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In this Offering Memorandum, “Fund” means Portland Global Aristocrats Plus Fund; “you”, “your” and “unitholder” mean you and all other investors in Units of the Fund; “we”, “us”, “our” and the “Manager” means Portland Investment Counsel Inc., the investment fund manager, promoter, and portfolio manager of the Fund; and “Trustee” means Portland Investment Counsel Inc. in its capacity as trustee of Portland Global Aristocrats Plus Fund. All references to dollars (\$) shall refer to Canadian dollars, unless otherwise stated. The Fund 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

May 2, 2016



PORTLAND GLOBAL ARISTOCRATS PLUS FUND

CONFIDENTIAL OFFERING MEMORANDUM

CONFIDENTIAL OFFERING MEMORANDUM

Dated: May 2, 2016

Continuous Offering

THE ISSUERS:

Name and Head Office: Portland Global Aristocrats Plus Fund
1375 Kerns Road, Suite 100
Burlington, Ontario L7P 4V7

Phone Number: 1-888-710-4242

Email Address: info@portlandic.com

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

Reporting Issuer: No.

SEDAR Filer: Effective May 24, 2016, the Fund will become a non-reporting SEDAR filer for purposes of filing certain forms relating to its distributions in certain provinces.

Fundserv Eligible: Yes.

THE OFFERING:

The Fund: The Fund 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 will be issued at their 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 O Units are generally available to certain institutional investors making a minimum purchase of Units of \$500,000. See “The Offering”.

Payment Terms: The subscription amount (net of any commission payable to the registered dealer, if applicable) is payable one (1) business day following

the Subscription Date. A “**Subscription 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”.

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 Fund’s Declaration of Trust and applicable securities legislation. See “Transfer or Resale”. These securities are speculative. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss 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 is the trustee and manager of the Fund and 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 Units and it will receive a trailing commission with respect to Series A Units. The Fund 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 under applicable securities legislation. See “Corporate Governance - Conflicts of Interest”.

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THE FUND

The Fund 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 March 31, 2014, May 23, 2014, September 23, 2015, March 1, 2016 and May 2, 2016. The office of the Fund 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 Fund by acquiring interests in the Fund designated as Units issued in multiple series. See “The Offering”.

The Fund has no fixed term. The Fund 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 Fund”.

The fiscal year end of the Fund is September 30.

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 Fund in accordance with the terms of the Declaration of Trust. The Trustee has engaged the Manager to manage the Fund on a day-to-day basis, including management of the Fund’s portfolio and distribution of the Units of the Fund.

THE MANAGER

The Trustee has engaged the Manager to direct the day-to-day business, operations and affairs of the Fund, including management of the Fund’s portfolio on a discretionary basis and distribution of the Units of the Fund. The Manager may delegate certain of these duties from time to time. See “Management Agreement”.

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.

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

Christopher Wain-Lowe is an officer of the Manager and is principally responsible for selecting investments for the Fund.

Christopher Wain-Lowe

Chris Wain-Lowe has 30 years of business management and global financial services experience - living and working in four continents: Europe, Asia, Africa, North America as well as the Caribbean, which also included corporate experience in the energy, natural resources and utility industries. Chris’ business experiences provide first-hand knowledge and understanding of those businesses in which he now invests. As Head of the Utilities team, Barclays’ Large Corporate Banking (1989-1992), Chris’ team tendered and won most of the syndicated finance, large value leasing and project finance mandates during

the U.K.'s water and electricity privatizations – with Barclays Syndications consequently being awarded by Euromoney magazine as 'Best European Syndicate Bank' in 1991 and again in 1992.

As Chief Executive Officer he led Barclays business in Greece, transitioning it to becoming more corporate focused and successfully selling its island retail network to Bank of Nova Scotia (1995). As Chief Executive Officer he led Barclays' South African operations in Botswana to best in the region. The Banker magazine ranked Barclays as the 'Best Bank' in Botswana and the 'Best Bank' in Africa in 2000. During Chris' three years with the bank, its market capitalization rose to US\$300 million from US\$80 million – a compound annual growth rate of more than 55%.

As Chief Executive Officer of National Commercial Bank Jamaica Limited ("NCB") he led the bank to recognition as the world's 14th highest profits growth performer in 2002. In Chris' two years with the bank, its market capitalization rose to US\$400 million from US\$100 million – a compound annual growth rate of 100%.

