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Continuous Offering

October 29, 2025



Portland Investment Counsel®
Buy. Hold. And Prosper.®

CONFIDENTIAL OFFERING MEMORANDUM

CONFIDENTIAL OFFERING MEMORANDUM

Dated: October 29, 2025

Continuous Offering

THE ISSUER:

Name: Portland Private Income Fund (the “**Fund**”)

Head Office: 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7

Phone Number: 1-888-710-4242

Email Address: info@portlandic.com

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

Reporting Issuer: No

SEDAR Filer: Effective May 24, 2016, the Fund became a non-reporting SEDAR filer for the purposes of filing certain forms relating to the Fund’s distribution in certain provinces.

Fundserv Eligible: Yes

THE OFFERING:

Securities Offered: The Fund intends to offer Common Units (as defined herein) and Preferred Units (as defined herein) (each a “**Class**”), issuable in series, as defined under “*Minimum Subscription Amount*” on a continuous basis to investors who are resident in the provinces and territories of Canada pursuant to available prospectus exemptions under applicable securities laws. The Common Units are unlimited in number and the Preferred Units are limited in number to a maximum of 25% of the total assets of Portland Private Income LP (the “**Partnership**”) after giving effect to net borrowing, inclusive of any prime brokerage or other borrowing facility.

The Common Units and Preferred Units are referred to as “**Units**” herein. Each Unit within a particular series of a Class will be of equal value; however, the value of a Unit in one series may differ from the value of a Unit in another series. Each Class and series currently created has the attributes and characteristics as set out under “*The Offering*”. Additional series of Units may be issued from time to time at the discretion of the Manager.

Any references to “\$” herein are expressed in Canadian dollars, unless otherwise indicated. Units of the Fund can be purchased in Canadian dollars and U.S. dollars. Please see “*U.S. Dollar Purchase Option*,” “*Distributions*,” “*Currency Conversion*” for more details. Please also see “*Currency and Exchange Rate Risks*” for a discussion of risks to consider regarding a purchaser’s choice of currency.

Price per Security:

On the first date on which a series of Units is issued, as applicable, Units of that series will be issued at an opening net asset value of \$50.00 (in the case of Common Units) and \$10.00 (in the case of Preferred Units). On each date on which Units of that series are issued, the Units may be issued at a net asset value per Unit to be calculated as described under “*Net Asset Value*”.

Minimum/Maximum Offering:

There is no minimum or maximum offering of Common Units. There is no minimum offering of Preferred Units. The maximum offering of Preferred Units is limited in number to a maximum of 25% of the total assets of the Partnership after giving effect to net borrowing, inclusive of any prime brokerage or other borrowing facility.

You may be the only purchaser of a series of Units. There are certain risks associated with this, especially for Unitholders (as defined herein) of Common Units, since all of the Fund’s fees and expenses are allocated to the Common Units of the Fund. This may be detrimental to the investment returns of Unitholders of Common Units. Please see “*Risk Factors – Series Risk*”.

Minimum Subscription Amount:

All investors must meet minimum investment criteria as outlined under “*Who Should Invest – Minimum Investment Criteria*”.

Common Units

Series A and A1 Units are available to all investors making a minimum purchase of Units of \$2,500. Series F and F1 Units are available to all investors making a minimum purchase of Units of \$2,500 and who purchase Units through a fee-based account with their registered dealer. Series O Units are available to certain institutional and other investors.

Preferred Units

Series AP Units are available to all investors making a minimum purchase of Units of \$5,000. Series FP Units are available to all investors making a minimum purchase of Units of \$5,000 and who purchase Units through a fee-based account with their registered dealer.

Units of the Fund are available for purchase in both Canadian and U.S. dollars. See “*Subscriptions – U.S. Dollar Purchase Option*”. Portland Investment Counsel Inc. (the “**Manager**”) may, in its absolute discretion, waive or adjust the initial minimum investment in the Units without notice to investors. See “*The Offering*”.

Payment terms:

The subscription amount (net of any commission payable to the registered dealer, if applicable) is payable within one business day following the Valuation Date. A “**Valuation Date**” is the last business day (that is, the last business day on which the Toronto Stock Exchange is open for

trading) of each month and such other business day or days as the Manager may in its discretion designate. No financing of the subscription price will be offered by the Manager.

Proposed Closing Date: The Fund is offered on a continuous basis.

Income Tax Considerations: There are important tax consequences associated with the ownership of Units. See “*Certain Canadian Federal Income Tax Considerations*”.

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

Selling Agent: None.

