



PORTLAND ADVANTAGE PLUS – EVEREST FUND
PORTLAND ADVANTAGE PLUS – MCKINLEY FUND
**PORTLAND VALUE PLUS FUND (formerly Portland Advantage
Plus – Value Fund)**

(each, a “Fund” and collectively, the “Funds”)

**Amendment No. 1 dated October 16, 2017 to the Confidential Offering Memorandum
dated January 29, 2016**

The securities referred to in the confidential offering memorandum of the Funds dated January 29, 2016 and as amended by this Amendment (together, the “Offering Memorandum”), are being offered on a private placement basis. The Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where, and to whom, they may be lawfully offered for sale. The Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. The securities offered under the Offering Memorandum qualify for distribution in the jurisdictions in which they are offered pursuant to statutory exemptions under securities legislation in those jurisdictions.

The Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of the Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisers, the Offering Memorandum or any information contained therein. No person has been authorized to give any information or to make any representation not contained in the Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

NO SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THE SECURITIES OR REVIEWED THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS INVESTMENT HAS RISKS. SEE THE SECTION OF THE OFFERING MEMORANDUM CALLED RISK FACTORS.

The Offering Memorandum dated January 29, 2016, with respect to Series A, Series F, Series N and Series O Units of each of Portland Advantage Plus – Everest Fund, Portland Advantage Plus – McKinley Fund and Portland Value Plus Fund (formerly Portland Advantage Plus – Value Fund) is hereby amended in the manner described below to:

- (a) reflect the change of name of Portland Advantage Plus – Value Fund to Portland Value Plus Fund (the “**Value Fund**”);
- (b) update the “Independent Review Committee” section under “Management of the Funds” to reflect a change in membership in the Independent Review Committee;
- (c) update the section titled “Fees and Expenses” to reflect a change in the application of the organizational expenses; and
- (d) update the section titled “Description of Units” to reflect a change in the distribution rate and the anticipated date of commencement of such distributions.

Except as outlined below, the Offering Memorandum remains unchanged. The Offering Memorandum must be read subject to the amendments described below. All defined terms used herein have the meanings given to those terms in the Offering Memorandum.

Name Change

On October 16, 2017, the name of Portland Advantage Plus – Value Fund was changed to Portland Value Plus Fund. The following amendments are made to the Offering Memorandum to reflect the name change:

- i. All references in the Offering Memorandum to “Portland Advantage Plus – Value Fund” are replaced with “Portland Value Plus Fund”;
- ii. The last sentence at the end of the first paragraph under the heading “The Funds” on page 6 is deleted and replaced with the following:

“From its inception on January 30, 2015 to September 23, 2015, the Value Fund was named “Portland Advantage Plus – Logan Fund” and from September 23, 2015 to October 15, 2017 the Value Fund was named “Portland Advantage Plus – Value Fund”.
- iii. Additional amendment dates of “March 1, 2016, May 2, 2016 & October 16, 2017” are added to the list of amendments to the Declaration of Trust in the first paragraph under the section titled “Summary of the Declaration of Trust” on page 8.

Management of the Funds

The following are changes to the section titled “Management of the Funds”:

- i. The first sentence in the third paragraph under the sub-heading “Independent Review Committee” on page 11 is deleted and replaced with the following:

“The members of the IRC are David Sharpless, Simon Lewis and Richard M. White.”

- ii. The second and third sentences in the third paragraph under the sub-heading “Independent Review Committee” on page 11 are deleted.
- iii. The fifth paragraph under the sub-heading “Independent Review Committee” on page 11 is deleted and replaced with the following:

“**Simon Lewis** is a partner in a private investment firm. Previously, he was President & CEO of Royal Mutual Funds (1994-2000), the mutual fund arm of Royal Bank. Mr. Lewis joined Royal Bank when it acquired Royal Trust in 1993 where he had been Vice President and part owner of the firm’s mutual fund business. Mr. Lewis played a leadership role in the mutual fund industry as a Board Member of IFIC for several years during the 1990s. Mr. Lewis began his career in the advertising business after studying economics at Queen's University. From 1994-2000 Mr. Lewis was also a member of the Queen's Business School Advisory Board.”

Fees and Expenses

The fourth sentence in the second paragraph under the sub-heading “Organizational Expenses” on pages 15 to 16 is deleted and replaced with the following:

“Organizational Expenses incurred for the Value Fund will be charged as an expense in equal installments over 60 months commencing on the latter of: (i) December 2018; or (ii) the NAV of the Value Fund reaching \$2.5 million, or at such other time or amount as the Manager in its sole discretion shall determine.

As of the date of this Offering Memorandum, the NAV of the Value Fund has not yet reached \$2.5 million.”

Description of Units

The following are changes to the section titled “Description of Units”:

- i. The third sentence in the first paragraph under the sub-heading “Distributions” on page 23 is deleted and replaced with the following:

“Commencing July 2017, the Funds have a targeted monthly distribution at the annualized amount outlined in the table below.”

- ii. The chart following the first paragraph under the sub-heading “Distributions” on page 23 is deleted and replaced with the following chart:

	Everest Fund	McKinley Fund	Value Fund
Series A	\$0.30	\$0.60	\$0
Series F	\$0.35	\$0.70	\$0
Series N	\$0.30	\$0.60	\$0

What are Your Legal Rights?

Securities legislation in certain provinces and territories of Canada provides purchasers, or requires purchasers be provided with, a right to cancel their agreement to purchase Units of the Fund or to sue for damages if there is a misrepresentation in this Offering Memorandum. See “Statutory Rights of Action and Rescission” in the Offering Memorandum.

CERTIFICATE

The Offering Memorandum dated January 29, 2016 and as amended by this Amendment No. 1 to the Offering Memorandum, does not contain a misrepresentation.

DATED this 16 day of October, 2017.

Portland Investment Counsel Inc.,
as trustee, manager and promoter of Portland Advantage Plus – Everest Fund, Portland
Advantage Plus – McKinley Fund and Portland Value Plus Fund

“Michael Lee-Chin”

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

“Kevin Gould”

Kevin Gould
Chief Financial Officer

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

“Robert Almeida”

Robert Almeida
Director

“Frank Laferriere”

Frank Laferriere
Director

This confidential offering memorandum (the “Offering Memorandum”) constitutes an offering of securities only in those jurisdictions, and to those persons, where, and to whom, they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. The securities offered under this Offering Memorandum qualify for distribution in the jurisdictions in which they are offered pursuant to exemptions under securities laws in those jurisdictions. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisers, this Offering Memorandum or any information contained therein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon. Portland Advantage Plus – Everest Fund, Portland Advantage Plus – McKinley Fund or Portland Advantage Plus – Value Fund may be considered under applicable securities laws to be “related issuers” of Portland Investment Counsel Inc.

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

January 29, 2016

Continuous Offering



PORTLAND
INVESTMENT COUNSEL™

PORTLAND ADVANTAGE PLUS – EVEREST FUND
PORTLAND ADVANTAGE PLUS – MCKINLEY FUND
PORTLAND ADVANTAGE PLUS – VALUE FUND

each issuing Series A, Series F, Series N and Series O Units

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Email: info@portlandic.com

Website: www.portlandic.com

The Funds are open-end investment funds established under the laws of the Province of Ontario as trusts. **Units of the Funds do not trade on any exchange or market.** The Funds are not reporting issuers under applicable securities laws and do not file documents electronically via SEDAR.

The Offering

Portland Advantage Plus – Everest Fund, Portland Advantage Plus – McKinley Fund and Portland Advantage Plus – Value Fund are each offering units of Series A, Series F, Series N and Series O (“the **Series**”) (collectively, “**Units**”) on a private placement basis. Units will be issued on the last business day of each month, or such other business day as determined by the Manager (each a “**Valuation Date**”). Units are offered on a continuous basis and will be issued at the subscription price, which is the Series net asset value per Unit (“**NAV per Unit**”), determined on the Valuation Date of the month in which we accept your order (hereby defined as the “**Subscription Price**”) in accordance with the sections called *Summary of the Declaration of Trust – Subscription Price* and *Description of*

Units – Subscription Procedure. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**

There is no minimum or maximum number of Units of any Series of a Fund that will be sold as part of this offering. You may be the only purchaser.

Each investor must invest an amount equal to the minimum investment amount established by us from time to time for initial and subsequent investments. The minimum investment amount will vary depending on the jurisdiction where you live and whether you qualify as an “accredited investor” within the meaning of applicable securities laws or purchase Units under the offering memorandum exemption, and will be set out in the instructions that accompany your subscription agreement.

As at the date of this Offering Memorandum, these minimum investment amounts will generally be \$2,500 for Series A Units, Series F Units and Series N Units, and \$500,000 for Series O Units. See the section called *Who Should Invest* for additional detail. For subsequent investments, in most cases the minimum investment amount is \$500, depending on the amount of your initial investment, the net asset value of your existing investment at the time you make the additional investment, the jurisdiction in which you live and whether you qualify as an “accredited investor” within the meaning of applicable laws. See the section called *Description of Units – Subscription Procedure*. You must pay the full Subscription Price for the Units by cheque (or other means acceptable to us) at the time of your purchase.

There are important tax consequences associated with an investment in Units. See the section called *Canadian Federal Income Tax Considerations*.

We have not hired any agent or underwriter to sell Units on our behalf. However, in Canada, Units must be sold through registered dealers.

Resale Restrictions

You will be restricted from selling your Units to other investors for an indefinite period. As there is no market for these securities, it may be difficult or even impossible for an investor to sell them. The Units are subject to resale restrictions. However, you will be able to require each Fund to redeem your Units at certain times if you follow the procedures we have established. See the section called *Description of Units – Redemption of Units*.

Purchasers’ Rights

You have two business days to cancel your agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the purchase agreement. See the section called *Purchasers’ Rights*.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This investment has risks. See the section called *Risk Factors*.

The Manager is the investment fund manager of each 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 compensation including an initial sales commission with respect to Series A and Series N Units and for which it will receive a trailing commission with respect to Series A and Series N Units. The Funds and any related issuers that are managed by the Manager from time to time may be considered to be “connected issuers” of the Manager under applicable securities legislation. See *Schedule “A” – Conflicts of Interest – The Manager*.

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USE OF AVAILABLE FUNDS

There is no maximum and no minimum number of Units that will be sold as part of this offering. No selling commissions or fees will be paid by a Fund or us in connection with the sale of Units under this Offering Memorandum; however, we will pay registered dealers (including us) a trailing commission (“**Trailing Commission**”) for ongoing advice and service provided to holders of Series A Units and Series N Units (see the section called *Compensation Paid to Sellers*). The costs associated with the sale of Units under this Offering Memorandum will be paid by us. The costs associated with formation of the Funds, including the associated agreements related to the Funds, as well as the filing fees payable to securities regulators with respect to the issuance of Units will, in all circumstances, be paid by the Funds (“**Organizational Expenses**”) as described below in the section called *Summary of the Declaration of Trust - Expenses*. The ongoing costs that are considered operating expenses (“**Operating Expenses**”) of a Fund will be paid by such Fund as described below in the section called *Summary of the Declaration of Trust – Expenses*. Filing fees payable to securities regulators vary depending on the jurisdiction in which the investor resides.