Upon acquisition of NCB indirectly by Portland Holdings Inc., he joined Portland Investment Counsel in November 2003. As Executive Vice President he promoted the launch and listing on the Toronto Stock Exchange of ten closed-end funds during 2004 to 2007. He is currently the Chief Investment Officer and lead portfolio manager of three mutual funds and two private funds, namely Portland Private Income Fund and Portland Global Energy Efficiency and Renewable Energy Fund LP. Chris has a BA degree from University of North Wales and an MBA from University of Exeter. He is an Associate of the Chartered Institute of Bankers and holds their Financial Services Diploma, placed first in his year (1989).

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objective

The investment objective of the Fund is to provide income and 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) invest primarily in a globally diversified portfolio of equities, American depository receipts ("ADRs"), income securities, preferred shares, options and exchange traded funds ("ETFs"); and
- b) leverage by purchasing securities on margin. Margin borrowings may generally comprise up to 70% of the Fund's total assets. The Fund 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 the 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 long positions in the Fund.

The Fund may invest in investment funds (referred to as the “**Underlying Funds**”) which may or may not be managed by the Manager or one of its affiliates or associates. The Fund may also invest in real estate investment trusts, other income trusts, debt securities including convertibles and corporate and sovereign debt. The Fund may hold cash, 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.

The Fund has no geographic, industry sector, asset class or market capitalization restrictions. There is no restriction on the percentage of the Net Asset Value of the Fund which may be invested in the securities of a single issuer.

General

The above-described investment strategies which may be utilized in the management of the Fund 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 Fund can be made without prior approval of the unitholders.

There can be no assurances that the Fund will achieve its 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 Fund. 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 Fund.

WHO SHOULD INVEST

The Fund may be suitable for those investors who plan to invest for the medium to long term, are seeking income and long term capital growth and are able to tolerate volatility.

The Fund intends to qualify for investment by registered plans. See “Canadian Income Tax Considerations and Consequences - Registered Plans Available”.

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 the Fund; 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

The 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 Fund shall be borne proportionately by each series of Units based on their respective Net Asset Values, except as follows: (a) subscription proceeds received by the 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 the 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 the 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 Declaration of Trust.

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 Manager has designated three 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.
- **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.
- **Series O Units** will only be issued to certain institutional or other investors who invest a minimum of \$500,000. Series O Units are charged a negotiated management fee which is paid by the investor 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".

SUBSCRIPTIONS

Minimum Initial and Additional Subscriptions

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 or required by the Manager and by forwarding such forms (by the options as outlined therein) to CIBC Mellon Global Securities Services Company (the "**Administrator**"). Subscriptions will be processed on each Subscription Date.

Units of the 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 Subscription 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 Subscription Date in order for the subscription to be accepted as at that Subscription Date; otherwise the subscription will either be rejected (if the Subscription Agreement is not accepted) or processed as at the next Subscription Date (if accepted but received later than required).

Payment for subscriptions must be received by the Administrator no later than one (1) business day following the Subscription 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 Subscription 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 Subscription 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 Subscription 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 Fund can be purchased by making monthly investments through a pre-authorized chequing plan ("**PAC Plan**"). For details of the minimum investment, see "Subscriptions – Minimum Initial and Additional Subscriptions". 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 (5) 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 Fund are transferable only in very limited circumstances. An investor may only transfer his, her or its Units of the Fund 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.

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 the 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 Fund.

REDEMPTIONS

An investment in Units is intended to be a long-term investment. Unitholders may redeem their Units, however, on any Subscription 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 Subscription Date in order for the redemption to be accepted as at that Subscription Date; otherwise the redemption will be processed as at the next Subscription 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 Subscription 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 (5) business days following the relevant Subscription Date.

The 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 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 the 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 Subscription 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 Subscription Date at the Net Asset Value per Unit thereof, by notice in writing to the unitholder given at least ten (10) business days before the designated Subscription Date, which right may be exercised by the Manager in its absolute discretion.

DISTRIBUTIONS

The Manager’s current intention is to make monthly distribution payments of the Fund’s net income and annually distribute sufficient net income and net realized capital gains (reduced by a capital gains refund or loss carry forwards, if any) in each calendar year to ensure the Fund is not liable for ordinary income taxes. Notwithstanding the foregoing, distributions may be a combination of income, capital gains and return of capital. The Fund may also make such other distributions out of net income, capital gains and/or return of capital at such time or times as the Manager, in its sole discretion, determines. All distributions by the Fund will be automatically reinvested in additional Units of the same series of the Fund held by the Unitholder at the Net Asset Value per Unit thereof, unless the Unitholder notifies the Manager in writing that it wishes to receive such distributions in cash. See “Canadian Income Tax Considerations and Consequences”.

