a series shall be equal to each other Unit of the same series with respect to all matters. The respective rights of the holders of Units of each series will be proportionate to the Net Asset Value of such series relative to the Net Asset Value of each other series. Each Unit carries with it a right to vote, with one vote for each \$1.00 of Net Asset Value attributed to such Unit (the Net Asset Value of all Units held by a unitholder shall be aggregated for the purpose of determining voting rights). Fractional Units may be issued.

On the first closing, Units of each series will be issued at a Net Asset Value per Unit of \$50. All changes in Net Asset Value (i.e., all income and expenses, and all unrealized gains and losses) of the Funds shall be borne proportionately by each series of Units based on their respective Net Asset Values, except as follows: (a) subscription proceeds received by each Fund in respect of a series of Units shall accrue to the Net Asset Value of such series; (b) all redemption proceeds paid out by each Fund in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; and (c) fees payable by each Fund to the Manager in respect of a series and all other fees and expenses incurred in respect of a Unit of a series shall be deducted from the Net Asset Value of such series. The Net Asset Value per Unit of a series shall be calculated by dividing the Net Asset Value of such respective series by the number of Units of such series then outstanding.

The Manager may in its discretion create different series of Units. Each series may be subject to different fees and may have such other features as the Manager may determine. The Manager may redesignate a unitholder’s Units from one series to another (and amend the number of such Units so that the Net Asset Value of the unitholder’s aggregate holdings remains unchanged) and will do so in accordance with the Limited Partnership Agreement or the Declaration of Trust, as applicable.

THE OFFERING

Units are being offered on a continuous basis to investors who meet the Minimum Investment Criteria. Units may be distributed through registered dealers (including the Manager in its capacity as an exempt market dealer). The offering of the Partnership is restricted to persons who have the capacity and competence to enter into and be bound by the Limited Partnership Agreement. The Manager has designated five series of Units:

- **Series A Units** are available to all investors who invest a minimum of \$2,500. Series A Units are charged a management fee of 2.00% per annum and may be subject to a performance fee.
- **Series F Units** will generally only be issued to investors who invest a minimum of \$2,500 and who purchase their Units through a fee-based account with their registered dealer. Series F Units are charged a management fee of 1.00% per annum and may be subject to a performance fee.
- **Series M Units** will generally only be issued to investors who make an initial investment of \$500,000 or more in respect of the Trust, or \$1,000,000 or more in respect of the Partnership. If the investor does not maintain this initial investment amount, at the greater of cost or market value, the Manager shall have the right at its sole discretion to switch the investor's Series M Units into Series F Units. Series M Units are charged a management fee of 1.00% per annum and are not subject to a performance fee.
- **Series P Units** will generally only be issued to investors who make an initial investment of \$500,000 or more in respect of the Trust, or \$1,000,000 or more in respect of the Partnership. If the investor does not maintain this initial investment amount, at the greater of cost or market value, the Manager shall have the right at its sole discretion to switch the investor's Series P Units into Series F Units. Series P Units are not subject to a management fee and may be subject to a performance fee.
- **Series Q Units** will generally only be issued to investors who make an initial investment of \$10,000,000. If the investor does not maintain this initial investment amount, at the greater of cost or market value, the Manager shall have the right at its sole discretion to switch the investor's Series Q Units into Series F, M or P Units. Series Q Units are charged a management fee of 0.75% per annum and are not subject to a performance fee.
- **Series O Units** will only be issued to certain institutional or other investors, including the Trust investment, if any, in the Partnership. An investment by the Trust in the Partnership may be done through an in kind transfer subject to regulatory relief. Series O Units are charged a negotiated management fee and/or performance fee directly to the Manager and as such the fees associated with Series O Units will not be deducted as an expense of the Fund.

The initial minimum investment amount may be adjusted or waived in the Manager's absolute discretion and without notice to investors. There are additional costs associated with investment in Units. See "Fees and Expenses" and "Dealer Compensation". Series A, Series F, Series P and Series O Units may be subject to a performance fee based on increases in the Net Asset Value as outlined under "Fees and Expenses - Performance Fees".

SUBSCRIPTIONS

Minimum Subscription

The minimum initial subscription for an investor is as described under “The Offering”.

Each additional investment must be in an amount that is not less than \$500 or such other amount as the Manager may determine in its discretion. For investors who are not individuals or Accredited Investors, the additional investment must be in an amount that is not less than \$150,000, unless: (a) the investor initially acquired Units for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the unitholder have an acquisition cost or a net asset value equal to at least \$150,000; or (b) another exemption is available.

These minimums are net of any initial sales commissions paid by an investor to his or her registered dealer.

Subscription Procedure

Subscriptions for Units must be made by completing and executing the Subscription Agreement and any other forms required under the Subscription Agreement and by forwarding such forms together with payment (by the options as outlined therein) to CIBC Mellon Global Securities Services Company (the “**Administrator**”).

Subscriptions will be processed on each Valuation Date.

Units of each Fund can be purchased directly through an authorized registered dealer including the Manager in its capacity as an exempt market dealer. An investor may purchase Units by sending the purchase amount to his or her registered dealer. The price of a Unit is the Net Asset Value per Unit of the applicable series determined on the Valuation Date.

Orders must be accompanied by a Subscription Agreement in acceptable form and be received by the Administrator either directly from an investor or from an investor’s registered dealer no later than 4:00 p.m. (Toronto time) on the Valuation Date in order for the subscription to be accepted as at that Valuation Date; otherwise the subscription will either be rejected (if the Subscription Agreement is not accepted) or processed as at the next Valuation Date (if accepted but received later than required).

Payment for subscriptions must be received by the Administrator no later than one business day following the Valuation Date.

A subscription for Units of a series will be made at the series Net Asset Value per Unit of that series on the first Valuation Date following acceptance of that subscription. The number of Units of the applicable series will be the amount paid for the Units (less any sales commissions) divided by the applicable series Net Asset Value per Unit determined as at the Valuation Date following acceptance of that subscription. A purchase confirmation will be issued once payment is received to confirm the number of Units that were issued where the subscription is accepted.

Subscription funds provided prior to a Valuation Date will remain at the investor’s dealer until the Units have been issued. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription is rejected, any subscription funds received by the Administrator will be returned without interest or deduction.

Pre-authorized Chequing Plan

Units of the Trust can be purchased by making monthly investments through a pre-authorized chequing plan (“**PAC Plan**”). For details of the minimum investment, see “Subscriptions – Minimum Subscription”. The Manager may stop an investor’s PAC Plan if a payment is not made when due and may change or discontinue this service at any time. A PAC Plan can be cancelled at any time upon five business days’ notice to the Manager.

SWITCHES OF UNITS

Subject to the consent of the Manager, unitholders may switch all or part of their investment in a Fund from one series of Units to another series of the same Fund if the unitholder is eligible to purchase that series of Units. See “Subscriptions” and “Redemptions”. Upon an exchange or switch from one series of Units to another series, the number of Units held by the unitholder will change since each series of Units has a different Net Asset Value per Unit.

Generally, switches between series of Units of the same Fund are not dispositions for tax purposes. However, unitholders should consult with their own tax advisors regarding any tax implications of switching between series of Units.

TRANSFER OR RESALE

Units of the Funds are transferable only in very limited circumstances. An investor may only transfer his, her or its Units of the Funds with the Manager’s prior written consent, or as required by law in connection with a bankruptcy or insolvency or upon death, and then only to the investor’s legal representatives.

A Limited Partner may, without charge and with the consent of the Manager, transfer all or any of the Units owned by him, her or it to another investor (“transferee”) (if the transferee is eligible to purchase Units), by delivering to the Administrator a request for transfer in a form acceptable to the registrar and transfer agent of the Partnership, together with any other documentation as may be required by the Manager (including that the transfer is being made in compliance with all applicable securities legislation) as may be reasonably required by such registrar and transfer agent. See “Administrator”. A transfer or resale is considered a distribution. A transfer will not be effective unless and until it is recorded on the register of Limited Partners.

Pursuant to the provisions of the transfer, when the transferee of a Unit has been registered as a Limited Partner, the transferee will become a party to the Limited Partnership Agreement and will be subject to the obligations and entitled to the rights of a Limited Partner under the Limited Partnership Agreement. A transferor of Units will remain liable to reimburse the Partnership for any amounts distributed to him or her by the Partnership which may be necessary to restore the capital of the Partnership to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Partnership resulting in the inability of the Partnership to pay its debts as they became due.

Unitholders are advised to consult with their advisors concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and, if applicable, the Limited Partnership Agreement or Declaration of Trust. Redemption of Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in the Funds.

REDEMPTIONS

An investment in Units is intended to be a long-term investment. Unitholders may redeem their Units, however, on any Valuation Date by submitting a request for redemption in a form acceptable to the Administrator through their registered dealer or directly to the Administrator no later than 4:00 p.m. (Toronto time) on the Valuation Date in order for the redemption to be accepted as at that Valuation Date; otherwise the redemption will be processed as at the next Valuation Date.

The redemption price shall equal the Net Asset Value per Unit of the applicable series of Units being redeemed, determined as of the close of business on the relevant Valuation Date as described under the section “Net Asset Value”. Unless redemptions have been suspended (which may only occur in the circumstances set out below), payment of redemption proceeds will be made by the Manager within five business days following the relevant Valuation Date.

Each Fund may suspend the redemption of Units or postpone the date of payment of redeemed Units: (a) for any period when normal trading is suspended on any stock, options, futures or other exchange or market within or outside Canada on which securities are listed and traded, or on which permitted derivatives are traded, which represent more than 50% by value or underlying market exposures of the total assets of the Fund, without allowance for liabilities; or (b) at any time that the Manager is unable to value or dispose of the assets of the Fund. The Manager will not permit redemptions (either in whole or in part) of a Fund at any time when the Manager is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Fund to fund such redemptions or that the liquidation of assets would be to the detriment of the Fund generally. In the event of suspension of the right of redemption, a unitholder may receive redemption proceeds based on the Net Asset Value per Unit on the first Valuation Date following the termination of the suspension unless the redemption request has been withdrawn earlier by the unitholder.