The money the Funds receive from the sale of Units will be used to invest in securities in the manner described in the section called *Investment Objectives and Strategies*, and to pay the fees and operating expenses described in the section called *Fees and Expenses*.

SUMMARY

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum.

The Funds

Each of the following Funds is an open-end investment fund established under the laws of the Province of Ontario as a trust:

Portland Advantage Plus – Everest Fund (the “**Everest Fund**”);

Portland Advantage Plus – McKinley Fund (the “**McKinley Fund**”); and

Portland Advantage Plus – Value Fund (the “**Value Fund**”).

Units of Series A, Series F, Series N and Series O of each Fund are offered pursuant to this Offering Memorandum.

See the section called *The Funds*.

Management of the Funds

Portland Investment Counsel Inc. is the investment fund manager of the Funds pursuant to an amended and restated master management agreement (the “**Management Agreement**”). Michael Lee-Chin and Dragos Berbecel are principally responsible for providing investment advice to the Funds on behalf of Portland Investment Counsel Inc. See the section called *The Funds*.

Investment Objectives

The investment objectives of the Everest Fund and the McKinley Fund are to provide income and achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions. The investment objective of the Value Fund is to achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions. See the section called *Investment Objectives and Strategies – Investment Objectives*.

Investment Strategies

To achieve the investment objectives, the Manager will employ the following core techniques in respect of each Fund:

- a) focused investing in a limited number of long securities positions; and
- b) leverage by purchasing securities on margin.

Margin borrowings may comprise up to 70% of each Fund’s margin portfolio, defined as the securities held on account for the Fund at the Prime Broker/Custodian (as defined under the section called *Management of the Funds – Borrowing and Prime Broker Arrangements*) at market value (“**Margin Portfolio**”), at any given time. However, it is the Manager’s intention that each Fund will be managed with margin borrowings that ordinarily comprise lower percentage thresholds of its Margin Portfolio, specifically:

- margin borrowings of the Everest Fund are ordinarily not expected to exceed 60% of the Margin Portfolio of the Everest Fund, but are currently higher due to market conditions;
- margin borrowings of the McKinley Fund are ordinarily not expected to exceed 50% of the Margin Portfolio of the McKinley Fund, but are currently higher due to market conditions; and
- margin borrowings of the Value Fund are ordinarily not expected to exceed 70% of the Margin Portfolio of the Value Fund.

The securities positions and margin borrowing of each Fund may be similar or may differ due to continuous market fluctuations, concentration restrictions at the Prime Broker/Custodian, the volume and processing time related to purchases and redemptions, administrative efficiencies and the Manager's view of the optimal securities allocation for each Fund.

See the section called *Investment Objectives and Strategies – Investment Strategies*.

Units

Your investment in a Fund will be represented by Series A, Series F, Series N or Series O Units, depending on which Series of Units you purchase. Each Unit of a Series represents an equal undivided beneficial interest in the net assets of that Series of the Fund. A holder of Units is entitled to one vote for each \$1 of net asset value (“NAV”) attributed to such Unit (the NAV of all Units held by an investor shall be aggregated for the purpose of determining voting rights), voting together as a group, at any meeting of the unitholders. Units are not transferable, except in very limited circumstances. However, unitholders have the right to redeem their Units at certain times if they follow the procedures we have established. See the section called *Description of Units*.

Investing in the Funds

Series A, Series F and Series O Units of each Fund are offered for sale in Canada in reliance on exemptions from the prospectus requirements of applicable securities laws. You will only be permitted to purchase Units if your purchase qualifies for one of these exemptions and you meet certain other criteria. The Manager may offer Series N Units for sale to investors outside Canada in its discretion in accordance with the requirements of applicable securities laws. Units may be purchased on each Valuation Date at the Subscription Price. The Subscription Price is the Series A, Series F, Series N or Series O NAV per Unit of each Fund, determined as at the close of business on the last business day of the month in which we accept your order. See the section called *Summary of the Declaration of Trust – Subscription Price*. The minimum investment amounts and documentation required to purchase Units are described herein. See the section called *Who Should Invest*. Units of each Fund are available for purchase in both Canadian and U.S. dollars. See the section called *Description of Units – U.S. Dollar Purchase Option*. You can purchase Units of any of the Funds by making monthly investments through a pre-authorized chequing plan (“**PAC Plan**”). See the section called *Description of Units – Pre-authorized Chequing Plan*.

Distributions

It is the policy of the Everest Fund and the McKinley Fund to distribute an amount out of net income, capital gains and/or return of capital monthly and any additional net income or net capital gains, if any, as required annually in December to ensure the Everest Fund and the McKinley Fund are not liable for ordinary income taxes. It is the policy of the Value Fund to distribute net income or capital gains, if any, as required annually to ensure the Value Fund is not liable for ordinary income taxes. See the section called *Description of Units – Distributions*.

Management Fee

The Manager will receive management fees from the Funds in respect of Series A, Series F and Series N Units. Such management fees are calculated daily and will be paid monthly. The management fee varies from Series to Series and will be deducted as an expense of the Series in the calculation of the NAV of that Series. The management fee for each of these Series of Units is as follows:

Series A – 0.75% per annum, calculated daily as a percentage of the total market asset value of Series A, plus 1.0% per annum, calculated daily as a percentage of the NAV of Series A, plus applicable taxes including HST.

Series N – 0.75% per annum, calculated daily as a percentage of the total market asset value of Series N, plus 1.0% per annum, calculated daily as a percentage of the NAV of Series N, plus applicable taxes.

Series F – 0.75% per annum, calculated daily as a percentage of the total market asset value of Series F, plus applicable taxes including HST.

Management fees on Series O Units are negotiated with each investor and paid directly by the investor and are not recorded as an expense of the Series in the determination of the NAV of Series O Units.

See the section called *Fees and Expenses – Management Fees*.

Organizational Expenses

The expenses incurred in respect of the organization of the Funds and the offering of the Units will initially be paid by the Manager. The Manager is entitled to reimbursement for the Organizational Expenses incurred with respect to the Funds. The Everest Fund and the McKinley Fund each incurred Organizational Expenses of \$27,769, plus applicable taxes. The Value Fund incurred Organizational Expenses of \$13,383, plus applicable taxes. See the section called *Fees and Expenses – Organizational Expenses*.

Operating Expenses

All of the expenses related to the administration and operation of each Fund are paid by that Fund. See the section called *Fees and Expenses – Operating Expenses*.

Compensation Paid to Sellers

Registered dealers may charge investors who purchase Series A Units or Series N Units of a Fund an initial sales commission of up to 6%, inclusive of applicable taxes, of the gross subscriptions into Series A Units or Series

N Units made by said investors. See the section called *Compensation Paid to Sellers*.

A Trailing Commission will be paid by the Manager to registered dealers who have clients holding Series A Units or Series N Units of a Fund which is equal to 1.0%, inclusive of any applicable taxes, based upon the NAV of the Series A Units or Series N Units of a Fund, respectively held by such clients through such registered dealers.

Risk Factors

There are a number of risks associated with an investment in Units of the Funds. See the section called *Risk Factors*.

Income Tax Considerations

Generally, a unitholder must include (in computing income for a year) the portion of the net income and the taxable portion of the net realized capital gains of the Funds that is paid or payable to the unitholder in the year.

When a unitholder disposes of Units, the unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less any associated costs of disposition, are greater (or less) than the adjusted cost base of the Units. Re-designating or switching Units of one Series of a Fund to Units of another Series of the same Fund will not result in a disposition. Switching Units from a Series of one Fund to Units of a Series of another Fund will result in a disposition.

The Funds are unit trusts and registered investments under the *Income Tax Act* (Canada) (the “**Tax Act**”), Units of each Fund are qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs RESPs, RDSPs and TFSAs. Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult with their own tax advisors as to whether Units would constitute a “prohibited investment” under the Tax Act in their particular circumstances. See the section called *Canadian Federal Income Tax Considerations*.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements with respect to the Funds. In particular, the information contained in the section called *Investment Objectives and Strategies* may constitute “forward-looking information” for the purpose of securities legislation, as it contains statements of the intended course of conduct and future operations of the Funds. These statements are based on assumptions made by us about the success of the investment strategies of the Funds in certain market conditions, based on the experience of our officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions we make and the success of our investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of our intended strategies as well as each Fund’s actual course of conduct. Investors are urged to read the section called *Risk Factors* for a discussion of other factors that may impact each Fund.

THE FUNDS

The Funds are open-end investment funds established under the laws of the Province of Ontario each as a separate trust pursuant to an amended and restated master declaration of trust. See the section called *Summary of the Declaration of Trust*. Each Fund is considered to be a “mutual fund” within the meaning of applicable securities laws and intends to become a “mutual fund trust” within the meaning of the Tax Act once it meets the associated requirements, including having 150 qualifying unitholders in a Fund. See the section called *Canadian Federal Income Tax Considerations*. From its inception on January 30, 2015 to September 23, 2015, the Value Fund was named “Portland Advantage Plus – Logan Fund”.

The head office of the Funds, the Manager and the Trustee is located at 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7. You can contact us by telephone at 1-888-710-4242, by facsimile at 1-866-722-4242 or by e-mail at info@portlandic.com.

The following three Funds are being offered:

Portland Advantage Plus – Everest Fund;

Portland Advantage Plus – McKinley Fund; and

Portland Advantage Plus – Value Fund.

Units of Series A, Series F, Series N and Series O of each Fund are offered pursuant to this Offering Memorandum.

Certain senior officers and directors of the Manager and/or its affiliates and associates may purchase and hold Units of a Fund and the securities of related issuers from time to time. These Units may represent a material proportion of the Fund or the Funds. See the section called *Interests of Directors, Management, Promoters and Principal Holders – Management Experience*.

The fiscal year end of the Funds is September 30.

INVESTMENT OBJECTIVES AND STRATEGIES

Investment Objectives

The investment objectives of the Everest Fund and the McKinley Fund are to provide income and achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions. The investment objective of the Value Fund is to achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions.

Investment Strategies

To achieve these investment objectives, the Manager will employ the following core techniques in respect of each Fund:

- a) focused investing in a limited number of long securities positions. These securities will typically be equity securities issued by larger-capitalization companies domiciled in Canada, the United States and globally, which the Manager believes have strong financial positions, superior track records and are undervalued. While the securities will typically be equity securities (including preferred shares), they may also include real estate investment trusts or other income trusts, corporate bonds or other fixed income securities. The Manager expects to place a particular emphasis on high-quality companies with above-average dividend yields and satisfactory historic and prospective dividend growth; and
- b) leverage by purchasing securities on margin. The Funds will incur such borrowings in Canadian dollars, U.S. dollars or such other currencies as the Manager may deem advisable from time to time.