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 day that the Toronto Stock Exchange is open for business (each, a “**Valuation Date**”) by the Administrator in accordance with the Declaration of Trust. The Net Asset Value per Unit for each Valuation Date can be found on the Manager’s website at www.portlandic.com.

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 the 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 units of an Underlying Fund are valued using the last published net asset value per unit of such Underlying Fund, as adjusted where appropriate in the opinion of the Manager, will best reflect fair value.

- 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;
- 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 Fund’s valuation principles set out above if the Manager believes these principles do not result in the fair value of the assets of the Fund.

The liabilities of the 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 IFRS

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 the Fund and are consistent with industry practices for investment funds similar to the 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 Fund 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 daily and accrued on each Valuation Date and paid monthly, in an amount that is equal to the aggregate of:

- 2.00% per annum of the Net Asset Value of Series A, plus
- 1.00% per annum of the Net Asset Value of Series F

(determined before deduction of Management Fees, if any, allocable to such Units). Series O unitholders may be charged a negotiated fee and it shall be payable by each Series O unitholder (not the Fund) directly to the Manager.

All Management Fees payable by the 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.

Operating Expenses

The Fund is responsible for and the Manager is entitled to reimbursement from the Fund, for, all costs and operating expenses actually incurred by them in connection with the ongoing activities of the Fund, including but not limited to:

- a) third party fees and administrative expenses of the 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, the cost of maintaining the 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; and
- b) fees and expenses relating to the Fund's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

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

Organizational Expenses

The Fund is responsible for the organizational expenses ("**Organizational Expenses**") associated with the formation and creation of the Fund and the offering of the Units, including, but not limited to the following costs: legal and audit costs associated with the offering documents and formation of the Fund,

registration and regulatory filing fees, costs associated with due diligence by registered dealers, printing costs, postage and courier, time spent by personnel of the Manager at fully allocated costs, and any project costs charged by the Administrator to set up the Fund.

The Manager may pay the costs associated with the formation and creation of the Fund and the offering of Units and is entitled to re-imbursement for such costs from the Fund. Organizational Expenses will be charged to the Fund as an expense calculated and payable monthly at a rate which will not exceed 0.20% per annum of the Net Asset Value over 60 months commencing in January 2017, or such other time as the Manager in its sole discretion shall determine.

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 the Fund. Thereafter, the Manager pays a monthly trailing commission to participating registered dealers.

There is no commission payable by a purchaser to the Manager (in its role as manager and trustee) upon the purchase of Units in the Fund. 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 Units, the registered dealer which distributes such Units may charge investors an initial sales commission of up to 6% (i.e., up to \$60 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 may 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 a 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 on the Subscription Date.

No trailing commission is paid in respect of Series F 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 sole 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 dealing 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 Fund. The Manager may change the terms and conditions of these programs, or may stop them, at any time.

MANAGEMENT AGREEMENT

In order to set out the duties of the Manager, the Fund has entered into an amended and restated master management agreement with the Manager dated December 13, 2013, as amended May 23, 2014, January 1, 2015, September 23, 2015, March 1, 2016 and May 2, 2016 (the "**Management Agreement**"). Pursuant to the Management Agreement, the Manager shall direct the affairs of the Fund and provide day-to-day management services to the Fund, including management of the Fund's portfolio on a discretionary basis and distribution of the Units of the Fund, 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 Fund, the Manager receives a management fees (accrued daily on each Valuation Date and paid monthly). See "Fees and Expenses - Management Fees".

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

The 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 Fund.

ADMINISTRATOR

The Manager has retained the Administrator to carry out certain administrative services for the Fund. 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 Fund.

PRIME BROKER/CUSTODIAN AGREEMENT

The 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 Fund 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. The 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 the Fund's assets may be commingled with the assets of other clients of the Prime Broker/Custodian. Furthermore, the 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 the Fund is an unsecured creditor in respect of those assets. The Fund may request delivery of any assets not required by the Prime Broker/Custodian for margin or borrowing purposes.