RESALE RESTRICTIONS

You will be restricted from selling your Units to other investors for an indefinite period. As there is no market for the Units, it may be difficult or even impossible for an investor to sell them. The Units are subject to resale restrictions and may be subject to a “hold period” or “restricted period” under applicable Canadian securities laws (which may vary among jurisdictions) during which you cannot sell the Units before a certain amount of time has passed.

You will be able to require the Fund to redeem your Units at certain times if you follow the established procedures. Redemptions may be suspended in certain circumstances. See “*Redemptions*” and “*Risk Factors*”.

PURCHASERS’ RIGHTS

You have two business days to cancel your agreement to purchase Units. If there is a Misrepresentation (as defined herein) in this Offering Memorandum, you have the right to either sue for damages or to cancel the purchase agreement, subject to certain conditions. See “*Statutory Rights of Action and Rescission*”.

INVESTMENT SUITABILITY

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. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss of part or all of their investment. There are additional risk factors associated with investing in the Units. Please see “*Risk Factors*”. Subscribers are urged to consult with independent legal, tax and/or investment advisers and to carefully review the applicable documents prior to signing the subscription agreement for Units.

The Manager is the trustee and manager of the Fund and will be paid fees for its services as set out herein. The Manager is a registered dealer participating in the offering of the Units to its clients for which it may receive an initial sales commission with respect to Series A, A1 and AP Units and it will

receive a Trailing Commission (as defined herein) with respect to Series A, A1 and AP Units. The Fund and any related issuers that are managed by the Manager from time to time may be considered to be “related issuers” and “connected issuers” of the Manager under applicable securities legislation. See “*Corporate Governance – Conflicts of Interest*”.

The Manager and/or an affiliate of the Manager may also act as a Mortgage Administrator (as defined herein), subject to obtaining any required regulatory approvals.

Crown Capital Partners Inc. (“Crown”) is a reporting issuer that is currently a Specialty Investment Manager (as defined herein) of the Partnership. The Partnership is invested in Crown and is considered an insider under applicable securities laws. Crown is also involved in the management of underlying issuers held in Crown Capital Partner Fund, LP, which is an Underlying Fund (as defined herein). See “*Investment Policies of the Partnership – Management of the Partnership*,” “*Corporate Governance – Conflicts of Interest*” and “*Risk Factors – Potential Conflicts of Interest*”.

A Specialty Investment Manager (as defined herein), company, fund, or other entity in which the Partnership is invested may be a reporting issuer. The Partnership may be considered an insider under applicable securities laws with respect to such entities. Any member of the portfolio management team may be nominated or appointed to the board or a committee of any such entity. If such an appointment were made, the appointed individual may receive compensation in connection with their role. There are certain risks and potential conflicts of interest associated with these relationships. Please also see “*Investment Policies of the Partnership – Management of the Partnership*” and “*Corporate Governance – Conflicts of Interest*”.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding results of expectations and/or beliefs; (ii) statements of plans, investment objectives, strategies, or goals, including those related to the Fund and Partnership; and (iii) statements of assumptions underlying such statements. Words such as “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “would,” “will” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the expectations, beliefs, and other forward-looking statements will not occur or be achieved. Purchasers and prospective purchasers are cautioned that a number of important factors could cause actual results to differ materially from the objectives, expectations, estimates and intentions expressed or implied in such forward-looking statements. Purchasers are urged to read “*Risk Factors*” herein for a discussion of such factors. These factors should not be considered exhaustive. Should one or more of these factors or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, forecast or intended.

In light of these risks, uncertainties and assumptions, the forward-looking information described in this Offering Memorandum may not materialize or occur as expected. These forward-looking statements speak only as to the date of this Offering Memorandum, and neither the Fund, the Partnership, the Manager, nor the General Partner (as defined herein) undertakes an obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments. Additional factors

affecting the Fund and/or the Partnership emerge from time to time and it is not possible to predict all of these factors, nor assess the impact of all such factors on the Fund and/or the Partnership, nor the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement. Although the Fund, Partnership, Manager, and/or General Partner believe the intentions and expectations expressed or implied in such forward-looking statements are reasonable, you cannot be assured that those intentions or expectations will be achieved. In addition, you should not interpret statements regarding past trends or activities as assurances that those trends or activities will continue in the future. All forward-looking statements attributable to the Fund, the Partnership, the Manager, and/or the General Partner, or persons acting on behalf of such entities are expressly qualified in their entirety by this cautionary statement.