Margin borrowings may comprise up to 70% of each Fund's Margin Portfolio. However, it is the Manager's intention that each Fund will be managed with margin borrowings that ordinarily comprise lower percentage thresholds of its Margin Portfolio, specifically:

- margin borrowings of the Everest Fund are ordinarily not expected to exceed 60% of the Margin Portfolio of the Everest Fund, but are currently higher due to market conditions;
- margin borrowings of the McKinley Fund are ordinarily not expected to exceed 50% of the Margin Portfolio of the McKinley Fund, but are currently higher due to market conditions; and
- margin borrowings of the Value Fund are ordinarily not expected to exceed 70% of the Margin Portfolio of the Value Fund.

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

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

The securities positions and margin borrowing of each Fund may be similar or may differ due to continuous market fluctuations, concentration restrictions at the Prime Broker/Custodian, the volume and processing time related to purchases and redemptions, administrative efficiencies and the Manager's view of the optimal securities allocation for each Fund.

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

SUMMARY OF THE DECLARATION OF TRUST

The Funds are governed by the terms of an amended and restated master declaration of trust (the "**Declaration of Trust**") dated as of December 13, 2013, as amended on March 31, 2014, May 23, 2014 and September 23, 2015, as such agreement may be amended from time to time. 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 Funds.

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. You may request a copy of the Declaration of Trust by contacting us at the address, numbers or e-mail address set out on the front cover.

Division of the Funds into Units

Interests in each Fund are divided into one or more Series of each Fund. Each Unit of a Series has equal value to all other Units of that Series. There are currently three Funds available under this Offering Memorandum – each issuing Series A, Series F, Series N and Series O Units. A summary of the rights and restrictions attached to the Units is set out below in the section called *Description of Units*.

Subscription Price

Units are issued on each Valuation Date at the Subscription Price. The Subscription Price is the NAV per Unit of Series A, Series F, Series N or Series O Units, as the case may be, determined as at the close of business on the last business day of the month in which we accept your order. See the section called *Determination of Net Asset Value*.

Expenses

Each Fund is responsible for payment of all expenses relating to its operation and the carrying on of its business that are not paid for by the Manager under the Management Agreement. These operating costs shall be determined by the Trustee and the Manager and may include, but are not limited to, costs and expenses associated with taxes, borrowing, the Independent Review Committee and the cost of compliance with government or regulatory requirements. See the section called *Fees and Expenses*.

Fees

In addition to the expenses described above, the Funds are responsible for the payment to the Manager of the management fees described in the section called *Fees and Expenses*.

Distributions

Sufficient net income and net realized capital gains of each Fund will be distributed to unitholders in each year to ensure that the Fund will not be subject to tax under the Tax Act. Any distribution received by you

as a unitholder will be automatically reinvested in additional Units of the same Fund and same Series at the Series A, Series F, Series N or Series O NAV per Unit, as the case may be, on the date of the distribution unless notice is given in writing that distributions are preferred to be paid in cash. See the section called *Description of Units – Distributions*.

Meetings and Voting Rights

Meetings of the unitholders of a Fund as a whole or of any particular Series may be convened by the Trustee or the Manager as either of them may deem advisable from time to time for the administration of a Fund. At any meeting of unitholders every question shall, unless otherwise required by the Declaration of Trust or applicable law, be determined by the majority of the votes duly cast on the question. Any question at a meeting of unitholders shall be decided by a majority of the votes expressed on a show of hands unless a poll thereon is demanded. Upon a show of hands every unitholder who is present or is represented by proxy shall have one vote. On a poll, every unitholder who is present or is represented by proxy shall have one vote for each \$1 of NAV owned by such unitholder.

We may seek your approval for matters by way of mail rather than by holding a meeting of unitholders. The approval of unitholders of each Fund shall be given by a resolution passed by at least a majority of the votes whereby the unitholder shall have one vote for each \$1 of NAV owned by such unitholder. Unitholders of a Series of Units of the Fund shall only be entitled to vote separately as a Series on a matter if that Series of the Fund is affected by the matter in a manner materially different from the unitholders of other Series of the Fund.

Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust, without the approval of or prior notice to you, if 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 applicable Fund or that 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 this Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the Fund, the Trustee or its 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 Tax Act or its administration which might otherwise adversely affect the tax status of the Fund or its unitholders; or
- (e) for the purposes of protecting the unitholders of the Fund.

The Trustee will provide no less than 30 days' written notice to unitholders of any amendment to the Declaration of Trust where:

- (a) applicable securities legislation requires that written notice be given to unitholders before the change takes effect; or
- (b) the change would not be prohibited by applicable securities legislation 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.

Redesignation of a Series

Units of a Series of a Fund may be automatically redesignated by the Trustee as Units of any other Series of the Fund based on the applicable Series NAV per Unit of the Series of the Fund for the relevant Series on the date of the redesignation.

Termination of the Funds

The Trustee may terminate and dissolve a Fund, or a Series of Units which you hold, by giving you written notice of its intention to terminate before the date on which the Fund or Series, as applicable, is to be terminated. During the period after the giving of such notice, your right to require payment for all or any of your Units, if any, will be ceased and the Trustee will make appropriate arrangements for converting the assets of the Fund, or those attributable to the Series, into cash. After payment of the liabilities of the Fund, or those attributable to the Series, you will be entitled to receive from the Trustee your proportionate share of the remaining assets of the Fund, or those attributable to the Series.

The Trustee shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by it in connection with or arising out of the termination of a Fund or Series of a 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 a 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 each 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 for a Fund, the Trustee or the Manager shall, upon expiration thereof, terminate the Fund and distribute its assets to unitholders.

Change in Investment Strategies and Restrictions

We may from time to time amend the investment strategies or investment restrictions of the Funds without your approval, provided that the investment strategies or investment restrictions remain consistent with the fundamental investment objectives of the Funds.

MANAGEMENT OF THE FUNDS

Portland Investment Counsel Inc. is the Trustee, Manager, Promoter and Portfolio Manager of the Funds. The Manager is a corporation amalgamated under the laws of Ontario. The Trustee has engaged the Manager to manage the day-to-day business, operations and affairs of the Funds including management of

each Fund's portfolio on a discretionary basis and distribution of the Units of the Funds pursuant to the Management Agreement. The Manager may delegate certain of these duties from time to time to third parties.

The Manager is responsible for the day-to-day business and operations of the Funds, including, without limitation, arranging for or providing the following services, as applicable: registrar and transfer agent, FundSERV, regulatory reporting, Independent Review Committee, audit of the Funds, accounting and financial reporting services, investor tax reporting, custody, legal and compliance with applicable rules and regulations, arranging for insurance, and managing any litigation relating to the operations of the Funds (including governmental or administrative claims).

Pursuant to the Management Agreement, the Manager will be entitled to recover from the Funds the costs incurred for any services provided on behalf of the Funds. The Management Agreement may be terminated by a Fund or the Manager on 30 days' notice to the other parties.

Michael Lee-Chin and Dragos Berbecel are principally responsible for providing investment advice to the Funds on behalf of the Manager. See the section called *Interests of Directors, Management, Promoters and Principal Holders – Management Experience*.

Independent Review Committee

The Manager has appointed an Independent Review Committee (“**IRC**”) for the Funds. Although not required to do so, the Manager has voluntarily appointed the IRC to act as an independent review committee for conflict of interest purposes for the Funds.

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

The members of the IRC are David Sharpless, James F. O'Donnell and Richard White. Jim O'Donnell has advised that he intends to resign as a member of the IRC. An additional member will be added to the IRC to fill the vacancy created by Jim's retirement. Their biographies are as follows:

David Sharpless is the Chairman and CEO of Maverick Inc., a private consulting and investment firm and the CEO of New Carbon Economy Venture Management Inc., a private company which manages a number of investments in “green” technology companies. He is also the Interim CEO and a Director of Verdant Power, Inc., a company developing marine kinetic power technology and a Director and Chairman of the Audit Committee of Micromem Technologies Inc. a CNSX listed company. He was the Chairman of Hunter Keilty Muntz & Beatty Limited, a firm of international insurance brokers based in Toronto and the Vice Chairman of its successor, HKMB Hub International Ltd. Prior to joining Hunter Keilty Muntz & Beatty Limited in 2000, his career spanned more than 25 years as a business lawyer with Blake, Cassels & Graydon and as a senior leader in international finance. Mr. Sharpless also acts as an advisor or sits on the Board of a number of other companies.

James F. O'Donnell has over 40 years of business experience including leadership roles in the brokerage, mutual funds and investment management arenas. In 2002 the Canadian investment industry recognized his significant contributions and presented him with the Canadian Investment Career Achievement Award. Prior to founding O'Donnell Asset Management Corp., he was founder, Chairman and CEO of O'Donnell Investment Management Corp. which was launched in 1995 and prior to that he was president and one of the founders of Mackenzie Financial Corp. from which he retired in 1993.

Richard M. White is the external advisor to the Boards of Grason International Sourcing Inc. and Soleil Foodservice Limited, distributors of foodservice products throughout Europe, Russia and Asia. He is also a director and CFO of New Carbon Economy Fund1 LP, a private fund investing in “green” technology companies, in Canada. At the time of his retirement, in 2009, he was Senior Vice President, CFO and a Shareholder Partner of Hunter Keilty Muntz & Beatty Limited, Canada’s largest privately owned commercial insurance brokerage offering high-level risk management services throughout Canada. Mr. White still serves as a member of HKMB/Hub International’s Industry Council. Prior to joining HKMB in 2001, his career included 30 years’ experience in senior roles in telecommunications, manufacturing, server based computing, coin-operated laundry systems and as a Partner at KPMG.

Borrowing and Prime Brokerage Arrangements

The Manager has entered into one or more agreements for prime broker and/or custodial services for each Fund with one or more Canadian banks or their affiliates (“**Prime Broker/Custodian**”), which may be amended from time to time (the “**Prime Broker/Custodian Agreement**”). The Prime Broker/Custodian may hold cash and securities for and on behalf of each Fund. Pursuant to the terms of each of the Prime Broker/Custodian Agreements, the Prime Broker/Custodian may provide margin financing, trade execution, clearing, settlement, stock borrowing, options, and foreign exchange and banking facilities. The Funds may also utilize other brokers, banks and dealers for the purpose of executing transactions. 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. The Funds’ assets may be commingled with the assets of other clients of the Prime Broker/Custodian. Furthermore, the Funds’ 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 Funds are an unsecured creditor in respect of those assets. The Funds may request delivery of any assets not required by the Prime Broker/Custodian for margin or borrowing purposes.