DECLARATION OF TRUST

The Fund 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 Fund.

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 Fund 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 Fund 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 Fund, 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 Fund 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 Fund.

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 Fund 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 Fund 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 Fund, 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 Fund as applicable or make amendments or adjustments in response to any existing or proposed amendments to the *Income Tax Act* (Canada) (the “**Tax Act**”) or its administration which might otherwise adversely affect the tax status of the Fund or its unitholders; or
- e) protect the unitholders of the Fund.

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 Fund

The Trustee may terminate the Fund, or a Series of Units of the Fund, by providing unitholders with written notice of the proposed termination before the date on which the Fund 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 Fund or Series of Units of the Fund, as applicable. After payment of the liabilities of the Fund, or those attributable to the Series, unitholders will be entitled to receive from the Trustee their proportionate share of the remaining assets of the Fund, or those attributable to the Series. The above termination procedures do not apply where a Series of the Fund is terminated through the redesignation of the Units of the Series into Units of another Series of the Fund.

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 Fund or Series of the Fund 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 Fund (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 Fund, 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 Fund 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 Fund without unitholder approval, provided that the investment strategies or investment restrictions remain consistent with the fundamental investment objective of the Fund.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES

The following summarizes the principal Canadian federal income tax considerations as of the date hereof generally applicable to the Fund 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 Fund 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 Canada Revenue Agency (“**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. Where the Fund does not qualify as a “mutual fund trust” under the Tax Act, this summary assumes that not more than 50% of the Units of the Fund will at any time be held by one or more financial institutions, as defined for purposes of sections 142.3 to 142.7 of the Tax Act. 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 Fund is not expected to qualify as a mutual fund trust under the Tax Act for an initial period after its creation. The Fund will apply to be registered as a registered investment under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans effective as of the date of its creation in 2016.

Taxation of the Fund

The Fund 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 Fund will not be liable in any taxation year for income tax under Part I of the Tax Act, other than alternative minimum tax. The Fund is not entitled to capital gains refunds under the Tax Act and may be subject to alternative minimum tax. In certain circumstances, capital losses realized by the Fund may be suspended or restricted and, as a result, would be unavailable to shelter capital gains or income. Gains and losses in respect of short sales and derivatives will generally be on income account, rather than capital gains and losses.

If the Fund experiences a “loss restriction event”: (a) the Fund will be deemed to have a year-end for tax purposes; and (b) the Fund 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, the Fund will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund 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 Fund.

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 the Fund if the Fund meets certain investment requirements and qualifies as an “investment fund” under the loss restriction event rules of the Tax Act.

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

As a registered investment that is not a mutual fund trust, the Fund is subject to a special tax under Part X.2 of the Tax Act if, generally, at the end of any month, it holds property that is not a “qualified investment” under the Tax Act. The Fund will endeavour to restrict its investments so that it will not be liable for tax under Part X.2 of the Tax Act until such time as it becomes a mutual fund trust.

If at any time in a year the Fund has a unitholder that is a “designated beneficiary” within the meaning of the Tax Act, the Fund will be subject to a special tax at the rate of 36% under Part XII.2 of the Tax Act on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident and certain trusts and partnerships. Where the Fund is subject to tax under Part XII.2, provisions in the Tax Act are intended to ensure that unitholders who are not designated beneficiaries receive an appropriate refundable tax credit.

The Fund 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 Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its 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 Fund’s income, the Fund may designate in respect of a unitholder a portion of its foreign source income which can reasonably be considered to be part of the Fund’s income distributed to such unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the unitholder for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of the Unitholders of the Fund

A unitholder of the Fund 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 Fund. A unitholder must include such distributions in income whether they are paid in cash or they are reinvested in additional Units of the Fund. Provided that the Fund 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 Fund 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 Fund, 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 Fund or were realized by the Fund prior to the time that the unitholder acquired Units of the Fund.

To the extent that distributions to a unitholder by the Fund in a year exceed the unitholder's share of the net income and net realized capital gains of the Fund 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 Fund. Where the adjusted cost base of Units in the Fund 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 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 Fund for Units of a different series of that same Fund 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

Provided that the Fund is registered as a "registered investment" under the Tax Act at all times as described above, Units of the Fund will be "qualified investments" under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively "**Registered Plans**"). Annuitants of registered retirement savings plans and registered retirement income funds, and holders of tax-free savings accounts, should consult with their own tax advisors to determine whether Units of the Fund would be a "prohibited investment" under the Tax Act in their particular circumstances. Registered Plans are, generally, not subject to tax on income earned on, and proceeds realized on the disposition of, Units of the Fund as long as the income and proceeds remain in the Registered Plan.