The Manager has the right to require a unitholder to redeem some or all of the Units owned by such unitholder on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the unitholder given at least 10 business days before the designated Valuation Date, which right may be exercised by the Manager in its absolute discretion.

DISTRIBUTIONS AND ALLOCATION OF NET PROFITS AND NET LOSSES

Distributions

Distributions will be made to Limited Partners only at such times and in such amounts as may be determined in the discretion of the Manager. All distributions by the Partnership will be automatically paid in cash, unless the investor notifies the Manager in writing that reinvested distributions are preferred. See “Canadian Income Tax Considerations and Consequences of Investing in the Partnership”.

The Trust shall distribute sufficient net income and net realized capital gains (reduced by a capital gains refund or loss carry forwards, if any) to unitholders as required annually to ensure that the Trust is not liable for ordinary income taxes. Notwithstanding the foregoing, distributions may be a combination of income, capital gains and return of capital. All distributions by the Trust will be automatically reinvested in additional Units of the same series of the Fund held by the investor at the Net Asset Value thereof, unless the investor notifies the Manager in writing that cash distributions are preferred. See “Canadian Income Tax Considerations and Consequences of Investing in the Trust”.

Computation and Allocation of Net Profits or Net Losses of the Partnership

Generally, Net Profits or Net Losses (as such terms are defined in the Limited Partnership Agreement) of the Partnership which are allocable to Limited Partners during any fiscal period will be allocated in accordance with the Limited Partnership Agreement on each Valuation Date to Limited Partners in proportion to the number of Units held by each of them as at each Valuation Date, subject to adjustment to reflect subscriptions and redemptions of Units made during the fiscal period, as described below.

Allocation of Income or Loss for Tax Purposes of the Partnership

The Partnership will calculate its income or loss in accordance with the provisions of the Tax Act (its “**Taxable Income**”) and will allocate its Taxable Income to the General Partner and to the Limited Partners in accordance with the Limited Partnership Agreement. When in the course of any fiscal year Units are redeemed by one or more Limited Partners or are acquired from the Partnership, the Manager may adopt and amend an allocation policy from time to time intended to allocate income or loss (and/or taxable capital gains or allowable capital losses) in such a manner as to account for Units which are purchased or redeemed throughout such fiscal year, the series of such Units, the tax basis of such Units, the fees payable by the Partnership in respect of each such series of Units, and the timing of receipt of income or realization of gains or losses by the Partnership during such year, among other factors deemed relevant by the Manager. To such end, any person who was a Limited Partner at any time during a fiscal year but who has redeemed or transferred all of their Units before the last day of such fiscal year may be deemed to be a Limited Partner on the last day of such fiscal year for the purposes of subsection 96(1.1) of the Tax Act (or any successor provision), and such person will be deemed to be a Limited Partner on the last day of such fiscal year pursuant to subsection 96(1.01), and income or loss in such fiscal year may be allocated to such former Limited Partner. A Limited Partner who is considering disposing of Units during a fiscal year of the Partnership should obtain specific tax advice.

Notwithstanding the foregoing, in the event that a Limited Partner receives an amount from the Partnership or any other person which amount is included in computing the income of the Partnership in accordance with subsection 12(2.1) of the Tax Act (or any successor provision), for the purposes of allocating taxable income or loss of the Partnership for the year, any such amount shall be allocated to the particular Limited Partner to whom such payment was made in an amount equal to the amount of such payment and not to any other Limited Partner.

NET ASSET VALUE

The Net Asset Value of each series of the Fund and the Net Asset Value per Unit of each series of Units will be determined as of 4:00 p.m. (Toronto time) on each Valuation Date by the Administrator in accordance with the Limited Partnership Agreement or Declaration of Trust, as applicable. At the discretion of the Manager and for informational purposes only, the Net Asset Value per Unit may be calculated on additional days (each, an “**Additional Pricing Date**”) other than a Valuation Date.

The Net Asset Value per Unit of each series shall be determined (after deduction of series specific fees, expenses and other deductions) by dividing the Net Asset Value of each series by the number of Units of such series outstanding.

Valuation Principles

In determining the fair value of the assets of each Fund, the following rules shall be applied:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the reasonable value thereof;
- the value of any share, subscription right, warrant, option, future or other equity security which is listed or dealt upon a stock exchange shall be determined by taking the exchange specific closing or the latest available sale price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price as the Manager may from time to time determine) on the day as of which the Net Asset Value or Net Asset Value per Unit is being determined;
- the value of short-term income securities shall be that which, in the opinion of the Manager, or third party engaged by the Manager, reflects fair value;
- the value of inter-listed securities shall be computed in a manner which in the opinion of the Manager most accurately reflects their fair value. If, in the opinion of the Manager, the above valuations do not properly reflect the prices which would be received by the Fund upon the disposal of shares or securities necessary to effect any redemption or redemptions, the Manager may place such value upon such shares or securities as appears to it to most closely reflect the fair value of such shares or securities;
- the value of any bond, time note, debt-like security, share, subscription right, clearing corporation option, option on futures, over-the-counter option or other security or other property which is not listed or dealt on a stock exchange shall be determined on the basis of such price quotations which, in the opinion of the Manager, best reflect its fair value. If no quotations exist for such securities, value shall be the fair value thereof as determined from time to time in such manner as the Manager may determine;
- the value of any restricted securities, as defined in National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”), shall be that which, in the opinion of the Manager, best reflects their fair value;
- the value of any investment funds, private equity offerings or mutual funds (collectively referred to as the “**Underlying Funds**”), which are not listed or dealt upon an exchange shall be the most recently available net asset value or such estimates as are readily available from the issuer. Such estimates may only be provided quarterly and may be delayed by one month or more;
- any premium received by the Fund for a written covered clearing corporation option, option on futures or over-the-counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund or a series of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued in accordance with the provisions of this paragraph;
- forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract were to be closed out; and

- all assets of the Fund valued in terms of foreign currency, funds on deposit and contractual obligations payable to the Fund in foreign currency and liabilities and contractual obligations payable by the Fund in foreign currency shall be taken at the current rate of exchange obtained from the best available sources by the Administrator in consultation with the Manager. Foreign currency for the purpose of this section is any currency other than Canadian currency.

The Manager has the discretion to deviate from the Funds' valuation principles set out above if the Manager believes these principles do not result in the fair value of the assets and liabilities of the Funds.

The liabilities of each Fund shall be deemed to include:

- short positions carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation principles described above;
- all margin borrowings;
- all bills, notes and accounts payable;
- all expenses incurred or payable by the Fund;
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- all allowances authorized or approved by the Manager for taxes or contingencies; and
- all other liabilities of the Fund or series of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Units and the balance of any undistributed net income or capital gains.

Differences from International Financial Reporting Standards

The Manager may determine and implement such other rules as it deems necessary from time to time, which rules may deviate from International Financial Reporting Standards (“**IFRS**”), provided that such deviations are in the best interest of each Fund and are consistent with industry practices for investment funds similar to each Fund.

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

FEES AND EXPENSES

Management Fees

The Manager will be entitled to receive a monthly management fee (the “**Management Fee**”), calculated and accrued on each Valuation Date and Additional Pricing Date and paid monthly, in an amount that is equal to the aggregate of:

- 1/12 of 2.00% of the Net Asset Value of the Series A Units, plus
- 1/12 of 1.00% of the Net Asset Value of the Series F Units, plus
- 1/12 of 1.00% of the Net Asset Value of the Series M Units, plus
- 1/12 of 0.75% of the Net Asset Value of the Series Q Units

(determined before deduction of Management Fees and Performance Fees, if any, allocable to such Units). No Management Fees will be payable in respect of the Series P Units. Series O unitholders may be charged a negotiated fee and it shall be payable by each Series O unitholder (not the Funds) directly to the Manager.

All Management Fees payable by a Fund to the Manager are subject to GST and/or HST as applicable, and any other similar applicable taxes, and will be deducted as an expense of the applicable series of Units in the calculation of the Net Asset Value of such series of Units.

Performance Fees

The Manager is entitled to receive a performance fee (the “**Performance Fee**”), calculated and accrued on each Valuation Date and Additional Pricing Date for each series of Units to which a Performance Fee may be applicable and paid monthly. The Performance Fee is equal to: (a) 10% of the amount by which the Net Asset Value per Unit of the series on the Valuation Date or Additional Pricing Date (including the effect of any declared distributions on said Valuation Date or Additional Pricing Date and adjusted to exclude the accrual of the Performance Fee) exceeds the High Water Mark (as defined under “Fees and Expenses – High Water Mark”); multiplied by (b) the number of Units of that series outstanding on such Valuation Date or Additional Pricing Date, prior to giving effect to subscriptions, redemptions and distributions re-invested on such date. Series O unitholders may be charged a negotiated performance fee and it shall be payable by each Series O unitholder (not the Funds) directly to the Manager.

All Performance Fees payable by a Fund to the Manager are subject to GST and/or HST as applicable, and any other similar applicable taxes, and will be deducted as an expense of the applicable series of Units in the calculation of the Net Asset Value of such series of Units.

High Water Mark

For each series of Units that is subject to a Performance Fee, a high water mark (a “**High Water Mark**”) will be calculated for use in the determination of the Performance Fee. The highest Net Asset Value per Unit (minus the effect of any declared distributions since the Valuation Date or Additional Pricing Date at which the last Performance Fee became payable) for each series of Units, upon which a Performance Fee was paid, establishes a High Water Mark for each series of Units which must be exceeded subsequently for the Performance Fee applicable to each series of Units to be payable. At the inception of each series of a Fund to which a Performance Fee may be applicable, the High Water Mark will be the initial Net Asset Value per Unit of the series of Units.