Record Keeper

The Manager has entered into an agreement with CIBC Mellon Global Securities Services Company (the “**Administrator**”) on behalf of the Funds for record keeping and fund accounting services. The Administrator keeps track of who owns Units of the Funds, maintains a record of all purchases and redemptions of Units, and prepares and maintains certain other records required by the Funds.

DETERMINATION OF NET ASSET VALUE

For subscription and redemption purposes, a NAV per Unit is calculated for each Series of each Fund on a basis consistent with the Declaration of Trust and as such, all references in the Offering Memorandum to NAV and NAV per Unit are references to NAV and NAV per Unit determined in accordance with the Declaration of Trust.

The NAV of each Series of each Fund is determined by the Manager, at the close of business on each business day (defined as each day that the TSX is open for trading). The NAV will be published on www.portlandic.com for each Valuation Date and on such other dates as may be determined by the Manager from time to time. The NAV of each Fund is the fair market value of the Fund’s assets less its liabilities. The Series A, Series F, Series N and Series O NAV of each Fund, as the case may be, is the NAV of the Fund that is attributed to such Series.

For financial reporting purposes, the net assets of each of the Funds are determined in accordance with International Accounting Standards and International Financial Reporting Standards as amended from time

to time. The annual financial statements of each of the Funds include a reconciliation of net assets and NAV where there are differences.

The NAV per Unit of a Series of each Fund is the Series NAV of the Series of that Fund divided by the number of Units of the Series of that Fund outstanding at the applicable time.

The fair value of each Fund's assets is determined using the following principles:

- The value of any security, index future or index option which is listed on any recognized exchange will be determined by the closing sale price or, if there is no sale price, the average between the closing bid and the closing ask price on the day on which the NAV of each Fund is being determined, all as reported by any source in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading.
- The value of any security or other asset for which a market quotation is not readily available will be its fair value as determined by the Manager.
- The value of any security, the resale of which is restricted or limited, will be based on either (i) the value of those restricted securities as reported in quotations in common use, or (ii) the market value of unrestricted securities of the same series (i.e., we multiply this market value by a percentage equal to the percentage that the price of each Fund paid for the restricted securities was of the market value of unrestricted securities of the same Series at that time). We will take into account the actual value of the securities where the date on which the restriction or limitation will be lifted is known.
- All property of each Fund valued in a foreign currency, and all liabilities and obligations of each Fund payable by each Fund in foreign currency, will be converted into Canadian funds by applying the rate of exchange obtained from the best available sources by the Administrator in consultation with the Manager.

The liabilities of each Fund shall be deemed to include:

- short positions carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation principles described above;
- all margin borrowings;
- all bills, notes and accounts payable;
- all expenses incurred or payable by each 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 each Fund or Series of each Fund of whatsoever kind and nature, except liabilities represented by outstanding Units and the balance of any undistributed net income or capital gains.

The value of any security, other asset or liabilities to which, in the opinion of the Manager, the above valuation principles cannot be applied will be the fair value thereof determined in such manner as the

Manager, from time to time provides. Furthermore, the Manager may suspend the calculation of the NAV if the value of greater than 50% of its investments cannot reasonably be determined or is unavailable.

FEES AND EXPENSES

The Manager is entitled to receive such fees for its services as manager of the Funds as agreed from time to time with the Trustee. The fees agreed to by the Trustee and the Manager as at the date of this Offering Memorandum, as set out in the Management Agreement, are described below. You may also pay an initial sales commission to your dealing representative on Series A and Series N Units. See the section called *Compensation Paid to Sellers*.

Management Fees

The Funds pay the Manager annual management fees in respect of Series A, Series N and Series F Units, which are calculated daily and paid monthly, for day-to-day management and administration services. These management fees are unique to each Series of Units. For purposes of the calculation of management fees, total market asset value (“**Total Assets**”) of each Fund is defined as the total fair value of the assets of the Fund (and without deduction for any liabilities of the Fund in respect of any margin borrowing or redeemable units). The Total Assets of each Fund are attributable to each Series proportionately based on the NAV of the applicable Series. The management fee for each of the Series of Units offered for sale under this Offering Memorandum is as follows:

- Series A - 0.75% per annum of the Total Assets of Series A of the applicable Fund, plus 1.0% per annum of the NAV of Series A of the applicable Fund for Trailing Commissions, plus applicable taxes.
- Series N - 0.75% per annum of the Total Assets of Series N of the applicable Fund, plus 1.0% per annum of the NAV of Series N of the applicable Fund for Trailing Commissions, plus applicable taxes
- Series F - 0.75% per annum of the Total Assets of Series F of the applicable Fund, plus applicable taxes.

Unitholders who invest in Series O Units of each Fund will pay negotiated management fees directly to the Manager and as such the fees associated with Series O Units will not be deducted as an expense of the Fund.

Operating Expenses

The Manager is responsible for the payment of all advertising and promotional expenses incurred in respect of the Funds.

Each Fund is responsible for its share of all other expenses relating to the administration and operation of the Funds, including but not limited to:

- a) all trading expenses and transactions costs, including brokerage commissions and expenses relating to short sales, clearing and settlement charges, interest on loans and debit balances, margin interest, advisory fees, syndication fees and other fees and disbursements directly relating to the implementation of transactions for the portfolio;

- b) any taxes (and interest and penalties with respect thereto) payable by the Funds or to which the Funds may be subject;
- c) safekeeping charges;
- d) tax-related services, and any associated expenses of the Funds;
- e) expenses of conducting unitholder meetings;
- f) expenses incurred upon termination of a Fund or a Series of a Fund;
- g) legal, accounting and audit fees;
- h) regulatory fees;
- i) costs associated with the Independent Review Committee;
- j) costs relating to providing various reports to unitholders;
- k) costs of preparing and delivering to unitholders disclosure documents, such as this Offering Memorandum, in compliance with applicable laws;
- l) costs associated with providing FundSERV access for registered dealers;
- m) costs of fund accounting and registry and transfer agent services; and
- n) costs relating to the preparation and filing of tax information.

Expenses of each Fund which are not otherwise attributable to a particular Series will be allocated to the Series of Units monthly based on the Series NAV of each Fund at the end of the month. See the section called *Determination of Net Asset Value*.

The Manager may provide, or arrange to provide, services in relation to the administration and operation of the Funds and will be entitled to reimbursement of the associated costs of such services. This may include an allocation of time spent by its personnel, or the personnel of its affiliates, at fully allocated costs as determined by the Manager.

Organizational Expenses

The Funds are responsible for the organizational expenses (“**Organizational Expenses**”) associated with the formation and creation of the Funds 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 Funds, 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 project costs charged by the Administrator to set up the Funds for record keeping and accounting services.

The Manager will pay the costs associated with the formation and creation of the Funds and the offering of Units and is entitled to re-imbursement for such costs from the Funds. Organizational Expenses will be charged to each of the Everest Fund and the McKinley Fund as an expense in equal instalments over 60 months commencing in January 2016, or such other time as the Manager in its sole discretion shall determine. The Everest Fund and the McKinley Fund each incurred Organizational Expenses of \$27,769, plus applicable taxes. Organizational Expenses incurred for the Value Fund will be charged as an expense

in equal instalments over 60 months commencing in December 2016, or such other time as the Manager in its sole discretion shall determine. The Value Fund incurred Organizational Expenses of \$13,383, plus applicable taxes.

INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

Compensation and Securities Held

As of December 31, 2015, the Manager and each director and officer of the Manager, do not directly or indirectly, beneficially own or control 10% or more of the Units of any Fund (with the exception of Michael Lee-Chin). With respect to Michael Lee-Chin, he indirectly beneficially owns or controls a significant amount of the Value Fund which represents a large portion of the Units outstanding of the Value Fund.

The Funds pay the Manager a management fee described in the section called *Fees and Expenses*. The Manager as a registered dealer is entitled to receive commissions for clients who purchase Units as described in the section *Compensation Paid to Sellers*.

The Manager, the Trustee, their affiliates and/or their directors, executive officers and other employees may purchase Units.

Management Experience

The names, principal occupations and past business experience of the directors, executive officers and portfolio managers involved with the management of the Funds are as follows:

<u>Name</u>	<u>Principal Occupation</u>	<u>Past Business Experience</u>
Michael Lee-Chin	Director, Executive Chairman, Ultimate Designated Person, Chief Executive Officer and Portfolio Manager of the Manager	Mr. Lee-Chin has been Executive Chairman and Portfolio Manager of the Manager since 2002. Currently, he is also the Manager's Chief Executive Officer and Ultimate Designated Person. He has been employed in various roles in the mutual fund and securities industry since 1977.
Robert Almeida	Director, Senior Vice-President and Portfolio Manager of the Manager	Mr. Almeida joined the Manager as Senior Vice-President in March 2003 and became a Portfolio Manager in December 2003. He was Senior Vice-President with AIC Limited prior to March 2003 and the President of President's Choice Financial, a division of CIBC, from 1998 to 2002.
Christopher Wain-Lowe	Chief Investment Officer, Executive Vice-President and Portfolio Manager of the Manager	Mr. Wain-Lowe joined the Manager's Portfolio Management team as Senior Vice-President in October 2002 and became a Portfolio Manager in March 2003. In June 2009, Mr. Wain-Lowe became Executive Vice-President and Portfolio Manager and in January 2016, he became Chief Investment Officer. He was the Managing Director of National Commercial Bank Jamaica Limited prior to October 2002 and the Managing Director of Barclays Bank of Botswana Limited from 1997 to 2000.
Dragos Berbecel	Portfolio Manager of the Manager	Mr. Berbecel joined Portland Investment Counsel Inc. during the summer of 2008 as a Financial Analyst and became a Portfolio Manager with the firm in July 2013. He has been involved in developing and managing a number of public equity, balanced and alternative assets investment strategies. Prior to joining Portland, Dragos Berbecel worked for 10 years as a marketing and sales

		executive across diverse industries in Europe and North America.
Frank Laferriere	Director, Senior Vice President and Chief Operating Officer of the Manager	Mr. Laferriere joined the Manager in 2010. Prior to this he was the Chief Financial Officer, Chief Operating Officer and Board Member for Manulife Securities Incorporated. Mr. Laferriere was with Manulife Securities and its predecessor companies for over 12 years.
Barry J. Myers	Director of the Manager and Senior Advisor, Borden Ladner Gervais LLP	In August 2008, Mr. Myers joined the Securities & Capital Markets Group at BLG after nearly three decades of professional senior management experience in his role as Partner at PricewaterhouseCoopers LLP.
Kevin Gould	Chief Financial Officer of the Manager	Mr. Gould has been with the Manager since December 2009. Mr. Gould joined an affiliate, AIC Limited, in 1997 where he served as Manager, Corporate Accounting until 2005 and Controller until December 2009.
Nadine Milne	Chief Compliance Officer of the Manager	Ms. Milne has been with the Manager since September 2009 and was appointed Chief Compliance Officer in January 2013. Prior to this, Ms. Milne was Acting Chief Compliance Officer since April 2011. Since 1999, Ms. Milne has held a number of positions with an affiliate of the Manager including Manager, Compliance and Manager, Investment Management Compliance.
Julie A. Clarke	General Counsel of the Manager	Ms. Clarke joined the Manager as General Counsel in November 2014. From 2007 to 2012, Ms. Clarke was the Assistant Vice-President and Chief Counsel of Manulife Securities Incorporated and Manulife Securities Investment Services Inc. Prior to this, for over 9 years, Ms. Clarke held a number of positions with Manulife Securities' predecessor companies and an affiliate of the Manager, having joined from private practice at BLG. Ms. Clarke has practised securities law for over 20 years.