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THE FUND

Portland Private Income Fund is an open-ended mutual fund established by Portland Investment Counsel Inc. (the “**Trustee**”) as trustee under the laws of Ontario pursuant to a master declaration of trust dated as of December 13, 2013 as amended and restated from time to time, and most recently amended and restated as of October 29, 2025 (the “**Declaration of Trust**”). The address of the principal office of the Fund is 1375 Kerns Road, Suite 100, Burlington, Ontario, L7P 4V7. A copy of the Declaration of Trust is available from the Manager upon request, by calling the Manager toll-free at 1-888-710-4242 or by email at info@portlandic.com.

An investment in the Fund is represented by Units, which may be issued in an unlimited number of classes and series of Units.

To date, the Fund has created two Classes of Units, being “**Common Units**” and “**Preferred Units**”. The Common Units are currently issuable in Series A, A1, F, F1 or O and the Preferred Units are currently issuable in Series AP or FP. Additional series of Units may be issued from time to time at the discretion of the Manager.

The interest of each holder of Units (a “**Unitholder**”) in a Class represents the same proportion of the total interest of all Unitholders of the applicable series in that Class as the net asset value (“**Net Asset Value**”) of Units held by such Unitholder is of the total Net Asset Value of the series of the Class.

The Fund has no fixed term. The Fund may be terminated if the Manager determines that it is in the best interest of the Unitholders to do so and may occur on 30 days’ written notice by the Manager to each Unitholder. See “*Termination of the Fund*”.

The fiscal year end of the Fund is December 31.

THE TRUSTEE

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

THE MANAGER

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

The Manager is a corporation amalgamated under the laws of Ontario. The principal place of business of the Manager is 1375 Kerns Road, Suite 100, Burlington, Ontario, L7P 4V7. The Manager is registered as an “investment fund manager”, “portfolio manager”, and “exempt market dealer” under securities laws and the regulations promulgated thereunder.

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

THE PARTNERSHIP

The Fund is a limited partner of the Partnership. The Fund became a limited partner of the Partnership (a “**Limited Partner**”) by acquiring non-voting interests in the Partnership designated as Class B Units. The Partnership has issued one Class A (voting) Unit to Portland General Partner (Ontario) Inc. (the “**General Partner**”). The Partnership may accept additional limited partners at the discretion of the General Partner.

The Partnership was formed under the laws of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act (Ontario)* (the “**Partnership Act**”) on December 17, 2012. The Partnership is governed by a limited partnership agreement dated as of December 17, 2012 (the “**Limited Partnership Agreement**”) as amended, from time to time between the General Partner and the Fund. The principal place of business of the Partnership and the General Partner is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. A copy of the Limited Partnership Agreement is available from the Manager upon request by calling the Manager toll-free at 1-888-710-4242 or by email at info@portlandic.com.

The Partnership has no fixed term. Dissolution may only occur on two days’ written notice by the General Partner to each Limited Partner, or 60 days following the removal of the General Partner, unless a new General Partner is appointed prior to such date.

The fiscal year end of the Partnership is December 31.

THE GENERAL PARTNER

The General Partner is a corporation that was incorporated under the *Business Corporations Act (Ontario)* on December 11, 2012. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources. The General Partner and the Manager are controlled directly or indirectly by Michael Lee-Chin. Michael Lee-Chin is the sole director of the General Partner and Executive Chairman, CEO and Portfolio Manager of the Manager. See “*The Manager*”.

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

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objective of the Fund

The investment objective of the Fund is to preserve capital and provide income and above average long-term returns.

Investment Strategies of the Fund

The Fund intends to achieve its investment objective by investing all, or substantially all, of its net assets in the Partnership. Although the Fund intends to invest all, or substantially all, of its net assets in the

Partnership, the Manager may from time to time determine that the investment objective of the Fund can be best achieved through direct investment in underlying securities and/or investment in other pooled investment vehicles. To the extent the Fund makes direct investments, it will apply the investment strategies of the Partnership set out below. In addition, the Fund intends to issue Preferred Units which may provide offering support to the investment objectives of the Fund by providing a source of borrowing at what the Manager believes to be an attractive cost which is expected to be between the borrowing cost of a prime brokerage facility and a loan facility. See “*Prime Broker and/or Custodian Agreement*” and “*Loan Facility*”.

Investment Objective of the Partnership

The investment objective of the Partnership is to preserve capital and provide income and above average long-term returns by investing primarily in a portfolio of private debt instruments, debt instruments and debt-related securities including commercial mortgages and private debt, and, to a lesser extent, equity in assets in the real estate, infrastructure, maritime and other sectors and income producing public securities.