Investors who choose to purchase Units of the Fund 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
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.

Enhanced Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”) and related Canadian legislation, the Fund and the Manager are required to report to the CRA certain information with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada) and certain other “U.S. Persons” as defined under the IGA and certain non-U.S. entities (excluding registered plans such as RRSPs), whose “Controlling Persons” as defined under the IGA include U.S. persons. It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. The Fund and the Manager may be required to report similar information in connection with other jurisdictions.

RISK FACTORS

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

Risks Associated with an Investment in the Fund

Changes in Investment Strategies

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

Charges to the Fund

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

Series Risk

Each series of Units has its own fees and expenses which are tracked separately. If for any reason the 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.

Custody Risk and Broker or Dealer Insolvency

The Fund does not control the custodianship of all of its securities. The Fund’s assets will be held in one or more accounts maintained for the 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 Fund's 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 the 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 the Fund's assets held by or through such prime broker or custodian and/or the delay in the payment of redemption proceeds.

Investment Risk

An investment in the Fund 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 Fund. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund.

Lack of Independent Experts Representing Unitholders

Each of the Fund and the Manager has consulted with a single legal counsel regarding the formation and terms of the Fund and the offering of Units. The unitholders have not, however, been independently represented. Therefore, to the extent that the Fund, 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 Fund.

Liquidity Risk

Liquidity is important to the Fund's 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 Fund's portfolio positions may be reduced. In addition, the Fund may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Fund's liquidity. During such times, the Fund may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio or to meet redemption requests. In addition, such circumstances may force the Fund to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Fund may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Fund's 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 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 Fund is 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 the Fund, no assurance can be given in this regard. An investment in Units should be considered as speculative and subscribers must bear the risk of a complete loss of their investment.

No Involvement of Unaffiliated Selling Agent

The 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 Fund or the background of the Trustee and Manager.

Possible Effect of Redemptions

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

Possible Negative Impact of Regulation

The regulatory environment is evolving and changes to it may adversely affect the Fund. To the extent that regulators adopt practices of regulatory oversight that create additional compliance, transaction, disclosure or other costs, returns of the Fund 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 Fund. The effect of any future regulatory or tax change on the portfolio of the Fund 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 Fund 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 Fund might be subject to significant indemnification obligations in favour of the Trustee, the Manager, other service providers to the Fund or certain persons related to them in accordance with the respective agreement between the Fund and each such service provider. The Fund 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 Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund.

Reliance on Manager and Track Record

The success of the 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 Fund and the service providers to the Fund have had experience in their respective fields of specialization, the Fund has no operating or performing history upon which prospective investors can evaluate the likely performance of the Fund. Investors should be aware that the past performance by those involved in the investment management of the Fund 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 Fund may be adversely affected.

Substantial Unitholder Risk

If an investor in the 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 the Fund, the 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.

Units are not Insured

The Fund is not a member institution 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.

Valuation of Fund Investments

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

Although the Fund generally will invest in exchange-traded and liquid over-the-counter securities, the Fund may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund 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 Fund does not intend to adjust the Net Asset Value of the Units of a series retroactively.

Risks Associated with the Investments and Strategies of the Fund

Concentration

The Manager may 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 Fund may be volatile since the performance of one particular geography, sector, industry or issuer could significantly and adversely affect the overall performance of the Fund.

Counterparty and Settlement Risk

Some of the markets in which the Fund will effect its 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 Fund 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 Fund to suffer a loss. In addition, in the case of a default, the Fund 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 Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Fund 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 Fund.

Currency and Exchange Rate Risks

The Fund will report its 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 Fund’s portfolio and the unrealized appreciation or depreciation of investments.

Debt Securities

The Fund 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 Fund 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 Fund 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 the 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 Fund may invest in 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. As well, the Fund may invest in certain ETFs that utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of that benchmark. Units of such ETFs are highly speculative, involve a high degree of risk and are subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark.

Foreign Investment Risk

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

Highly Volatile Markets

The prices of financial instruments in which the Fund's 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 Fund invests 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 Fund 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 Fund 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 Fund, 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 Fund's 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 Fund's accounts may be subject. No guarantee or representation is made that the Fund's investment program 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 Fund's portfolio and performance.