Penalties, Sanctions and Bankruptcy

To the best of our knowledge, no director or senior officer of the Manager and no control person of any Fund, or of any issuer of which any of the foregoing persons has been a director or senior officer during the last 10 years, has had any penalty or sanction imposed on it or been subject to any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement, or compromise with creditor or appointment of a receiver or receiver manager or trustee to hold assets that has been in effect during the last 10 years.

Loans

There are no loans or debentures due from the Funds to the directors, management, promoters and principals holders of the Funds or due from directors, management, promoters and principal holders of the Funds to the Funds.

CAPITAL STRUCTURE

Fund Capital

The table below describes the outstanding securities of each Fund:

Fund	Description of Security⁽¹⁾	Number Authorized to be Issued	Price per security (\$) ⁽²⁾	Number of Units Outstanding⁽²⁾	Number of Units Outstanding after Offering⁽³⁾
Everest Fund	Series A Units	Unlimited	\$4.35	146,583	Unknown
	Series F Units	Unlimited	\$4.36	351,106	Unknown
	Series N Units	Unlimited	\$50.00	Nil	Unknown
	Series O Units	Unlimited	\$50.00	Nil	Unknown
McKinley Fund	Series A Units	Unlimited	\$9.07	107,115	Unknown
	Series F Units	Unlimited	\$9.04	249,963	Unknown
	Series N Units	Unlimited	\$50.00	Nil	Unknown
	Series O Units	Unlimited	\$50.00	Nil	Unknown
Value Fund	Series A Units	Unlimited	\$26.42	5,739	Unknown
	Series F Units	Unlimited	\$26.21	8,913	Unknown
	Series N Units	Unlimited	\$50.00	Nil	Unknown
	Series O Units	Unlimited	\$50.00	Nil	Unknown

⁽¹⁾ The Funds may offer additional Series of Units in the future.

⁽²⁾ The “Price per security (\$)” and “Number of Units Outstanding” is as at December 31, 2015.

⁽³⁾ There is no minimum or maximum number of Units to be issued as part of this offering. The Funds will continue to issue additional Series A, Series F, Series N and Series O Units on an on-going basis.

Long-Term Debt

As of December 31, 2015, the Funds do not have any long-term debt.

Prior Sales

The tables below describe the securities issued within the last 12 months up to, and including, December 31, 2015.

Portland Advantage Plus – Everest Fund

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
30-Jan-15	Series A Units	6,998	\$19.73	\$ 138,079
30-Jan-15	Series F Units	41,651	\$19.72	\$ 821,241
27-Feb-15	Series A Units	15,522	\$21.65	\$ 336,122
27-Feb-15	Series F Units	23,361	\$21.64	\$ 505,456
31-Mar-15	Series F Units	5,984	\$20.22	\$ 121,000
30-Apr-15	Series A Units	2,733	\$23.98	\$ 60,000
30-Apr-15	Series F Units	2,170	\$23.96	\$ 52,000
29-May-15	Series A Units	4,055	\$20.31	\$ 82,325
29-May-15	Series F Units	1,278	\$20.34	\$ 25,990
30-Jun-15	Series F Units	2,016	\$17.41	\$ 35,105
31-Jul-15	Series F Units	8,895	\$9.84	\$ 87,500
31-Aug-15	Series A Units	4,617	\$6.50	\$ 30,000
31-Aug-15	Series F Units	2,310	\$6.49	\$ 15,000
30-Sep-15	Series A Units	9,356	\$4.73	\$ 44,238
30-Sep-15	Series F Units	8,995	\$4.72	\$ 42,500
30-Oct-15	Series A Units	11,190	\$5.80	\$ 64,848
30-Oct-15	Series F Units	22,762	\$5.79	\$ 131,800
30-Nov-15	Series A Units	3,315	\$6.02	\$ 19,943

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
30-Nov-15	Series F Units	17,823	\$6.01	\$ 107,144
31-Dec-15	Series A Units	9,194	\$4.35	\$ 40,000
31-Dec-15	Series F Units	9,739	\$4.36	\$ 42,470

Portland Advantage Plus – McKinley Fund

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
30-Jan-15	Series A Units	2,047	\$26.87	\$ 55,000
30-Jan-15	Series F Units	9,186	\$26.89	\$ 247,000
27-Feb-15	Series A Units	3,965	\$29.27	\$ 116,062
27-Feb-15	Series F Units	14,111	\$29.29	\$ 413,306
31-Mar-15	Series A Units	11,385	\$27.23	\$ 310,000
31-Mar-15	Series F Units	5,597	\$27.25	\$ 152,500
30-Apr-15	Series A Units	1,376	\$31.49	\$ 43,342
30-Apr-15	Series F Units	5,760	\$31.51	\$ 181,500
29-May-15	Series A Units	1,821	\$27.45	\$ 50,000
29-May-15	Series F Units	3,641	\$27.47	\$ 100,000
30-Jun-15	Series F Units	4,165	\$24.25	\$ 101,000
31-Jul-15	Series A Units	1,460	\$16.04	\$ 23,413
31-Jul-15	Series F Units	12,843	\$16.04	\$ 206,000
31-Aug-15	Series F Units	1,877	\$11.72	\$ 22,000
30-Sep-15	Series A Units	4,097	\$9.04	\$ 37,026
30-Sep-15	Series F Units	35,265	\$9.03	\$ 318,500
30-Oct-15	Series F Units	13,224	\$10.66	\$ 141,000
30-Nov-15	Series F Units	7,126	\$11.09	\$ 79,000
31-Dec-15	Series A Units	1,217	\$9.07	\$ 11,040
31-Dec-15	Series F Units	9,923	\$9.04	\$ 89,750

Portland Advantage Plus – Value Fund

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
30-Jan-15	Series A Units	20	\$50.00	\$ 1,000
30-Jan-15	Series F Units	2,020	\$50.00	\$ 101,000
31-Mar-15	Series F Units	1,470	\$46.31	\$ 68,100
30-Apr-15	Series F Units	3,003	\$48.91	\$ 146,888
29-May-15	Series F Units	223	\$46.49	\$ 10,365
30-Jun-15	Series F Units	387	\$43.10	\$ 16,675
31-Jul-15	Series A Units	649	\$36.10	\$ 23,413
31-Jul-15	Series F Units	166	\$36.22	\$ 6,000
30-Sep-15	Series A Units	3,105	\$24.68	\$ 76,655
30-Sep-15	Series F Units	403	\$24.80	\$ 10,000
30-Oct-15	Series A Units	1,965	\$30.42	\$ 59,772
30-Oct-15	Series F Units	1,241	\$30.63	\$ 38,000
31-Dec-15	Series A Units	429	\$26.42	\$ 11,400
31-Dec-15	Series F Units	11,522	\$26.21	\$ 302,000

DESCRIPTION OF UNITS

Units

Each Fund is divided into different Series of Units. Each Series of Units of each Fund is intended for different types of investors. A Unit of any Series represents an equal undivided interest in the net assets of each Fund represented by that Series. However, the assets of all Series of each Fund are combined in a single pool to create one portfolio for investment purposes.

Except for the fees and expenses payable in respect of each Series of Units of each Fund, the rights and attributes of each Series will be identical. Each Unitholder shall be entitled to one vote for each \$1 of NAV attributed to such Unit (the NAV of all Units held by a Unitholder shall be aggregated for the purpose of determining voting rights) held on matters for which approval is sought from all unitholders, voting together as a group, at any meeting of the unitholders. Gains and losses of each Fund will be allocated to each Series of Units in proportion to the NAV of such Series relative to the NAV of the other Series of that Fund. See the section called *Determination of Net Asset Value*. Units are not transferable, except in very limited circumstances. If a Fund is terminated, a holder of Units of any Series on the termination date will be entitled to a proportionate share of the net assets of the Fund attributable to that Series of Units.

Series A Units

Series A Units of each Fund are available to all investors. The management fees paid to the Manager with respect to Series A Units are described in the section called *Fees and Expenses*. You will not be charged a commission or fee by the Manager when you acquire your Series A Units, but your dealer may charge a commission or fee to you of up to 6% of your total purchase. The minimum amount which can be invested in Series A Units is \$2,500, or such other amount as may be determined by the Manager.

Series A Units may be re-designated at any time at your option as Series F or Series N Units, provided that you make appropriate arrangements with your dealer and deliver any additional documentation or information required by us.

Series F Units

Series F Units of each Fund are generally available to investors who have fee-based accounts with their dealer and whose dealer has signed a Series F agreement with us. Instead of paying sales charges, investors in Series F Units generally pay an annual fee to their dealer for investment advice and other services. Series F Units are also available to other groups of investors for whom we do not incur distribution costs. The management fees paid to the Manager with respect to Series F Units are described in the section called *Fees and Expenses*. The minimum amount which can be invested in Series F Units is \$2,500, or such other amount as may be determined by the Manager.

Series F Units may be re-designated at any time at your option as Series A or Series N Units, provided that you make appropriate arrangements with your dealer and deliver any additional documentation or information required by us.

If the Manager becomes aware that an investor is no longer eligible to hold Series F Units, the Manager can redesignate the investor's Series F Units into another Series of Units of the same Fund after giving you 30 days notice.

Series N Units

Series N Units of each Fund are only available to investors who are considered non-residents of Canada for purposes of the Excise Tax Act (Canada) (“**ETA**”). The management fees paid to the Manager with respect to Series N Units are described in the section called *Fees and Expenses*. You will not be charged a commission or fee by the Manager when you acquire your Series N Units, but your dealer may charge a commission or fee to you of up to 6% of your total purchase. The minimum amount which can be invested in Series N Units is \$2,500, or such other amount as may be determined by the Manager.

The Manager intends to make appropriate elections such that fees and expenses charged to Series N are exempt from applicable GST and HST under the ETA.

Series N Units may be re-designated at any time at your option as Series F Units, provided that you make appropriate arrangements with your dealer and deliver any additional documentation or information required by us. Fees and expenses charged to Series F as described in the section called *Fees and Expenses* will attract applicable taxes, including HST.