Operating Expenses

Each of the Partnership and the Trust is responsible for, and the General Partner and the Manager are entitled to reimbursement from the Partnership and Trust, respectively, for, all costs and operating expenses actually incurred by them in connection with the formation and organization of the General

Partner and Partnership and the Trust, respectively, and the ongoing activities of the General Partner and Partnership and the Trust, respectively, including but not limited to:

- a) third party fees and administrative expenses of each Fund, which include accounting and legal costs, independent review committee fees, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, unitholder communication expenses, organizational expenses, the cost of maintaining each Fund's existence, regulatory fees and expenses, all reasonable extraordinary or non-recurring expenses and applicable GST and/or HST, and any other similar applicable taxes;
- b) for the Partnership, the cost of maintaining the General Partner's existence including corporate secretarial, registered office fees, director fees, accounting and legal costs and applicable GST and/or HST, and any other similar applicable taxes; and
- c) fees and expenses relating to each Fund's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

The Manager may bear some of the Funds' expenses from time to time, at its option.

DEALER COMPENSATION

When investors purchase Units, their registered dealers, including the Manager in its role as an exempt market dealer, may receive two primary types of compensation – initial sales commission and trailing commission - as applicable and as described below. Initially, registered dealers may be paid a negotiable sales commission by investors in each Fund. Thereafter, the Manager pays a monthly trailing commission to participating registered dealers.

There is no commission payable by a purchaser to the General Partner or Manager (in its role as manager and trustee) upon the purchase of Units in the Partnership or Trust, respectively. Subscribers may pay negotiated initial sales commissions to their registered dealers (minimum investment requirements are net of any such fees).

Initial Sales Commission

For Series A, Series M, Series P and Series Q Units, the registered dealer which distributes such Units may charge investors an initial sales commission of up to 10% (i.e., up to \$100 for each \$1,000 investment) of the value of the Units purchased.

No initial sales commission is paid in respect of Series F Units or Series O Units.

Trailing Commission

The Manager will pay registered dealers a portion of the Management Fee to assist them in providing unitholders with continuing advice and service. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the trailing commission with registered dealers.

For Series A Units, the Manager will pay trailing commission to registered dealers equal to 1.00% per annum of the Net Asset Value of the Series A Units held in each registered dealer's client accounts.

No trailing commission is paid in respect of Series F, Series M, Series P, Series Q and Series O Units.

The trailing commission is paid by the Manager and is calculated and paid to registered dealers monthly. Notwithstanding the foregoing, the Manager, in its absolute discretion, reserves the right to change the frequency of payment of the trailing commission to registered dealers to a quarterly or annual basis. The trailing commission is determined by the Manager and may be changed at any time. It is expected that registered dealers will pay a portion of the trailing commission to sales representatives as compensation for providing ongoing investment advice and service to their clients.

Sales Incentives

In addition to the initial sales commission and trailing commission listed above, the Manager may share the costs of local advertising, dealer training seminars or other marketing or sales-related expenses with registered dealers to better serve their clients. The Manager may also provide dealers with non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in dealers' sales representatives receiving non-monetary benefits. The cost of these activities incurred by them will be paid by the Manager and not the Funds. The Manager may change the terms and conditions of these programs, or may stop them, at any time.

MANAGEMENT AGREEMENTS

In order to set out the duties of the Manager, the Partnership has entered into a management agreement with the Manager dated as of October 22, 2012 and the Trust has entered into an amended and restated master management agreement with the Manager dated December 13, 2013, as they may be amended from time to time (collectively referred to as the "**Management Agreements**"). Pursuant to the Management Agreements, the Manager shall direct the affairs of each of the Funds and provide day-to-day management services to the Funds, including management of the Funds' portfolios on a discretionary basis and distribution of the Units of the Funds, and such other services as may be required from time to time. The Manager may delegate certain of these duties from time to time.

For its services to the Funds, the Manager receives: (a) Management Fees (accrued on each Valuation Date and each Additional Pricing Date and paid monthly); and (b) Performance Fees in respect of Series A, Series F and Series P Units. See "Fees and Expenses".

The Manager is entitled to reimbursement for any expenses of the Funds incurred by the Manager, but may choose to bear some of the Funds' expenses from time to time.

A Management Agreement may be terminated by either the Fund or the Manager on 30 days' notice to the other, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Funds.

ADMINISTRATOR

The Manager has retained the Administrator to carry out certain administrative services for the Funds. The administrative services consist of fund accounting, Net Asset Value calculations, transfer agency, unitholder recordkeeping, tax preparation, client statements and client servicing. This includes processing of all subscriptions and redemptions and calculating and processing all income and capital gains distributions. In this capacity, the receipt by the Administrator of any document pertaining to the purchase, redemption or switching of Units will be considered to be the receipt by the Funds.

PRIME BROKER/CUSTODIAN AGREEMENT

Each Fund will appoint one or more prime brokers and/or custodians in respect of the Fund's portfolio transactions (the "**Prime Broker/Custodian**"). All margin borrowings must be from arm's length financial institutions and must be on normal commercial terms. The Prime Broker/Custodian will provide borrowing and/or prime brokerage services to the Funds under the terms of an account agreement (the "**Prime Broker/Custodian Agreement**"). These services may include trade execution, settlement, reporting, securities financing, stock borrowing, stock lending, options, foreign exchange and banking facilities, and are provided solely at the discretion of the Prime Broker/Custodian. Each Fund may also utilize other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker/Custodian assumes possession of and a security interest in the assets in accordance with the terms of the Prime Broker/Custodian Agreement. Assets not required as margin on borrowings are required to be segregated (from the Prime Broker/Custodian's own assets) but each Fund's assets may be commingled with the assets of other clients of the Prime Broker/Custodian. Furthermore, each Fund's cash and free credit balances on account with the Prime Broker/Custodian are not segregated and may be used by the Prime Broker/Custodian in the ordinary conduct of its business, and each Fund is an unsecured creditor in respect of those assets. Each Fund may request delivery of any assets not required by the Prime Broker/Custodian for margin or borrowing purposes.

LIMITATION OF LIABILITY FOR LIMITED PARTNERS

Subject to the provisions of the Partnership Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner. A Limited Partner may lose his, her or its status as a limited partner and the benefit of limited liability if such Limited Partner takes part in the control of the business of the Partnership or if certain other provisions of the Partnership Act are contravened. Where a Limited Partner has received the return of all or part of the Limited Partner's contributed capital, the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the contributed capital.

Furthermore, if after a distribution or redemption payment the Manager determines that a Limited Partner was not entitled to all or some of such distribution or redemption payment, the Limited Partner shall be liable to the Partnership to return the portion improperly distributed or paid, together with interest at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers if repayment of such excess amount is not made by the Limited Partner within 15 days of receiving notice of such overpayment. The Manager may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by a predecessor of such Limited Partner.

The General Partner shall be liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the Partnership Act and as set forth in the Limited Partnership Agreement to the extent that the assets of the Partnership are insufficient to pay such liabilities.

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of

such Limited Partner not having unlimited liability as set out in the Limited Partnership Agreement, other than any liability caused by or arising out of any act or omission of such Limited Partners.

LIMITED PARTNERSHIP AGREEMENT

The Partnership is governed by the terms of the Limited Partnership Agreement which sets out the rights, duties and obligations of the General Partner and the rights and restrictions that are attached to each Unit of the Partnership.

The following is a summary only of certain provisions of the Limited Partnership Agreement not otherwise summarized in this Offering Memorandum and is not necessarily complete. Prospective investors should review the Limited Partnership Agreement for complete details of its terms.

The Units

Interests in the Partnership are divided into Units of one or more series. Each Unit of a series has equal value to all other Units of that series. There are currently six authorized series of Units - Series A, Series F, Series M, Series P, Series Q and Series O. See “The Offering”.

Amendment to the Limited Partnership Agreement

The General Partner may, without prior notice to or consent from any Limited Partner, amend the Limited Partnership Agreement to:

- a) create additional series of Units and set the terms thereof;
- b) protect the interests of the Limited Partners, if necessary;
- c) cure any ambiguity or clerical error or correct or supplement any provision contained herein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner as a Limited Partner;
- d) reflect any changes to any applicable legislation; or
- e) make any other amendment provided that such amendment does not and shall not adversely affect the interests of any existing Limited Partner as a Limited Partner in any manner.

The General Partner shall provide Limited Partners with a copy of the amendment together with a written explanation of the reasons for such amendment within 15 days following the date of any material amendment to the Limited Partnership Agreement.

Power of Attorney

The Limited Partnership Agreement and the Subscription Agreement (required to be executed by an investor) include an irrevocable power of attorney authorizing the General Partner, on behalf of each Limited Partner, to execute any amendments to the Limited Partnership Agreement and all instruments necessary in connection with the dissolution of the Partnership as well as any elections, determinations or

designations under the Tax Act or other taxation legislation or laws of like import with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

Termination of the Partnership

The Partnership has no fixed term. The General Partner may, in its discretion, terminate the Partnership by giving notice to the Limited Partners and fixing the date of termination, which date shall be not less than 30 days following the date on which the General Partner gives such notice. No Units may be redeemed at the option of a unitholder from the date that the notice of termination is delivered. The Partnership will be terminated and dissolved in the event that the General Partner resigns and no successor general partner is appointed. The Partnership will also be terminated and dissolved upon removal of the General Partner as a result of the bankruptcy or dissolution of the General Partner, the making of an assignment for the benefit of the creditors of or by the General Partner or upon the appointment of a receiver of the assets and undertaking of the General Partner unless a new General Partner is appointed within 60 days of any such bankruptcy, dissolution, assignment or appointment.

In the event of the removal of the General Partner where no replacement is appointed within 60 days, a Limited Partner holding Units with the single largest aggregate Net Asset Value may, with the consent of any other Limited Partners holding Units with an aggregate Net Asset Value of not less than 20% of the Net Asset Value of the Partnership, immediately appoint an interim investment adviser to administer the investments of the Partnership. A special meeting of Limited Partners may also be called to appoint a transition committee (made up of Limited Partners or their nominees) with a mandate of unwinding the Partnership's assets and obligations.

On or about the effective date of termination of the Partnership, the General Partner (or investment adviser or committee per the above) shall wind up the affairs of the Partnership and the assets of the Partnership shall be liquidated and other security positions unwound. The General Partner (or investment adviser or committee per the above) shall have the full right or unlimited discretion to determine the time, manner and terms of any sale or sales of the Partnership assets having due regard to the activity and condition of the relevant market and general financial and economic conditions. The General Partner shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by the General Partner in connection with or arising out of the termination of the Partnership and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

DECLARATION OF TRUST

The Trust is governed by the terms of the Declaration of Trust. The Declaration of Trust sets out the rights, duties and obligations of the Trustee and the rights and restrictions that are attached to each Unit of the Trust.