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.

Leverage

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

In the event that the amount borrowed exceeds 70% of the total assets of the 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, the 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 Fund 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 Fund has 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.

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 Fund. There is in theory no upper limit to how high the price of a security may go. The Fund 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 Fund 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 Fund may have to bid up the price of the security in order to cover the short position, resulting in losses to the Fund.

Use of Derivatives

The Fund may use derivative instruments. The use of derivatives may present additional risks to the Fund. To the extent of the Fund’s 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 Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Fund may not be able to close out a position without incurring a loss. No assurance can be given that 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 Fund to hedge its 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 Fund, subject to applicable law and the Management Agreement. The Manager has established

appropriate policies, procedures and guidelines to ensure the proper management of the Fund. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Fund while ensuring compliance with regulatory and corporate requirements.

Independent Review Committee

The Manager has appointed an Independent Review Committee (“**IRC**”) for the 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 Fund. 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 Fund, and entities related to the Manager. The IRC will review conflicts of interest matters relating to the operations of the Fund. The cost associated with the IRC will form part of the operating expenses of the Fund. 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 Fund. 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 Fund. The Manager, therefore, will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Fund 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 Fund 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 Fund 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 Fund 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 Fund. However, the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Fund, and will be held accountable under the Management Agreement if it fails to do so.

The Manager has been engaged to direct the business, operations and affairs of the Fund 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 Units and will receive a trailing commission with respect to Series A Units. The Fund 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 under applicable securities legislation.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors. The Subscription Agreement contains detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement and, if so, a list of the documents and information required.

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

FINANCIAL REPORTING

The Manager will prepare and deliver, or arrange for the preparation and delivery of, financial statements in such manner and frequency as required under securities legislation. The Manager intends to rely on Section 2.11 of National Instrument 81-106 *Investment Fund Continuous Disclosure* and as such will not be filing its financial statements on www.SEDAR.com. Requests for financial statements can be made by contacting client services via email at clientservices@portlandic.com or by telephone at 1-888-710-4242.

AUDITOR

The auditor of the Fund is PricewaterhouseCoopers LLP located at PWC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2.

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 forty-eight (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 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 Alberta (purchasing under the \$150,000 minimum amount investment exemption)

If this Offering Memorandum, or any amendment hereto, delivered to a purchaser of Units resident in Alberta purchasing under the \$150,000 minimum amount investment exemption in National Instrument 45-106 - *Prospectus Exemptions*, contains a Misrepresentation, the purchaser to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase. Such purchaser will have a right of action a) for damages against the 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 or company who signed this Offering Memorandum or amendment hereto; or b) for rescission against the Fund, in which case the purchaser shall have no right of action for damages. The purchaser may exercise these rights provided that:

- (a) no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) no person or company (but excluding the Fund) will be liable if the person or company 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 written notice to the Fund 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 written notice to the Fund of the withdrawal and the reason for it;
- (c) no person or company (but excluding the Fund) will be liable with respect to any part of this 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 expert unless the person or company failed to conduct an investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
- (d) in an action for damages, the defendant 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. The amount recoverable under this right of action will not exceed the price at which the Units were offered;
- (e) no action shall be commenced to enforce such right of action unless the right is exercised:
 - (i) in the case of an action for rescission, no later than 180 days from 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, no later than the earlier of (I) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action; or (II) three years from the day of the transaction that gave rise to the cause of action.

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, the Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

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 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 Fund 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 Fund, (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 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 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 Fund and, subject to certain additional defences, against every person acting in a capacity 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 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 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 Fund (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 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 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.

CERTIFICATE

This offering memorandum does not contain a misrepresentation.

DATED the 2nd day of May, 2016

**Portland Investment Counsel Inc., as trustee, manager and promoter of
Portland Global Aristocrats Plus Fund**

“Michael Lee-Chin”

Michael Lee-Chin
Director, Executive Chairman, Chief Executive
Officer and Portfolio Manager

“Kevin Gould”

Kevin Gould
Chief Financial Officer

On behalf of the Board of Directors of Portland Investment Counsel Inc.

“Michael Lee-Chin”

Michael Lee-Chin
Director

“Robert Almeida”

Robert Almeida
Director

Portland Global Aristocrats Plus Fund

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