Series O Units

Series O Units of each Fund may be issued to certain institutional or other investors. The management fees paid to the Manager with respect to Series O Units are described in the section called *Fees and Expenses*. The minimum amount which can be invested in Series O Units is \$500,000, or such other amount as may be determined by the Manager.

Series O Units may be re-designated at any time at your option as Series A, Series F or Series N Units, provided that you make appropriate arrangements with your dealer and deliver any additional documentation or information required by us.

If the Manager becomes aware that an investor is no longer eligible to hold Series O Units, the Manager can re-designate the investor’s Series O Units into another Series of Units of the same Fund after giving you 30 days notice.

Additional Subscriptions

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, the additional investment must be in an amount that is not less than \$500 if 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 investor have an acquisition cost or a NAV equal to at least \$150,000, or 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

Investors may purchase Units through registered dealers including the Manager in its capacity as an exempt market dealer. You will only be permitted to purchase Units if your purchase qualifies for one of the exemptions in the section called *Who Should Invest*. We rely on the representations you make in your subscription agreement (“**Subscription Agreement**”) to ensure that your purchase qualifies for these exemptions and to ensure that you are otherwise eligible to purchase Units.

Subscriptions for Units must be made by completing and executing the Subscription Agreement and by forwarding such form together with payment by the options as outlined therein to the Administrator.

You may acquire Units on each Valuation Date if we receive a signed and completed Subscription Agreement in the form we approve from time to time and any additional documentation or information that may be required by us by no later than 4:00 p.m. (Eastern time) on the applicable Valuation Date, and the Administrator receives your payment of the purchase price by cheque or other means acceptable to us (in an amount not less than the minimum required investment) by no later than 4:00 p.m. (Eastern time) on the day that is one business day after the end of the applicable month in which you place your order.

If the completed Subscription Agreement and any additional documentation or information that may be required by us are not received by 4:00 p.m. (Eastern time) on the applicable Valuation Date, the subscription will be processed on the next Valuation Date.

By applying to invest in a Fund, you are indicating your consent to our collection, use and disclosure of your personal information in the manner described in our Privacy Policy outlined in the Subscription Agreement.

The Subscription Price of the Units will be based on the Series A, Series F, Series N or Series O NAV per Unit, as the case may be, determined as at the close of business on the last business day of the month in which we accept your order. The number of Units of the applicable Series of each Fund received by the unitholder will be the amount paid for the Units divided by the Subscription Price. See the section above called *Summary of the Declaration of Trust - Subscription Price*.

Subscription funds provided prior to a Valuation Date will remain at your dealer until 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. You will become a unitholder on a Valuation Date if we accept your Subscription Agreement and the relevant Fund received the payment for your Units. **You and your professional advisors should review all offering and subscription documents before you purchase Units.**

The Manager shall have the right to request such other documents and instruments in connection with subscriptions that it may reasonably require in its discretion. No unitholders shall be admitted to a Fund unless such unitholder has delivered to the Manager the items outlined above, all in form and substance satisfactory to the Trustee. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

U.S. Dollar Purchase Option

Units of each Fund are available for purchase in both Canadian and U.S. dollars. For purchases in U.S. dollars, the Subscription Price is computed by converting the NAV per Unit in Canadian dollars to U.S. dollars based on the exchange rate used to calculate the NAV per Unit. For Units purchased in U.S. dollars, re-designations will be processed in U.S. dollars and redemption proceeds and distributions will be paid in U.S. dollars.

The ability to purchase Units of each Fund in U.S. dollars is offered as a convenience for investors who wish to invest using U.S. dollars. Purchasing Units in U.S. dollars will not affect the investment return of such Units and does not act as a hedge or protect against losses caused by changes in the exchange rate between the Canadian and U.S. dollar.

Pre-authorized Chequing Plan

You can purchase Units of any of the Funds by making monthly investments through a PAC Plan. The minimum investment is outlined in the section called *Who Should Invest – Minimum Investment Criteria*. We may stop your PAC Plan if a payment is not made when due. We may change or discontinue this service at any time. You can cancel a PAC Plan at any time upon 5 business days notice to us.

Distributions

Other than with respect to Series O Units, the Everest Fund and the McKinley Fund intend to distribute an amount out of net income, capital gains and/or return of capital monthly and any additional net income or net capital gains, if any, as required annually in December to ensure the Everest Fund and the McKinley Fund are not liable for ordinary income taxes. The Value Fund intends to distribute net income or net capital gains, if any, as required annually in December to ensure the Value Fund is not liable for ordinary income taxes. Commencing February 2016, the Funds have a targeted monthly distribution at the annualized amount outlined in the table below. There is currently no targeted monthly distribution for the Value Fund. The amounts below are in Canadian dollars. For Units purchased in U.S. dollars, the distribution amounts are computed by converting the distribution amount in Canadian dollars to U.S. dollars based on the exchange rate used to calculate the NAV per Unit. Such targeted monthly distributions may be changed by the Manager at any time in its sole discretion. Current distribution information for the Funds is available on the Manager’s website at www.portlandic.com, by calling us toll free at 1-888-710-4242 or by sending us an email at info@portlandic.com.

	Everest Fund (per annum)	McKinley Fund (per annum)	Value Fund (per annum)
Series A	\$0.27	\$0.62	\$0
Series F	\$0.30	\$0.70	\$0
Series N	\$0.27	\$0.62	\$0

There is no target for the monthly distribution for Series O. With respect to Series O Units, the Funds will distribute net income and net capital gains, if any, as required annually in December to ensure that the Funds are not liable for ordinary income taxes.

All distributions will be reinvested in additional Units of the same Series unless notice is given in writing that distributions are preferred to be paid in cash. The Manager reserves the right to adjust the amount of the monthly distributions if deemed appropriate and there can be no assurance that each Series of the Funds will make any distributions in any particular month or months. Further, where a unitholder has given written notice that distributions are preferred to be paid in cash, the Manager reserves the right, in its sole discretion, to refuse, suspend or discontinue payment of the monthly distributions by cheque. In those instances, the monthly distributions will be reinvested in additional Units of the same Series.

If the targeted monthly amount paid to holders of Units in December is less than the amount that is required to be paid or made payable to holders of those Units to eliminate the Fund’s liability for income tax, the distribution in December on Units will be increased. If the total of monthly amounts paid to holders of Units is greater than the amount that is required to be paid or made payable to holders of those Units to eliminate the Fund’s liability for income tax, the difference will be a return of capital.

Returns of capital do not necessarily reflect the investment performance of the Units and should not be confused with “yield” or “income”. You should not draw any conclusions about the investment performance of the Units from the amount of the distributions.

Returns of capital will result in an encroachment upon your original capital and may result in the return to you of the entire amount of your original investment. A return of capital made to you is not immediately taxable, but will reduce the adjusted cost base (the “ACB”) of your Units. Where net reductions to the ACB of your Units would result in the ACB becoming a negative amount, such amount would be treated as a capital gain realized by you and the ACB of your Units will then be nil.

We provide each taxable investor with tax slips showing income distributions, capital gains distributions and, if applicable, returns of capital made to such investor. Your tax slips and annual statements, together with the confirmation that you received on a purchase of, or reinvestment of distributions of, Units, should be retained by you, so that you may accurately compute, for tax purposes, any gain or loss on redemption of Units or report distributions received. You may also use this information to calculate the adjusted cost base of the Units.

Redemption of Units

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

The redemption price of your Units will be the NAV per Unit of the applicable Series of the applicable Fund determined as at the close of business on the redemption date. You will be paid the redemption price within five (5) days following the relevant Valuation Date. You will not be charged a fee for redeeming your Units.

We may suspend your right to redeem Units or your right to payment for Units previously tendered for redemption if we determine that conditions exist that render impractical the sale of any of the applicable Fund’s assets, or impair the ability to determine the value of any of the assets of the applicable Fund. If you have requested redemption and a suspension occurs, you will be notified of the suspension and will have the right to withdraw your request, unless the suspension lasts for less than 48 hours.

Where the holding of Units by you is, in our reasonable opinion, detrimental to the Fund, we also have the right, exercisable at our discretion, to require you to redeem your Units. We will provide you with written notice of our decision to require you to redeem your Units at least five days prior to the date on when the redemption will occur. The redemption price of your Units will be the NAV per Unit determined as at the close of business on the last business day of the month in which we notify you of our decision.

Re-designation of Units

We may re-designate Units of any Series in a Fund as Units of a different Series in the same Fund based on the applicable Series NAV per Unit of the two Series in that Fund on the date of the re-designation on 30 days written notice to affected unitholders.

Transfer of Units

Units are transferable only in very limited circumstances. You may only transfer your Units with our prior written consent, or as required by law in connection with a bankruptcy or insolvency or upon death, and then only to your legal representatives.

WHO SHOULD INVEST

The Everest Fund and the McKinley Fund may be a suitable investment for investors who plan to invest for the medium to long term and are designed for investors who are looking for income and long term capital growth. The Value Fund may be a suitable investment for investors who plan to invest for the medium to long term and is designed for investors who are looking for long term capital growth.

The Funds are registered investments under the Tax Act. See the section called *Canadian Income Tax Considerations and Consequences – Eligibility for Registered Plans*.

Minimum Investment Criteria

You may invest in a Fund by purchasing Units through a registered dealer or directly from the Manager in its capacity as an exempt market dealer. Series A, Series F, Series N and Series O Units of each Fund are offered for sale in reliance on exemptions from the prospectus requirements of applicable securities laws.

Currently, Units are being offered on a continuous basis to investors resident in the provinces and territories of Canada who (a) are accredited investors under National Instrument 45-106 – Prospectus Exemptions or section 73.3 of the Securities Act (Ontario), as may be amended from time to time (an “**Accredited Investor**”), (b) are not individuals and that invest each a minimum of \$150,000 or (c) those to whom Units may otherwise be sold ((a), (b), and (c) will be referred to as the “**Minimum Investment Criteria**”). You will only be permitted to purchase Units if your purchase qualifies for one of these exemptions. We rely on the representations you make in your Subscription Agreement to ensure that your purchase qualifies for these exemptions and to ensure that you are otherwise eligible to purchase Units.

We have established minimum investment amounts for initial investments and additional investments. The terms of the prospectus exemptions which we rely upon to issue Units to you may require a higher minimum investment or a maximum investment depending on the jurisdiction where you live. These minimum amounts may vary depending on whether or not you qualify as an “accredited investor”. The definition of an accredited investor is explained briefly in the table below and in the Subscription Agreement. As at the date of this Offering Memorandum, the applicable minimum investment amounts are set out in the table below. We may in our discretion waive the minimum investment amounts established by us, accept investments in other minimum amounts permitted under applicable securities laws, or require higher minimum investments than those set out in the below table.