The following is a summary only of certain provisions of the Declaration of Trust not otherwise summarized in this Offering Memorandum. This summary is not intended to be complete and each investor should review the Declaration of Trust for full details of its terms. A copy of the Declaration of Trust may be requested by contacting us at the address, numbers or email address set out on the front cover.

The Units

The Trustee will determine whether the capital of the Trust is divided into additional series of Units, the attributes that shall attach to each series of Units and whether any series of Units should be redesignated as a different series of Units from time to time.

Each Unit of a series is without nominal or par value and entitles the holder thereof to one vote for each one full dollar of value of all units owned by such unitholder as based on the series Net Asset Value per Unit at the close of business on the record date for voting at all meetings of unitholders of the Trust where all series vote together and to one vote at meetings where that particular series votes separately as a series.

Each Unit of a particular series generally entitles the holder thereof to participate pro rata with respect to all distributions made to that series (except special distributions) and, upon liquidation of the Trust, to participate pro rata with the other unitholders of that same series in the series Net Asset Value remaining after the satisfaction of outstanding liabilities of the Trust and the series.

Unitholder Meetings

Meetings of unitholders may be convened by the Trustee or the Manager as either of them may deem advisable from time to time for the administration of the Trust.

Amendment to the Declaration of Trust

The Trustee may amend the Declaration of Trust, without the approval of or prior notice to the unitholders where the Trustee reasonably believes that the proposed amendment does not have the potential to materially adversely impact the financial interests or rights of unitholders of the Trust or where the proposed amendment is necessary to:

- a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trust or the distribution of its Units;
- b) remove any conflicts or other inconsistencies that may exist between any of the terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the Trust, the Trustee or their agents;
- c) make any change or correction in the Declaration of Trust that is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- d) facilitate the administration of the Trust as applicable or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the Trust or its unitholders; or
- e) protect the unitholders of the Trust.

Where securities legislation requires that written notice be given to unitholders before the change takes effect or where the change would not be prohibited by securities laws and the Trustee reasonably believes that the proposed amendment has the potential to materially adversely impact the financial interests

or rights of the unitholders, so that it is equitable to give unitholders advance notice of the proposed change, the Trustee may amend the Declaration of Trust on not less than 30 days' notice to unitholders.

Termination of the Trust

The Trustee may terminate the Trust, or a Series of Units of the Trust, by providing unitholders with written notice of the proposed termination before the date on which the Trust or Series, as applicable, is to be terminated. During the period after the giving of such notice the Trustee is empowered to take all steps necessary to effect such termination, including, without limitation, ceasing the distribution or redemption of Units and liquidating the assets of the Trust or Series of Units of the Trust, as applicable. After payment of the liabilities of the Trust, or those attributable to the Series, unitholders will be entitled to receive from the Trustee their proportionate share of the remaining assets of the Trust, or those attributable to the Series.

The Trustee shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by it in connection with or arising out of the termination of the Trust or Series of the Trust and the distribution of the assets attributable thereto to unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

Resignation and Removal of the Trustee

The Trustee or any successor trustee may resign as trustee of the Trust (without the need for prior or subsequent accounting) by giving written notice to the Manager, if any, 90 days prior to the date when such resignation would take effect. The Trustee shall continue to act as trustee of the Trust, unless incapable of so acting, until the date upon which a successor trustee shall replace the Trustee. The successor trustee shall be required to assume all of the obligations of the Trustee under the Declaration of Trust. If the Trustee resigns and a successor trustee cannot be found within the 90-day period, the Trustee or the Manager shall, upon expiration of such period, terminate the Trust and distribute its assets to unitholders.

Change in Investment Strategies and Restrictions

The Trustee may from time to time amend the investment strategies or investment restrictions of the Trust without unitholder approval, provided that the investment strategies or investment restrictions remain consistent with the fundamental investment objective of the Trust.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES OF INVESTING IN THE PARTNERSHIP

The following is, as of the date hereof, a fair summary of the principal Canadian federal income tax considerations with respect to the acquisition, ownership and disposition of Units to an investor who, for the purposes of the Tax Act, is a Canadian resident individual (other than a trust), deals at arm's length with the Partnership, is the initial investor in the Units and will hold Units as capital property and has invested for his or her own benefit. The determination of whether the Units are capital property to a holder will depend, in part, on the holder's particular circumstances. Generally, Units will be considered to be capital property to a holder if acquired by him or her for investment purposes and not acquired or held in the course of carrying on a business of trading or dealing in securities or as part of an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations (the “**Regulations**”) and the administrative practices and policies of the Canada Revenue Agency (“**CRA**”) and also takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Proposals**”). Except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations. There can be no assurance that any Proposals will be enacted in the form proposed, if at all.

This summary is based on the assumption that the Partnership is not a “tax shelter” as that term is defined in the Tax Act and an investment in the Partnership is not a “tax shelter investment” for the purposes of the Tax Act. This summary further assumes that, at all times, all members of the Partnership will be resident in Canada for purposes of the Tax Act and that they will comply in all respects with the restrictions on investors pursuant to the Limited Partnership Agreement, and also that at no time will more than 50% of the interests in the Partnership be held by one or more “financial institutions” as defined in section 142.2 of the Tax Act.

The income and other tax consequences of acquiring, holding or disposing of Units vary according to the status of the investor, the province or territory in which the investor resides or carries on business and, generally, the investor’s own particular circumstances. The following description of income tax matters is, therefore, of a general nature only and is not intended to constitute advice to any particular investor. The income tax consequences described in this summary are based on the assumptions that an investor does not undertake or arrange any transaction relating to his or her Units, other than those referred to in this Offering Memorandum, and that none of the transactions relating to the investor’s Units and referred to in this Offering Memorandum is undertaken or arranged primarily to obtain a tax benefit other than those specifically described herein.

Each investor should seek independent advice regarding the tax consequences of investing in Units based upon the investor’s own particular circumstances and rules which may be in effect at that time.

Computation of Income or Loss of the Partnership

The income or loss of the Partnership will be computed as if the Partnership were a separate person resident in Canada. The Partnership’s fiscal year end is December 31. In computing the income or loss of the Partnership, deductions will be claimed in respect of all expenses of the Partnership in accordance with and to the extent permitted under the Tax Act. Reasonable interest in respect of money borrowed by the Partnership to earn income from a business or property or any amount payable for property acquired for the purpose of earning income generally will be deductible by the Partnership. The characterization of the Partnership’s earnings as capital gains (or losses) or ordinary income (or losses) will depend on the specific facts of each circumstance.

The Partnership is not itself liable for income tax unless it is a “SIFT partnership” under the Tax Act. A partnership is a “SIFT partnership” if the partnership meets the following criteria: (a) the partnership is a Canadian resident partnership; (b) the units or other securities of the partnership are listed or traded on a stock exchange or other public market; and (c) the partnership holds one or more “non-portfolio properties”. “Non-portfolio properties” include, among other things, equity, interests or debt of corporations, trusts or partnerships that are resident in Canada, and of non-resident persons or partnerships the principal source of income of which is one or any combination of sources in Canada, that are held by the SIFT partnership and have a fair market value that is greater than 10% of the equity value of such entity,

or that have, together with debt or equity that the SIFT partnership holds of entities affiliated with such entity, an aggregate fair market value that is greater than 50% of the equity value of the SIFT partnership. Units will not be listed on a stock exchange or other public market. Therefore, the Partnership should not be a SIFT partnership.

Unless the Partnership becomes a SIFT partnership, each Limited Partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss (including taxable capital gains or allowable capital losses) allocated to such Limited Partner for each fiscal year of the Partnership for such year, whether or not he or she has received or will receive a distribution from the Partnership. Income and loss of the Partnership for tax purposes will be allocated to Limited Partners in accordance with the provisions of the Limited Partnership Agreement as described under “Allocation of Income or Loss for Tax Purposes”. Depending upon the quantum and timing of any Partnership income or losses allocated to a Limited Partner and the amount and timing of distributions, a negative adjusted cost base in the Units held by the Limited Partner could arise. In the event that the adjusted cost base of a Unit held by a Limited Partner is negative at the end of any fiscal period of the Partnership, the Limited Partner would be required to recognize at that time a capital gain equal to such negative amount, one-half of which would be included in the income of the Limited Partner. The adjusted cost base of the Limited Partner’s Unit would then be nil. As discussed under the heading “Distributions” and “Allocation of Income or Loss for Tax Purposes”, the Partnership is not required to make distributions to Limited Partners in any year, even when income will be allocated to Limited Partners for purposes of the Tax Act. As a result, Limited Partners may be required to pay tax on such income allocation even though the Limited Partner has not received a cash distribution. This may also be the case where an allocation of income is made to a Limited Partner who transferred Units before the end of the year. The Partnership will furnish to each Limited Partner such information as is prescribed by the CRA to assist in declaring the Limited Partner’s share of the Partnership’s income or loss. However, the responsibility for filing any required tax returns and reporting his or her share of the income or loss of the Partnership falls solely upon each Limited Partner. Limited Partners should consult with their own tax advisors regarding the deductibility of management fees and performance fees paid by them on Series O Units.

In general, every member of a partnership must, in accordance with the Tax Act, file an information return in prescribed form which contains specified information for each taxation year of the partnership. An information return filed by one member of a partnership is deemed to have been made by each member of the partnership. The General Partner has agreed to file the necessary information return in respect of the Partnership.

In general, a Limited Partner’s share of any income or loss of the Partnership from any source or from sources in a particular place will be treated as if it were income or loss of the Limited Partner from that source or from sources in that particular place and any provisions of the Tax Act applicable to that type of income or loss will apply to the Limited Partner.

Subject to the “at-risk rules” discussed below, a Limited Partner’s share of the business losses, if any, of the Partnership for any fiscal year may be applied against his or her income from any other source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, carried back three years and forward twenty years against taxable income of such other years. Also subject to the “at risk rules”, a Limited Partner’s share of the allowable capital losses of the Partnership may be applied only against taxable capital gains and may be carried back three years or forward indefinitely.

The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Limited Partnership Agreement, any losses of the Partnership from a business or property allocated to a Limited

Partner will be deductible by such Limited Partner in computing his or her income for a taxation year only to the extent that his or her share of the loss does not exceed his or her “at-risk amount” in respect of the Partnership at the end of the year. In general terms, the “**at-risk amount**” of a Limited Partner in respect of the Partnership at the end of a fiscal year of the Partnership is (a) the adjusted cost base of his or her Units at that time plus (b) at the end of the fiscal period of the Partnership his or her share of the income of the Partnership for the fiscal year less the aggregate of (c) all amounts owing by the Limited Partner to the Partnership or to a person with whom the Partnership does not deal at arm’s length and (iv) subject to certain exceptions, any amount or benefit to which the Limited Partner is entitled to receive where the amount or benefit is intended to protect the Limited Partner from any loss he or she may sustain by virtue of being a member of the Partnership or holding or disposing of Units.

A Limited Partner’s share of any Partnership loss that is not deductible by him or her in the year because of the “at-risk rules” is considered to be his or her “**limited partnership loss**” in respect of the Partnership for that year. Such “limited partnership loss” may be deducted by him or her in any subsequent taxation year against any income for that year to the extent that his or her “at-risk amount” at the end of the Partnership’s fiscal year ending in that year exceeds his or her share of any loss of the Partnership for that fiscal year.

Disposition and Redemption of Units of the Partnership

Upon the redemption or other actual or deemed disposition of a Unit by a Limited Partner, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit, net of any costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Limited Partner of the Unit. The portion of capital gains included in computing income (“**taxable capital gain**”) and the portion of capital losses (“**allowable capital loss**”) deductible from taxable capital gains is generally one-half. The portion of a capital gain included in computing a Limited Partner’s taxable capital gain from the disposition of Units to a non-resident under the Tax Act, a person exempt from tax under section 149 of the Tax Act, or to certain partnerships or trusts will be greater than one-half, and potentially equal to the entire capital gain from the disposition. A taxable capital gain resulting from a disposition (including a deemed disposition) of the Units will be included in computing the income of a Limited Partner for the taxation year in which the disposition takes place. The unused portion of an allowable capital loss may be carried back three years or forward indefinitely and may only be used against taxable capital gains, subject to detailed rules in the Tax Act.

In general, the adjusted cost base of a Unit to a Limited Partner is the subscription price (including any initial sales commission paid) of the Unit plus the Limited Partner’s share of any income of the Partnership for any previously completed fiscal periods, less: (a) the Limited Partner’s share of the losses of the Partnership for any fiscal period ending before that time (except where any portion of such losses were included in his or her “limited partnership loss” in respect of the Partnership, such losses will reduce his or her adjusted cost base of his or her Units only to the extent they have been previously deducted); and (b) any distributions made to the Limited Partner by the Partnership. The adjusted cost base could become a negative amount in the event that the total of the reductions referred to above exceeds the additions. If the adjusted cost base of a Limited Partner’s Unit is negative at the end of any fiscal year of the Partnership, then the Limited Partner must recognize at that time a capital gain equal to such negative amount, one-half of which would be taxable. The adjusted cost base of the Limited Partner’s Unit would then be nil. A Limited Partner who is considering disposing of Units during a fiscal period of the Partnership should obtain tax advice before doing so since ceasing to be a Limited Partner before the end of the Partnership’s fiscal period may affect certain adjustments to his or her cost base and his or her entitlement to a share of the Partnership’s income or loss. Although the Partnership may incur losses which exceed the aggregate

amount of capital invested by the Limited Partners, as a result of the limitation in deducting such losses under the “at risk rules”, a Limited Partner will not normally have a negative adjusted cost base for his or her Units. The adjusted cost base of each Unit of a particular series will be subject to the averaging provisions contained in the Tax Act.

A redemption of Units will be treated as a disposition for purposes of the Tax Act. As described under “Distributions and Allocation of Net Profits and Net Losses – Allocation of Income or Loss for Tax Purposes of the Partnership”, where Units are redeemed by one or more Limited Partners during the course of any fiscal year or are acquired from the Partnership during the course of any fiscal year, the General Partner may, but is not required to, adopt and amend an allocation policy from time to time intended to allocate income and loss (and/or taxable capital gains or allowable capital losses) in such manner as to account for Units which are purchased or redeemed throughout such fiscal year, the series of such Units, the tax basis of such Units, the fees payable by the Partnership in respect of each such series of Units, and the timing of receipt of income or realization of gains or losses by the Partnership during such year, among other factors deemed relevant by the General Partner. To such end, any person who was a Limited Partner at any time during a fiscal year but who has redeemed or transferred all of their Units before the last day of such fiscal year may be deemed to be a Limited Partner on the last day of such fiscal year for the purposes of subsection 96(1.1) of the Tax Act (or any successor provision), and such person will be deemed to be a Limited Partner on the last day of such fiscal year pursuant to subsection 96(1.01), and income or loss in such fiscal year may be allocated to such former Limited Partner. A Limited Partner who is considering disposing of Units during a fiscal year of the Partnership should obtain specific tax advice.

Notwithstanding the foregoing, in the event that a Limited Partner receives an amount from the General Partner or any other person which amount is included in computing the income of the Partnership in accordance with subsection 12(2.1) of the Tax Act (or any successor provision), for the purposes of allocating taxable income or loss of the Partnership for the year, any such amount shall be allocated to the particular Limited Partner to whom such payment was made in an amount equal to the amount of such payment and not to any other Limited Partner.

Dissolution of the Partnership

On a taxable dissolution of the Partnership, a Limited Partner will generally be considered to have disposed of his or her Units for proceeds of disposition equal to the fair market value of the property, received or receivable by the Limited Partner on such dissolution, and the Partnership will be deemed to have disposed of, and the Limited Partner will be deemed to have acquired, such property at its fair market value.

Financing Costs

Reasonable interest expense incurred by a Limited Partner on funds borrowed for the purpose of acquiring Units will generally be deductible in the year that it is paid or payable (depending on the method regularly followed by the Limited Partner in computing his or her income) provided that the Limited Partner continues to own, throughout the period during which the interest accrues, all the Units so acquired with the borrowed funds and that the Partnership has not made any distribution to the Limited Partner of Partnership capital. Any compound interest is only deductible when paid.

Non-Eligibility for Investment by Registered Plans

Units of the Partnership are **not** “qualified investments” under the Tax Act for Registered Plans.

Filing Requirements of the Partnership

A Limited Partner at any time in a fiscal year of the Partnership is required to make an information return in prescribed form containing specific information for that year, including the income or loss of the Partnership and the names and shares of such income or loss of all the partners of the Partnership. The filing of an annual information return by the General Partner on behalf of the Limited Partners and the General Partner will satisfy this requirement.

Alternative Minimum Tax

The Tax Act requires that individuals (including certain trusts) compute an alternative minimum tax (“AMT”) at a rate of 15% on the amount by which “adjusted taxable income” exceeds \$40,000. An individual will be liable for AMT if the individual’s AMT exceeds his or her tax otherwise payable for a taxation year. In computing his or her adjusted taxable income, a taxpayer must include, among other things, all taxable dividends (without application of the gross-up), and 80% of net capital gains. Furthermore, various deductions and credits are not allowed and certain amounts that are not otherwise included in taxable income are included for the purpose of computing adjusted taxable income, including all losses deducted by an individual limited partner in respect of such individual’s limited partnership interests and associated carrying charges. To the extent the AMT of an individual exceeds income tax otherwise payable for a particular year, the difference may be deducted in the seven years following the year in computing tax otherwise payable for any such year, but only to the extent an individual’s liability otherwise computed exceeds the individual’s AMT for that year.

Accordingly, any losses of the Partnership which are allocated to a Limited Partner and associated carrying charges must be included in computing adjusted taxable income for AMT purposes. In addition, 80% of any capital gain allocated to a Limited Partner or arising upon a disposition by a Limited Partner of his, her or its Units (or a deemed capital gain arising from a negative adjusted cost base) must be included in computing adjusted taxable income. Consequently, the AMT of a Limited Partner may exceed his, her or its income tax otherwise computed, depending on the sources of income of the Limited Partner and the various expenses incurred, with the effect that a portion of the income of a Limited Partner against which any such Partnership losses are deducted may become subject to income tax. Prospective investors are urged to consult their tax advisors to determine the impact of AMT.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES OF INVESTING IN THE TRUST

The following summarizes the principal Canadian federal income tax considerations as of the date hereof generally applicable to the Trust and to a unitholder who acquires Units under this Offering Memorandum and who, for the purposes of the Tax Act, is an individual (other than a trust) resident in Canada and holds Units of the Trust as capital property. This summary is based on the current Regulations, specific proposals to amend the Tax Act and the Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the published administrative practices and assessing policies of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign or provincial income tax legislation or considerations. This summary is of a general nature only and is not intended to constitute legal or tax advice to any particular investor. **Prospective purchasers of Units are advised to consult their own tax adviser about their particular circumstances.**

The Trust has qualified as a mutual fund trust under the Tax Act throughout its current taxation year, and is expected to continue to so qualify at all material times in the future. This summary assumes that the Trust will qualify as a mutual fund trust under the Tax Act at all material times.

Taxation of the Trust

The Trust will distribute to its unitholders in each year such amount of its net income and net realized capital gains, if any, to such an extent that the Trust will not be liable in any taxation year for income tax under Part I of the Tax Act. In certain circumstances, capital losses realized by the Trust may be suspended or restricted and, as a result, would be unavailable to shelter capital gains. Gains and losses in respect of short sales and derivatives will generally be on income account, rather than capital gains and losses.

If the Trust experiences a “loss restriction event”: (a) the Trust will be deemed to have a year-end for tax purposes; and (b) the Trust will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a trust will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the trust, or a group of persons becomes a “majority-interest group of beneficiaries” of the trust, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a trust will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the trust. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of a trust if the trust meets certain investment requirements and qualifies as an “investment fund” under the loss restriction event rules of the Tax Act.