Jurisdiction Where Investor Resides	Minimum Investment (all Funds)					
	Accredited Investors ⁽¹⁾			Other Investors		
	Initial Investment		Additional Investment	Initial Investment		Additional Investment ⁽²⁾
	Series A, Series F, Series N	Series O	All Series	Series A, Series F, Series N	Series O	All Series
British Columbia	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Alberta	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500

Jurisdiction Where Investor Resides	Minimum Investment (all Funds)					
	Accredited Investors ⁽¹⁾			Other Investors		
	Initial Investment	Additional Investment	Initial Investment	Additional Investment ⁽²⁾	Initial Investment	Additional Investment ⁽²⁾
Saskatchewan	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Manitoba	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Ontario	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Québec	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
New Brunswick	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Nova Scotia	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Prince Edward Is.	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Newfoundland and Labrador	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Yukon Territory	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
Nunavut	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500
N.W.T.	\$2,500	\$5,000,000	\$500	\$150,000	\$5,000,000	\$500

⁽¹⁾ The accredited investor exemption is available in all provinces and territories of Canada. You may qualify as an “accredited investor” if you are:

- (a) an individual who, either alone or together with your spouse, beneficially owns financial assets (including cash and securities but excluding real property) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million;
- (b) an individual whose net income before taxes exceeded \$200,000 in each of the past two calendar years (or whose net income before taxes combined with that of your spouse exceeded \$300,000 in each of those calendar years) and who has a reasonable expectation of exceeding that net income level in the current calendar year; or
- (c) a company, limited partnership, limited liability partnership, partnership or estate (other than a mutual fund or non-redeemable investment fund) that has net assets of at least \$5 million, as shown on its most recently prepared financial statements.

There are other categories under which you may qualify as an accredited investor. Additional categories are set out in the Subscription Agreement and in applicable securities laws. **If you are unsure whether you qualify as an accredited investor, you should obtain advice from your professional advisor before investing in a Fund.**

⁽²⁾ You may only make additional investments in this minimum amount if you are not an individual and you have made an initial investment of \$150,000 under the “minimum investment exemption” and at the time you make your additional investment, your existing investment has an acquisition cost or a NAV of not less than \$150,000.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes the principal Canadian federal income tax considerations as of the date hereof generally applicable to the Funds and 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 a Fund as capital property. This summary is based on the current provisions of the Tax Act and the regulations made under the Tax Act (the “**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 (the “**CRA**”). This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign or provincial income tax legislation or considerations. This summary assumes that not more than 50% of the Units of the Value 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 Everest Fund and McKinley Fund are mutual fund trusts under the Tax Act. The Value Fund is not expected to qualify as a mutual fund trust under the Tax Act for an initial period after its creation. The Value Fund is a registered investment under the Tax Act.

Taxation of the Funds

Each 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 Value 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 a Fund may be suspended or restricted and, as a result, would be unavailable to shelter capital gains. Gains and losses in respect of short sales and derivatives used for non-hedging purposes will be on income account, rather than capital gains and losses.

If a Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes; and (ii) 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, a 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 a 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 a Fund if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

All of a 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 Value 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 Value Fund will endeavour to restrict its investments so that it will not be liable for tax under Part X.2 of the Tax Act.

If at any time in a year, the Value Fund has a Unitholder that is a "designated beneficiary" within the meaning of the Tax Act, the Value 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 Value 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 Value Fund does not expect to earn any material amount of designated income.

The Funds 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 a 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 Unitholders

A Unitholder of a 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 a 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 a 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 a 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 a 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 switch of Units of one Fund for Units of another Fund will be a disposition for tax purposes. A redesignation of Units of a Series of one 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.

If a Unitholder purchased and redeemed Units in U.S. dollars, the Unitholder must calculate his, her or its gains or losses based on the Canadian dollar value of his, her or its Units when they were purchased and when they were redeemed. In addition, although distributions on such Units were made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes.

Registered Plans

Units of the Funds are qualified investments under the Tax Act for registered retirement savings plans ("RRSPs"), group RRSPs, registered retirement income funds ("RRIFs"), life income funds, locked-in retirements accounts, locked-in retirement income funds, deferred profit sharing plans ("DPSPs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs") and tax-free savings accounts ("TFASAs"). Annuitants of RRSPs and RRIFs, and holders of TFASAs, should consult with their own tax advisors as to whether Units of a Fund would be a prohibited investment under the Tax Act in their particular circumstances.

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 Funds 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 Funds and the Manager may be required to report similar information in connection with other jurisdictions.

COMPENSATION PAID TO SELLERS

Initial Sales Commission

For Series A Units and Series N Units of each Fund, the registered dealer which distributes such Units may charge investors an initial sales commission of up to 6% (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 or Series O Units of each Fund.

Trailing Commission

The Manager will pay to registered dealers a Trailing Commission equal to 1.00% per annum of the NAV of the Series A Units and the NAV of Series N Units of each Fund held in each registered dealer's client accounts. It is expected that registered dealers will pay a portion of the Trailing Commission to sales representatives as compensation for providing ongoing investment advice and service to their clients. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the Trailing Commission with registered dealers.

No Trailing Commission is paid in respect of Series F or Series O Units of each Fund.

The Trailing Commission 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.

RISK FACTORS

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

Risks Associated with an Investment in the Funds

Changes in Investment Strategies

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

Charges to a Fund

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

Prime Broker/Custodian Risk or Dealer Insolvency

Each Fund's assets will be held in one or more accounts maintained for the Fund by its bank, Prime Broker/Custodian 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 a Fund's assets are subject to substantial limitations and uncertainties. Because of the potential for the large number of entities and jurisdictions involved and the range of possible scenarios involving the insolvency of a bank, Prime Broker/Custodian or any agents or affiliates, it is impossible to generalize about the effect of their insolvency on a Fund and its assets. Investors should assume that the insolvency of any of the banks, Prime Broker/Custodian or such other service providers would result in the loss of all or a substantial portion of a Fund's assets held by or through such Prime Broker/Custodian or bank and/or the delay in the payment of redemption proceeds.

Investment Risk

An investment in a 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 Funds. The nature of the securities to be purchased and traded by the Funds and the investment techniques and strategies to be employed by the Manager may increase this risk. Investors should review closely the investment objectives and investment strategies to be utilized by the Funds as outlined herein to familiarize themselves with the risks associated with an investment in the Funds.

Lack of Independent Experts Representing Unitholders

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

Marketability and Transferability of Units

There is no market for the Units and their resale is subject to restrictions imposed by the Manager, including consent by the Manager, and applicable securities legislation. See the section called *Description of Units – Transfer of Units*. 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 Public Mutual Funds

The Funds are not subject to the restrictions placed on public mutual funds by National Instrument 81-102 *Investment Funds*.

No Assurance of Return

Although the Manager will use its best efforts to achieve, over the long term, an above average return for the Funds, 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 Funds or the background of the Trustee and Manager.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Funds to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding. The investment techniques and strategies to be employed by the Manager may increase this risk.

Possible Negative Impact of Regulation

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

Potential Conflicts of Interest

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

Potential Indemnification Obligations

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

Reliance on Manager and Track Record

The success of the Funds will be primarily dependent upon the skill, judgment and expertise of the Manager and its principals. Although persons involved in the management of the Funds and the service providers to the Funds have had experience in their respective fields of specialization, the Funds and their strategies have limited operating and performing history upon which prospective investors can evaluate the Funds' likely performance. Investors should be aware that the past performance by those involved in the investment management of the Funds should not be considered as an indication of future results.

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

Broad Authority of the Manager

The Declaration of Trust and the Management Agreement give the Manager a broad discretion over the conduct of the Funds' business, selection of the specific companies in which the Funds invest and over the types of transactions in which the Funds engage including, but not limited to, the amount of margin borrowing.

Multiple Series Risk

Each Fund has multiple Series of Units. Each Series will be charged separately for any expenses that are specifically attributable to that Series. Those expenses will be deducted in calculating the NAV per Unit for that Series, thereby reducing the NAV per Unit of that Series. If there are insufficient assets to pay for

the expenses of the Series the other assets of the Fund, including assets attributable to other Series will be used to pay the expenses. As a result, the NAV per Unit of the other Series may also be reduced.

Valuation of the Investments of the Fund

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

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

Risks Associated with the Investments and Strategies of the Funds

Leverage

Each Fund intends to use financial leverage by borrowing funds against the assets of the Fund, primarily for investment purposes to increase investment positions or to make additional investments. Leverage may be employed by means of conventional margin arrangements, or through options, swaps, forwards and other derivative instruments.

While leverage (including the use of derivatives) presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, could be magnified to the extent that leverage is employed. The effect of the use of leverage by a Fund in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund. In addition, to the extent that a Fund borrows funds, the interest cost at which the Fund can borrow will affect the operating results of the Fund.

The use of short-term margin borrowings by the Funds may result in certain additional risks to the Funds. For example, should the securities that are pledged to brokers to secure a Fund's margin account decline in value, or should brokers from which a Fund has borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The broker will typically have the right to liquidate a Fund's portfolio in certain circumstances. In the event of a precipitous drop in the

value of the assets of a Fund, the Fund might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices. Similar risks may arise in connection with longer-term borrowings and certain derivative transactions. See the section called *Use of Derivatives* below.

The leverage risk varies by Fund depending on the amount of leverage employed.

Dividend Yields

The Funds intend to borrow at costs which are below the expected dividend yields on selected stocks. If dividend rates change or the cost of borrowing increases and dividend yields fall below the cost of borrowing, the Funds could experience losses.

Interest Rate Changes

The value of a 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. An increase in interest rates could affect the margin interest. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes.

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 a 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.

Highly Volatile Markets

The prices of financial instruments in which a 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.

General Economic and Market Conditions

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

Concentration/Potential Lack of Diversification

The Manager expects to hold a limited number of securities and may concentrate investment holdings in a limited number of geographies, sectors or industries or in a limited number of issuers. The NAV per Series may be volatile since the performance of one particular geography, sector, industry or issuer could significantly and adversely affect the overall performance of the Funds. The Funds do not have any specific limits on holdings in securities of issuers in any one country, region or industry. As a result, the Funds' portfolios may be subject to more rapid or significant changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, industries, regions, types of

securities and other asset classes. The leverage strategy to be employed by the Manager may increase this risk.

Liquidity Risk

Liquidity is important to each 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 a Fund's portfolio positions may be reduced. In addition, a 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, a 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 a 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, a Fund may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if a 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, a Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Fund's exposure to their credit risk. The leverage strategy to be employed by the Manager may increase the liquidity risk.

Currency and Exchange Rate Risks

Each Fund will report its results and NAV in Canadian dollars. Changes in currency exchange rates may affect the value of the Fund's portfolio and the unrealized appreciation or depreciation of investments.

Foreign Investment Risk

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

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

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 a Fund's account may be subject. No guarantee or representation is made that a 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 a Fund's portfolio and performance.