All of the Trust’s deductible expenses, including expenses common to all series and expenses specific to a particular series, including interest payable by the Trust on money borrowed to purchase securities, will be taken into account in determining the income or loss of the Trust as a whole.

The Trust will derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust’s income from such investments, such excess may generally be deducted by the Trust in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Trust’s income, the Trust may designate in respect of a unitholder a portion of its foreign source income which can reasonably be considered to be part of the Trust’s income distributed to such unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of the Unitholders of the Trust

A unitholder of the Trust must include in computing income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or payable to the unitholder in the year by the Trust. A unitholder must include such distributions in income whether they are paid in cash or they are reinvested in additional Units of the Trust. Provided that the Trust makes the appropriate designations, to the extent permitted under the Tax Act, the amount of any net taxable capital gains, taxable dividends received on shares of taxable Canadian corporations and foreign source income of the Trust that is paid or

payable to a unitholder will effectively retain its character in the hands of the unitholder for tax purposes. The dividend gross-up and dividend tax credit normally applicable to taxable dividends paid by a taxable Canadian corporation, and to eligible dividends, will apply. When a unitholder acquires Units of the Trust, the Net Asset Value of the Units may reflect amounts on account of accrued but undistributed income, realized but undistributed capital gains, and accrued but unrealized capital gains. When these amounts are distributed to a unitholder, they must be included in the unitholder's income even though they accrued to the Trust or were realized by the Trust prior to the time that the unitholder acquired Units of the Trust.

To the extent that distributions to a unitholder by the Trust in a year exceed the unitholder's share of the net income and net realized capital gains of the Trust for the year, those distributions (except to the extent that they are proceeds of disposition) will generally be a return of capital and will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder's Units in the Trust. Where the adjusted cost base of Units in the Trust is reduced to less than zero the unitholder will be deemed to have realized a capital gain equal to the negative amounts and the adjusted cost base of the units will be increased to nil.

Management Fees and Performance Fees paid in respect of Series O Units will not be deductible for tax purposes.

Upon a disposition of a Unit (including a deemed disposition and a redemption), the unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the unitholder of the Unit. Generally one-half of a capital gain is included as a taxable capital gain in determining a unitholder's income. A redesignation of Units of a series of the Trust for Units of a different series of that same Trust will not be a disposition for tax purposes.

Under the alternative minimum tax provisions of the Tax Act, capital gains realized, and Canadian dividends received, may give rise to a liability for minimum tax.

Registered Plans Available to the Trust

Units of the Trust are "qualified investments" under the Tax Act for Registered Plans. Annuitants of registered retirement savings plans and registered retirement income funds, holders of tax-free savings accounts and registered disability savings plans, and subscribers of registered education savings plans, should consult with their own tax advisors to determine whether Units of the Trust would be a "prohibited investment" under the Tax Act in their particular circumstances. In general, Units would be a prohibited investment if the value of the Units you hold, together with the value of Units held by those people and partnerships who do not deal at arm's length with you, exceed 10% of the Net Asset Value of the Trust. Registered Plans are, generally, not subject to tax on income earned on, and proceeds realized on the disposition of, Units of the Trust as long as the income and proceeds remain in the Registered Plan.

Investors who choose to purchase Units of the Trust through a Registered Plan should consult their own tax advisors regarding the tax treatment of contributions to, and acquisitions of property by, such Registered Plan.

Registered Plans Offered by the Manager

You may open any of the following Portland Registered Plans:

Registered Retirement Savings Plan (group and individual)	RRSP
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Locked-in Retirement Account	LIRA
Locked-in Registered Retirement Savings Plan	LRSP
Registered Retirement Income Fund	RRIF
Life Income Fund	LIF
Locked-In Retirement Income Fund	LRIF
Prescribed Retirement Income Fund (Saskatchewan & Manitoba)	PRIF
Deferred Profit Sharing Plans	DPSP
Tax-Free Savings Account	TFSA

The terms and conditions of these Registered Plans are contained within the applicable application form of the Manager and in the declaration of trust that appears on the reverse side of the application form.

INTERNATIONAL INFORMATION REPORTING

The Funds have due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively FATCA) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, CRS). Generally, unitholders (or in the case of certain unitholders that are entities, the “controlling persons” thereof) will be required by law to provide a Fund, their advisor or dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a unitholder (or, if applicable, any of its controlling persons) does not provide the information or, for FATCA purposes, is identified as a U.S. citizen (including a U.S. citizen living in Canada) or, for CRS purposes, is identified as a tax resident of a country other than Canada or the U.S., information about the unitholder (or, if applicable, its controlling persons) and his, her or its investment in the Fund will generally be reported to the CRA unless the Units are held within a Registered Plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

RISK FACTORS

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

Risks Associated with an Investment in the Funds

Changes in Investment Strategies

The Manager may alter its investment strategies without prior approval by the unitholders if the Manager determines that such change is in the best interests of the Funds.

Charges to the Funds

The Funds are obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Funds realize profits.

Custody Risk and Broker or Dealer Insolvency

The Funds do not control the custodianship of all of their securities. Each Fund's assets will be held in one or more accounts maintained for each Fund by its custodian, prime brokers or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Funds' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible scenarios involving the insolvency of a custodian, prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on each Fund and its assets. Investors should assume that the insolvency of any of the custodians, prime brokers or such other service providers would result in the loss of all or a substantial portion of each Fund's assets held by or through such prime broker or custodian and/or the delay in the payment of redemption proceeds.

Cybersecurity Risk

With the increased use of technologies to conduct business, the Manager and the Funds have become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's or Funds' digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Funds. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or Funds' systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager, or Funds to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or Funds to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Manager has established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or Funds' third-party service providers (including, but not limited to, Underlying Funds, investment managers, custodian, prime broker and administrator) may disrupt the business operations of the service providers and of the Manager or Funds. These disruptions may result in financial losses, the inability of the Funds' unitholders to transact business with the Funds and inability of the Funds to process transactions, the inability of the Funds to calculate their Net Asset Value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. The Funds and their unitholders could be negatively impacted as a result of any such cybersecurity breaches, and there can be no assurance that the Funds will not suffer losses relating to cybersecurity attacks or other informational

security breaches affecting the Manager's or Funds' third-party service providers in the future, particularly as the Manager and the Funds cannot control any cybersecurity plans or systems implemented by such service providers.

Cybersecurity risks may also impact issuers of securities in which the Funds' invest, which may cause the Funds' investments in such issuers to lose value.

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined below, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership's capital is reduced and the Partnership is unable to pay its debts as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

General Partner and Manager are Fiduciaries

The Manager and General Partner are fiduciaries to the Funds and are expected to be fiduciaries to future funds managed by the Manager. In its role as the manager or general partner of such funds, the Manager and General Partner, respectively, will be required to act in the best interest of the funds and their limited partners as a whole. There may be instances where such actions are not the most beneficial actions for the General Partner. Since the General Partner has unlimited liability for the Partnership, an adverse effect on the General Partner may have an adverse effect on the Limited Partners.

Income

An investment in the Funds is not suitable for an investor seeking an income from such investment as the Funds do not intend to distribute to their unitholders income earned by them.

Investment Risk

An investment in the Funds may not be suitable as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Funds. Investors should review closely the investment objective and investment strategies to be utilized by the Funds as outlined herein to familiarize themselves with the risks associated with an investment in the Funds.

Lack of Independent Experts Representing Unitholders

Each of the Partnership, the General Partner, the Trust and the Manager has consulted with a single legal counsel regarding the formation and terms of each Fund and the offering of Units. The unitholders have not, however, been independently represented. Therefore, to the extent that the Funds, the unitholders or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisers regarding the desirability of purchasing Units and the suitability of investing in the Funds.

Liquidity Risk

Liquidity is important to the Funds' business. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Funds' portfolio positions may be reduced. In addition, the Funds may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Funds' liquidity. During such times, the Funds may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect their ability to rebalance their portfolios or to meet redemption requests. In addition, such circumstances may force the Funds to dispose of financial instruments at reduced prices, thereby adversely affecting their performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Funds may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Funds incur substantial trading losses, the need for liquidity could rise sharply while their access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Funds' counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Funds' exposure to their credit risk.

Marketability and Transferability of Units

There is no market for the Units and their resale is subject to restrictions imposed by the Limited Partnership Agreement and Declaration of Trust, including consent by the Manager, and applicable securities legislation. See "Transfer or Resale". Redemptions may be deferred or suspended in certain circumstances. Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Not a Public Mutual Fund

The Funds are not subject to the restrictions placed on public mutual funds by NI 81-102.

No Assurance of Return

Although the Manager will use its best efforts to achieve satisfactory rates of return for each Fund, no assurance can be given in this regard. An investment in the Fund is appropriate only for investors willing to invest for the medium to long-term and who have the capacity to absorb the loss of some or all of their investment and can withstand the effect of distributions not being paid in any period.

No Involvement of Unaffiliated Selling Agent

The General Partner, Trustee and Manager are under common control and ownership. Consequently, no outside selling agent unaffiliated with such parties has made any review or investigation of the terms of this offering, the structure of the Funds or the background of the General Partner, Trustee and Manager.

Possible Effect of Redemptions

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

Possible Loss of Limited Liability

Under the Partnership Act, the General Partner has unlimited liability for the debts, liabilities, obligations and losses of the Partnership to the extent that they exceed the assets of the Partnership. The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Partnership. In accordance with the Partnership Act, if a Limited Partner has received a return of all or part of the Limited Partner's contribution to the Partnership, the Limited Partner is nevertheless liable to the Partnership, or where the Partnership is dissolved, to its creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims arose before the return of the contribution. **The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Partnership.**

Possible Negative Impact of Regulation

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

Potential Conflicts of Interest

The business of the Manager is the investment of accounts for its clients. The orders of the Funds may be executed at the same time as other accounts managed by the Manager. Since the Manager may manage common interests for accounts on different financial terms, there may be an incentive to favour certain accounts over others. The Manager has a fairness policy to ensure the fair and reasonable treatment of all clients based upon the clients' investment objectives and strategies and to avoid favouritism or discrimination among clients.

Potential Indemnification Obligations

Under certain circumstances, the Funds might be subject to significant indemnification obligations in favour of the General Partner, the Trustee, the Manager, other service providers to the Funds or certain persons related to them in accordance with the respective agreement between the Funds and each such service provider. The Funds will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the Funds have agreed to indemnify them. Any indemnification paid by the Funds would reduce the Fund's Net Asset Value.

Reliance on Manager and Track Record

The success of each Fund will be primarily dependent upon the skill, judgment and expertise of the Manager and its principals.

Although persons involved in the management of the Funds and the service providers to the Funds have had experience in their respective fields of specialization, the Trust has no operating or performing history, and the Partnership has limited operating history, upon which prospective investors can evaluate

the Funds' likely performance. Investors should be aware that the past performance by those involved in the investment management of the Funds should not be considered as an indication of future results.

In the event of the loss of the services of the Manager, or of a key person of the Manager, the business of the Funds may be adversely affected.

Series Risk

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

Substantial Unitholder Risk

If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of Units of a Fund, that Fund may be forced to sell securities at unfavourable prices to pay the proceeds of redemption. Such an unexpected sale may have a negative impact on the value of investments in the Fund.

The Manager may invest all or a significant portion of the Trust's assets in the Partnership. These investments may become large and could result in large purchases or redemptions of Units of the Partnership.

Tax Liability

Investors may be allocated, or distributed, income for tax purposes and not receive any cash distributions from the Partnership or Trust, as the case may be.

Net Asset Value of the Partnership and Net Asset Value per Unit of a series will be marked to market and therefore calculated on the basis of both realized gains and losses and accrued, unrealized gains and losses. In computing each Limited Partner's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption of Units by a Limited Partner in a fiscal year, will be taken into account. Therefore, the change in Net Asset Value of a Limited Partner's Units may differ from his, her or its share of income and loss for tax purposes.

Units are not Insured

The Funds are not member institutions of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Units are redeemable at the option of the unitholder, but only under certain circumstances.

Valuation of the Funds' Investments

Valuation of each Fund's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Funds could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement and Declaration of Trust.

Although the Funds generally will invest in exchange-traded and liquid over-the-counter securities, the Funds may from time to time have some of their assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Funds to any such investment differs from the actual value, the Net Asset Value per Unit of a series may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a unitholder who redeems all or part of its Units while the Fund holds such investments will be paid an amount less than such unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Manager in respect of a redemption. In addition, there is risk that an investment in the Fund by a new unitholder (or an additional investment by an existing unitholder) could dilute the value of such investments for the other unitholders if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new unitholder (or an existing unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Manager. The Funds do not intend to adjust the Net Asset Value of the Units of a series retroactively.

Risks Associated with the Funds' Investments and Strategies

Concentration

The Manager expects to hold a limited number of securities and may concentrate investment holdings in a limited number of geographies, sectors or industries or in a limited number of issuers. The Net Asset Value per Unit of a series of the Funds may be volatile since the performance of one particular geography, sector, industry or issuer could significantly and adversely affect the overall performance of the Funds.

Counterparty and Settlement Risk

Some of the markets in which the Funds will effect their transactions may be “over the counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. In addition, in the case of a default, the Funds could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of the Funds to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Currency and Exchange Rate Risks

The Funds will report their results and Net Asset Value in Canadian dollars and make distributions, if any, in same. Changes in currency exchange rates may affect the value of the Funds' portfolios and the unrealized appreciation or depreciation of investments. For the Partnership, the Manager expects to report allocations of profit and loss for income tax purposes in Canadian dollars.

Debt Securities

The Funds may invest in bonds or other debt securities including, without limitation, bonds, notes and debentures issued by corporations. Debt securities pay fixed, variable or floating rates of interest. The value of debt securities in which the Funds may invest will change in response to fluctuations in interest rates. In addition, the value of certain debt securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If debt securities are not held to maturity, the Funds may suffer a loss at the time of sale of such securities.

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. The value of each Fund is affected by changes in the prices of the stocks it holds. Investments that are convertible into equity may also be subject to equity risk.

Exchange-Traded Funds

The Funds may invest in exchange-traded funds ("ETFs") that seek to provide returns similar to an underlying benchmark such as a particular market index or industry sector index. These ETFs may not achieve the same return as a benchmark index due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the operating and administrative expenses of the ETF.

Foreign Investment Risk

The Funds may invest in securities issued by companies domiciled in, or governments of, countries other than Canada. Risks associated with foreign investments include:

- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities; and
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities.

General Economic and Market Conditions

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

Highly Volatile Markets

The prices of financial instruments in which the Funds' assets may be invested can be highly volatile and may be influenced by, among other things, specific corporate developments, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Income Trust Risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business. If the Funds invest in income trusts such as commodity-based royalty trusts, real estate investment trusts, pipeline or power trusts, they will have varying degrees of risk depending on the sector and the underlying asset or business of the trust. Returns on income trusts are neither fixed nor guaranteed. Typically, trust securities are more volatile than bonds and preferred securities. Many of the income trusts that the Funds may invest in are governed by laws of a province of Canada or of a state of the United States which limit the liability of unitholders of the income trust from a particular date. The Funds may, however, also invest in income trusts in Canada, the United States and other countries that do not limit the liability of unitholders. In such cases, there is therefore a risk that unitholders of an income trust, such as the Funds, could be held liable for any claims against the income trust's contractual obligations. Income trusts generally try to minimize this risk by including provisions in their agreements that their obligations won't be personally binding on unitholders. The income trust, however, may still have exposure to damage claims not arising from contractual obligations.

Interest Rate Changes

The value of the Funds' investments may fall if market interest rates for government, corporate or high yield credit rise. When interest rates fall, the value of bonds tends to rise. When interest rates rise, the value of bonds tends to fall. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes.

Investment and Trading Risks in General

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

Market Risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of the Funds' investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

Issuer-Specific Changes

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole. Equity investments, such as stocks and investments in

trusts, and fixed income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. As the Funds' Net Asset Value is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the Funds and, therefore, the value of the Units.

Leverage

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

In the event that the amount borrowed exceeds 70% of the total assets of a Fund, after giving effect to such borrowing, assets of the Fund will be sold and the amount borrowed reduced to less than 70% of the total assets of the Fund. Such sales may be required to be done at prices which may adversely affect the value of the portfolio and the return to the Fund. The interest expense incurred in respect of the loan facility may exceed the incremental capital gains/losses and income generated by the incremental investment of portfolio securities. In addition, a Fund may not be able to negotiate a loan facility on acceptable terms. There can be no assurance that the borrowing strategy employed by the Funds will enhance returns.

Options

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

Portfolio Turnover

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

Potential Lack of Diversification

The Funds do not have any specific limits on holdings in securities of issuers in any one country, region or industry. As a result, the Funds' portfolios may be subject to more rapid or significant changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes.

Shorting

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 be incurred by the Funds. There is in theory no upper limit to how high the price of a security may go. The Funds will also be responsible to pay dividends or other distributions on securities sold short. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In such cases, the Funds must either find securities to replace those borrowed or repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Funds may have to bid up the price of the security in order to cover the short position, resulting in losses to the Funds.

Use of Derivatives

The Funds may use derivative instruments. The use of derivatives may present additional risks to the Funds. To the extent of the Funds’ investment in derivatives it may take a credit risk with respect to parties with whom it trades and may also bear the risk of settlement default. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Funds from achieving the intended hedge effect or expose the Funds to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. No assurance can be given that the use of derivatives, such as the purchase or sale of forward currency agreements or puts and calls and other techniques and strategies that may be utilized by the Funds to hedge their exposure, will not result in material losses.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire Offering Memorandum and consult with their legal, tax and financial advisers before making a decision to invest in the Units.

CORPORATE GOVERNANCE

General

The Manager has the authority to manage and direct the business, operations and affairs of the Funds, subject to applicable law and the Management Agreements. The Manager has established appropriate policies, procedures and guidelines to ensure the proper management of the Funds. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements.

Independent Review Committee

The Manager has appointed an Independent Review Committee (“**IRC**”) for each Fund. Although not required to do so, the Manager has voluntarily appointed the IRC to act as an independent review committee for conflict of interest purposes for the Funds. The biographies of the IRC members can be found on the Manager’s website at www.portlandic.com.

The members of the IRC are independent of the Manager, the Funds, and entities related to the Manager. The IRC will review conflicts of interest matters relating to the operations of the Funds. The cost associated with the IRC will form part of the operating expenses of the Funds. Each member of the

IRC will receive an annual retainer and may receive a fee for each meeting of the IRC attended by the member, and may be reimbursed for reasonable expenses incurred.

Conflicts of Interest

The Manager will not be devoting its time exclusively to the affairs of the Funds. In addition, the Manager will perform similar or different services for others and may sponsor or establish other funds during the same period that it acts in relation to the Funds. The Manager, therefore, will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Funds and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Funds and its other clients and at all times the Manager will ensure a fair and equitable allocation of its management time, services, functions and investment opportunities between the Funds and any other such persons it provides services to. Also, the Administrator or other service provider engaged to calculate the Net Asset Value of the Funds may consult from time to time with the Manager, and defer to the Manager's expertise, when valuing a specific security to which the general valuation rules cannot or should not be applied (see "Net Asset Value" above). This can create a conflict of interest for the Manager, as the Manager's remuneration is dependent upon the Net Asset Value of the Funds. However, the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Funds, and will be held accountable under the Management Agreements if it fails to do so.

The Manager has been engaged to direct the business, operations and affairs of the Funds and will be paid fees for its services as set out herein. In addition, the Manager is a registered dealer participating in the offering of the Units to its clients for which it may receive an initial sales commission with respect to Series A, Series M, Series P and Series Q Units and will receive a trailing commission with respect to Series A Units. The Funds and any related issuers that are managed by the Manager from time to time may be considered to be "connected issuers" and "related issuers" of the Manager and the General Partner under applicable securities legislation. The Manager and the General Partner are controlled, directly or indirectly, by Michael Lee-Chin. James Cole is a director of the General Partner and an officer of the Manager. Michael J. Perkins is a director of the General Partner and is also a Partner of Borden Ladner Gervais LLP, a law firm that is legal counsel to the Manager and Funds. Conflicts of interest will be governed by the *Business Corporations Act* (Alberta) and other applicable laws.