Counterparty and Settlement Risk

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

Debt Securities

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

Exchange-Traded Funds

The Funds may invest in exchange-traded funds (“ETFs”) that seek to provide returns similar to an underlying benchmark such as 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.

Income Trust Risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business. If the Funds invest in income trusts such as commodity-based royalty trusts, real estate investment trusts, pipeline or power trusts, it 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 Funds may, however, also invest in income trusts in Canada, the United States and other countries that do not limit the liability of unitholders. In such cases, there is therefore a risk that unitholders of an income trust, such as a 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.

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.

Options

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

Portfolio Turnover

The Funds have not placed any limits on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower portfolio turnover 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 incur to the Funds. There is in theory no upper limit to how high the price of a security may go. The Funds will also be responsible to pay dividends or other distributions on securities sold short. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In such cases, the Funds must either find securities to replace those borrowed or repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Funds may have to bid up the price of the security in order to cover the short position, resulting in losses to the Funds. Moreover, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy.

Use of Derivatives

The Funds may use derivative instruments. The use of derivatives may present additional risks to the Funds. To the extent of the 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 Funds 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 Funds 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.

REPORTING OBLIGATIONS TO UNITHOLDERS

Financial Statements

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.

Language of Documents (Québec residents only)

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

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

PURCHASERS' RIGHTS

The securities laws in your jurisdiction may provide you with the right, in certain circumstances, to seek damages or to cancel your agreement to buy Units. Most often, these rights are available if we make a misrepresentation in this Offering Memorandum, but in some jurisdictions, you may have these rights in other circumstances including if we fail to deliver the Offering Memorandum to you within the required time or if we make a misrepresentation in any advertisements or sales literature regarding Units. Generally, a “misrepresentation” means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made. The meaning of “misrepresentation” may differ slightly depending on the law in your jurisdiction. In most jurisdictions there are defences available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or company that you sue will not be liable if you knew of the misrepresentation when you purchased the securities.

If you purchase Units, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

Two Day Cancellation Right for All Investors

You can cancel your agreement to purchase these Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Units.

Investors in Alberta, British Columbia, Manitoba, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon Territory

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to commence an action:

- (a) to cancel your agreement to buy these Units; or

- (b) for damages against the applicable Fund and the Manager, every person who was performing a function or occupying a position with respect to the Fund which is similar to a director of a company at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Units.

The defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, 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
- (b) the defendant has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above in paragraph (a) or (b), you must do so within strict time limitations.

In Alberta and British Columbia you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after you first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the transaction.

In Manitoba, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after you first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day of the transaction.

In Nova Scotia, you must commence your action to cancel the agreement or commence your action to seek damages within 120 days after the date on which you paid for your Units.

In Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon Territory you must commence your action to rescind your agreement to purchase Units within 180 days after you signed the agreement to purchase the Units or commence your action for damages within the earlier of: (i) 180 days after you first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the transaction.

Investors in New Brunswick and Ontario

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to commence an action:

- (a) to cancel your agreement to buy these Units; or
- (b) for damages against the applicable Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the Funds should you exercise a right to sue. For example, it has a defence if it proves that you knew of the misrepresentation when you purchased the Units.

The Funds will not be liable for a misrepresentation in forward-looking information if the Funds prove that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, 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
- (b) the Funds have a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you first had knowledge of the facts giving rise to the cause of action; or (ii) six years after the transaction.

In Ontario, you must commence your action to cancel the agreement to purchase Units within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after you first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the transaction.

Investors in Saskatchewan

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, you have a statutory right to commence an action:

- (a) to cancel your agreement to buy these Units; or
- (b) for damages against the applicable Fund, the Manager (or any other “promoter” of the Fund), any person who was performing a function or occupying a position with respect to the Fund which is similar to a director of a company at the time the Offering Memorandum was delivered to you, any person who signed the Offering Memorandum and any person or company that sold Units to you under this Offering Memorandum on behalf of the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered.

If there is a misrepresentation in any “advertising” or “sales literature” (as defined in *The Securities Act, 1988* (Saskatchewan)) that is disseminated in connection with your purchase of securities and it was a misrepresentation at the time you purchased your Units, you will be deemed to have relied on that misrepresentation and you will have a right to sue the applicable Fund, the Manager (or any other “promoter” of the Funds), any person who was performing a function or occupying a position with respect to a Fund which is similar to a director of a company at the time the advertisement or sales literature was disseminated and any person who, at the time the advertisement or sales literature was disseminated, was selling securities on behalf of a Fund for damages, or, if you still own your Units, and you purchased your Units directly from the Fund, you can elect to cancel your agreement instead of suing for damages.

If there is a misrepresentation in a verbal statement made to you about Units of a Fund either before or at the time that you purchased your Units and it was a misrepresentation at the time you purchased your Units, you will be deemed to have relied on the misrepresentation and you will have a right to sue the person who made the statement to you for damages.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the Units.

The defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, 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
- (b) the defendant has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Statutory rights for failure to deliver the offering memorandum

If you reside in Saskatchewan and you do not receive a copy of this Offering Memorandum before you sign your subscription agreement, you have a right to sue for damages, or if you still own your Units, you can choose to cancel your agreement instead of suing for damages.

Statutory rights if vendor not entitled to trade

If you reside in Saskatchewan and the person or company who sells you your Units is selling in contravention of securities laws of Saskatchewan or in contravention of an order of the Saskatchewan Financial Services Commission, you may choose to void your contract or to recover all the money paid by you for your Units.

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In Saskatchewan, you must commence an action to cancel your agreement not more than 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you first had knowledge of the facts giving rise to the cause of action; or (ii) six years after the transaction.

Investors in Québec

Statutory rights in the event of a misrepresentation

Legislation has been adopted in Québec, but is not yet in force, that will provide you with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to you under ordinary civil liability rules, you are granted the same rights of action for damages or rescission as investors in British Columbia who purchase Units. Those rights are summarized above under the section called *Purchasers' Rights – Investors in Alberta, British Columbia, Manitoba, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon Territory*. If and when this legislation is in force, then you will no longer have the rights granted to investors in British Columbia and the following will apply, in addition to any other right or remedy available to you under ordinary civil liability rules:

If there is a misrepresentation in this Offering Memorandum, you will have a statutory right to sue:

- (a) to cancel your agreement to buy these Units or to revise the price at which the Units were sold to you; and
- (b) for damages against the applicable Fund, the person(s) in charge of the Fund's patrimony, the dealer under contract to the Fund in connection with the sale of these Units and any expert whose opinion appears in this Offering Memorandum if such opinion contains a misrepresentation.

This statutory right to sue will be available to you whether or not you have relied on the Offering Memorandum. You will be able to elect to cancel your agreement to buy these Units or to bring an action to revise the price without prejudice to your claim for damages.

However, there will be various defences available to the persons that you will have a right to sue. For example, they will have a defence if you knew of the misrepresentation when you purchased these Units. In an action for damages, a person listed above, other than a Fund or the person(s) in charge of a Fund's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, 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; and
- (b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described in (a) or (b) above, if and when this legislation is in force, you will have to do so within strict time limitations.

In Québec, you will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. You will have to commence an action for damages within the earlier of: (i) three years after you first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to your negligence); or (ii) five years after the filing of this Offering Memorandum with the *Autorité des marchés financiers*.

CERTIFICATE

This Offering Memorandum does not contain a misrepresentation.

DATED the 29th day of January, 2016.

Portland Investment Counsel Inc.,
as trustee, manager and promoter of Portland Advantage Plus – Everest Fund, Portland Advantage Plus –
McKinley Fund and Portland Advantage Plus – Value 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.

“Robert Almeida”

Robert Almeida
Director

“Frank Laferriere”

Frank Laferriere
Director

SCHEDULE “A” - CONFLICTS OF INTEREST – THE MANAGER

General

The Manager has been retained by the Trustee to assist the Trustee with the business and operations of the Funds, subject to applicable law and the agreement it has entered into with the Manager. The Manager has policies, procedures and guidelines that help to ensure the proper management of the Funds. The systems implemented monitor and manage the business and internal conflicts of interest while ensuring compliance with regulatory requirements.

Conflicts of Interest

The Manager will not be devoting its time exclusively to the affairs of the Funds. In addition, the Manager will perform similar or different services for other clients and may sponsor or establish other funds or limited partnerships during the same period that it acts in relation to the Funds. The Manager, therefore, will have conflicts of interest in management time, services and functions among the Funds and such other clients for which it provides services. However, the Manager will undertake to act in a fair and reasonable manner as between the Funds and its other clients.

The Funds may invest in securities in which the Manager or its affiliates and associates have a current or previous affiliation. The Manager therefore, will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Funds and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Funds and its other clients and at all times the Manager will ensure a fair and equitable allocation of its management time, services, functions and investment opportunities between the Funds and any other such persons it provides services to.

The Manager has been engaged by the Trustee to assist the Trustee with the business and operations of the Funds and will be paid a Management Fee for its services as set out in the Offering Memorandum. In addition, the Manager is a registered dealer and may participate in the offering of the Units to its clients for which it may receive an initial sales commission and will receive a Trailing Commission with respect to Series A and Series N Units. The Manager may offer Series F Units to its clients in which case it may receive an annual fee directly from such clients for investment advice and other services. The Funds and any related issuers that are managed by the Manager from time to time may be considered to be “connected issuers” and “related issuers” of the Manager and the Trustee under applicable securities legislation. The Manager and Trustee are controlled, directly or indirectly, by Michael Lee-Chin. Michael Lee-Chin is an officer and director of the Trustee and Manager.

Also, the Administrator or other service provider engaged to calculate the NAV of the Funds may consult from time to time with the Manager, and defer to the Manager when valuing a specific security to which the general valuation rules cannot or should not be applied. See the section in the Offering Memorandum called *Summary of the Declaration of Trust – Determination of Net Asset Value*. This can create a conflict of interest for the Manager, as the Manager’s remuneration is dependent upon the Total Assets of the Funds. However the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Funds, and will be held accountable under the Management Agreement if it fails to do so.

The Manager, its officers and directors and or any of its affiliates may purchase Units of the Funds.

Statement of Policies Concerning Conflicts of Interest with Related and Connected Issuers

The Manager may engage in activities as an exempt market dealer in respect of securities of related and/or connected issuers but will do so only in compliance with applicable law. Applicable securities laws

require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Funds may be considered “related issuers” and “connected issuers” of the Manager and Trustee under applicable securities legislation. The directors, officers and shareholders of the Trustee and the Funds are the directors, officers and shareholders of the Manager. The Manager will be entitled to reimbursement of all expenses incurred in connection with the establishment of the Funds. The Manager will be entitled to reimbursement of all expenses incurred in connection with the day-to-day operations of the Funds plus a management fee. If the Manager engages in activities as a registered dealer, it will also be entitled to dealer compensation.