FINANCIAL REPORTING

Financial Statements

The Funds are not reporting issuers for the purpose of applicable securities legislation. The Trust will prepare semi-annual unaudited financial statements and each Fund will prepare annual audited financial statements which will be available at no cost by calling toll-free 1-888-710-4242 or visiting www.portlandic.com. The Funds will also prepare unaudited financial information respecting the Net Asset Value per Unit of each series for each Valuation Date.

Language of Documents (Québec residents only)

If a purchaser is a resident of or subject to the laws of the province of Québec, the purchaser and the Fund agree that it is their express wish that the subscription agreement as well as all other documents related to it, including notices, shall be drawn up in the English language only.

Les parties aux présentes confirment leur volonté expresse de voir la convention de souscription, même que tous les documents, y compris tous avis, s’y rattachant, rédigés en langue anglaise seulement.

AUDITOR

The auditor of the Funds is PricewaterhouseCoopers LLP located in Toronto, Ontario.

STATUTORY RIGHTS OF ACTION AND RESCISSION

Cooling-off Period

Securities legislation in certain provinces and territories may give a purchaser certain rights of rescission by giving written notice to the registered dealer from whom the purchase was made but those rights must be exercised within a certain time period (as little as 48 hours following the purchase of Units).

Rights of Action for Damages or Rescission

In addition to and without derogation from any right or remedy that a purchaser of the Units may have at law, securities legislation in certain of the provinces and territories of Canada provides that a purchaser has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment thereto contains a misrepresentation. However, such rights and remedies, or notice with respect thereto, must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation.

As used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. The meaning of “misrepresentation” and “material fact” may differ slightly depending on the jurisdiction.

In most jurisdictions there are defences available to the persons or companies that a purchaser may have a right to sue. In particular, in many jurisdictions, the person or company that a purchaser sues will not be liable if the purchaser knew of the misrepresentation when the purchaser purchased the Units. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

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

Rights for Purchasers in Ontario

If this Offering Memorandum, together with any amendment hereto, delivered to a purchaser of Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action against the applicable Fund for damages or, while still the owner of the

Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that:

- (a) the Fund shall not be held liable pursuant to either right of action if the Fund prove the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of such damages that they prove do not represent the depreciation in value of the Units acquired by the purchaser as a result of the Misrepresentation relied upon;
- (c) the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund prove that:
 - (i) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired; and
- (e) no action may be commenced to enforce such right of action more than:
 - (i) in the case of an action for rescission 180 days after the date of the acceptance of the purchaser's Subscription Agreement by the Manager; or
 - (ii) in the case of an action for damages, the earlier of:
 - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (2) three years after the date of the acceptance of the purchaser's Subscription Agreement by the Manager.

The foregoing rights do not apply if the purchaser purchased Units of the Fund using the "accredited investor" exemption and is:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

- (c) a Schedule III bank;
- (d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (e) a subsidiary of any person referred to in paragraphs (a) to (d) above, 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.

Rights for Purchasers in Saskatchewan

If this Offering Memorandum or any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser resident in Saskatchewan contains a Misrepresentation at the time of purchase, a purchaser will be deemed to have relied upon that Misrepresentation and will have a right of action for damages against the applicable Fund, every promoter, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, every person or company who signed this Offering Memorandum and every person who or company, or director of such company, that sells the Units on behalf of the Fund under this Offering Memorandum or amendment thereto, or, alternatively, a purchaser may elect to exercise a right of rescission against the Fund, provided that among other limitations:

- (a) no person or company is liable, nor does a right of rescission exist, where the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on;
- (c) in no case shall the amount recoverable exceed the price at which the Units were sold to the investor;
- (d) no action shall be commenced to enforce these rights more than:
 - (i) 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
 - (ii) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action;
- (e) a person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that:
 - (i) this Offering Memorandum contains, proximate to that information:
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

- (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (f) no person or company (excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its sending or delivery, the person or company immediately gave reasonable general notice to the Fund that it was sent or delivered without the person's or company's knowledge, or (ii) after delivery of this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it; and
- (g) no person or company (but excluding the Fund) will be liable with respect to any part of 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 sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation.

The Funds shall amend the Offering Memorandum if the distribution of the Units has not been completed and (i) there is a material change in the affairs of the Funds, (ii) it is proposed that the terms or conditions of the offering described in the Offering Memorandum be altered, or (iii) Units are to be distributed in addition to the Units previously described in the Offering Memorandum. A purchaser that receives an amended Offering Memorandum has the right to withdraw from the agreement to purchase the Units by delivering a notice to the person who or company that is selling the Units, indicating the purchaser's intention not to be bound by the purchase agreement. A purchaser must deliver the notice of withdrawal within two business days after receiving the amended Offering Memorandum.

These rights are subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Rights for Purchasers in Manitoba

If this Offering Memorandum delivered to a purchaser of Units resident in Manitoba contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the applicable Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, every person or company who signed this Offering Memorandum, for damages or for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that among other limitations:

- (a) the Fund will not be liable if they prove that the purchaser purchased the Units with knowledge of the Misrepresentation;

- (b) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (c) other than with respect to the Fund, no person or company is liable if the person or company proves
 - (i) that this Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent; and
 - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (d) other than with respect to the Fund, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (e) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (f) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and
- (g) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or
 - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a Misrepresentation in forward-looking information if the person or company proves that:

- (a) this Offering Memorandum contains, proximate to that information:
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ

materially from a conclusion, forecast or projection in the forward-looking information; and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

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

If a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

Rights for Purchasers in New Brunswick

Where this Offering Memorandum, or any amendment hereto, contains a Misrepresentation, a purchaser resident in New Brunswick to whom this Offering Memorandum has been delivered and who purchases the Units shall be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase, and the purchaser has a right of action for damages against the applicable Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, and every person who signed this Offering Memorandum, or the purchaser may elect to exercise a right of rescission against the Fund, in which case the purchaser shall have no right of action for damages against the Fund, provided that, among other limitations:

(a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;

(b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;

(c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered;

(d) a person is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following:

(i) this Offering Memorandum contains, proximate to that information:

(1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information; and
- (e) no action shall be commenced to enforce these statutory rights of action more than
 - (i) in an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action; or
 - (ii) in an action for damages, the earlier of: (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Nova Scotia

Where this Offering Memorandum or any amendment hereto or any advertising or sales literature contains a Misrepresentation, a purchaser resident in Nova Scotia to whom this Offering Memorandum has been delivered and who purchases the Units shall be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and the purchaser has a right of action for damages against the Funds and, subject to certain additional defences, against every person acting in a capacity with respect to the applicable Fund which is similar to that of a director of a company and every person who signed this Offering Memorandum, or alternatively, may elect to exercise a right of rescission against the Fund, provided that, among other limitations:

- (a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered;
- (d) a person or company is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following things:
 - (i) this Offering Memorandum contains, proximate to that information:
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (e) no person or company other than the Fund is liable if the person or company proves that:

- (i) this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent; or
 - (ii) after delivery of this Offering Memorandum or the amendment to this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment to this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum, or the amendment to this Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it;
- (f) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
- (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;
- (g) no action may be commenced to enforce a right of action more than 120 days:
- (i) after the date on which payment was made for the Units; or
 - (ii) after the date on which the initial payment was made.

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

Rights for Purchasers in Newfoundland and Labrador

If this Offering Memorandum, together with any amendment to this Offering Memorandum or any record incorporated by reference in, or considered to be incorporated into this Offering Memorandum contains a Misrepresentation and it was a Misrepresentation at the time of purchase, a purchaser in 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 applicable Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of this Offering Memorandum and every person who signed this Offering Memorandum, for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Funds (in which case the purchaser will cease to have a right of action for damages), provided that:

- (a) no action shall 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 Fund) will be liable if:
 - (i) the person or company proves that this 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 Fund 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 this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal to the Fund and the reason for it; and
 - (iii) with respect to any part of this 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) a person or company is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following:
 - (i) this Offering Memorandum contains, proximate to that information:
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

- (e) 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
- (f) in no case shall the amount recoverable exceed the price at which the Units were offered to the purchaser under this Offering Memorandum.

Rights for Purchasers in Prince Edward Island

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action against the applicable Fund, and every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company at the date of this Offering Memorandum and every person who signed this Offering Memorandum, for damages or, alternatively, while still the owner of the Units, for rescission against the Fund, provided that:

- (a) no action shall 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 purchased the Units with knowledge of the Misrepresentation;
- (c) no person or company (other than the Fund) will be liable if it proves that (i) the Offering Memorandum was 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, or (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it;
- (d) no person or company (other than the Fund) will be liable with respect to any part of 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, an opinion or a 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;
- (e) a person is not liable in an action for a Misrepresentation in forward-looking information if:

- (i) this Offering Memorandum contains, proximate to that information:
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (f) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (g) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

Rights for Purchasers in Northwest Territories, Yukon and Nunavut

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in the Northwest Territories, Yukon or Nunavut contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on the Misrepresentation, a right of action against the applicable Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a corporation at the date of this Offering Memorandum and every person who signed this Offering Memorandum, for damages or, alternatively, while still the owner of the Units, for rescission against the Fund, provided that:

- (a) no action shall 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 purchased the Units with knowledge of the Misrepresentation;
- (c) no person (other than the Fund) will be liable if it proves that (i) 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 reasonable general notice that it was delivered without the person's knowledge or consent, or (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent

to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it;

- (d) no person (other than the Fund) will be liable with respect to any part of 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, an opinion or a statement of an expert unless the person (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;
- (e) a person is not liable in an action for a Misrepresentation in forward-looking information if:
 - (i) this Offering Memorandum contains, proximate to that information:
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;
- (f) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
- (g) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

General

The foregoing summaries are subject to the express provisions of the applicable securities legislation and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

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