Investment Strategies of the Partnership

To achieve the investment objective of the Partnership, the Manager may:

- (a) invest primarily in a portfolio of private income generating securities, either directly or indirectly through other funds, including but not limited to the following, based on the Manager’s sole determination:
 - (i) commercial real estate mortgages: primarily commercial mortgage floating rate loans, asset backed on properties being developed and constructed for commercial and residential use across North America;
 - (ii) commercial loans: senior secured cash flow lending primarily to mid-market companies in North America and Europe, targeting loans characterized by what the Manager believes to be robust legal structures, equity cushions and floating interest rates that provide quarterly income and improve returns in a rising interest rate environment;
 - (iii) global maritime loans and assets: primarily senior secured floating rate loans to global shipping and other maritime businesses by engaging in asset-based financings secured by what the Manager believes are high quality maritime assets;
 - (iv) global infrastructure assets and leases: by acquisition of a diversified portfolio of what the Manager believes are high quality, core infrastructure, long duration assets with regulate/contracted revenues, from which a significant percentage of returns can be generated from cash distributions;
 - (v) private commercial debts: a portion of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur;

- (vi) other debt securities: a portion of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur; and
- (b) to provide some short-term liquidity within the portfolio and at the same time generate income, invest in income producing public securities, including real estate income trusts, royalty income trusts, preferred shares, dividend paying equity securities and debt securities including convertibles, corporate and sovereign debt.

The Manager may invest a portion of the Partnership's portfolio in investment funds, exchange traded funds and mutual funds (collectively referred to as "**Underlying Funds**") directly or indirectly managed by specialty investment managers which it believes have disciplined investment philosophies (a "**Specialty Investment Manager**"). The Manager decides whether the Partnership invests in an Underlying Fund managed by a Specialty Investment Manager and the extent of the commitment but does not decide on the individual loans or investments which will comprise that Specialty Investment Manager's Underlying Fund. The Partnership may also co-invest or directly invest in opportunities presented by Specialty Investment Managers at the Manager's discretion. The Partnership may invest in Underlying Funds managed by the Manager or one of its affiliates or associates.

To a lesser extent, derivatives may also be used on an opportunistic basis in order to meet the Partnership's investment objective. Derivatives may limit or hedge potential losses associated with currencies, specific securities, stock markets and interest rates or be used to generate income. Derivatives may include forward currency agreements and options.

In addition, the Partnership may borrow a secured aggregate amount up to 25% of the total assets of the Partnership after giving effect to net borrowing, using the most recently available Net Asset Value, provided that the Preferred Units issued by the Fund will be counted as debt for the purposes of such calculation. For greater clarity, any redemption notes issued by the Fund, do not count towards the 25% borrowing limit described herein.

The Partnership may hold cash in short-term debt instruments, money market funds or similar temporary instruments, pending full investment of the Partnership's capital and at any time as deemed appropriate by the Manager.

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

General

The above-described investment strategies which may be pursued by the Fund and Partnership are not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Manager will depend upon its assessment of market conditions and the relative attractiveness of the available opportunities. The Manager may, in its absolute discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to the Fund and/or Partnership. Changes to the investment objective and investment strategies (including borrowing) of the

Partnership can be made without prior approval of the Unitholders. Changes to the investment strategies of the Fund (including borrowing) can be made without prior approval of the Unitholders. Additionally, the Fund and/or Partnership may invest in securities with which the Manager or its affiliates have an affiliation.

There can be no assurances that the Fund and/or Partnership will achieve their investment objectives.

MARKET OPPORTUNITIES

The Manager created the Fund and Partnership to build a portfolio that is designed to straddle a variety of investment opportunities, be nimble and adapt to changing circumstances and align to opportunities within those circumstances, while aiming to deliver steady income distributions and a stable Net Asset Value. Since the Fund's inception in January 2013 until mid-2015, the Manager selected a portfolio almost exclusively of private mortgages. Beginning in mid-2015, the Manager gradually assessed the attractiveness of the housing market compared to other lending opportunities and selected Specialty Investment Managers to enable the Partnership to take advantage of those opportunities in order to support the Fund's monthly distributions, with a focus across four pillars of global assets: commercial real estate mortgages (for commercial and residential properties), commercial loans, global maritime loans and assets, and global infrastructure assets and leases.

Commercial Real Estate Mortgages

After the 2007-2008 global financial crisis ("GFC"), increased regulatory oversight of the banking sector resulted in more conservative lending standards and higher capital requirements. The tightened credit and reduced liquidity in the real estate-backed debt market created an attractive opportunity for non-traditional real estate lenders, as yields generally increased. The Manager believes that this environment (tightened credit and reduced liquidity) has resurfaced approximately 15 years after the beginning of the GFC.

The Manager believes that the combination of several market trends creates a favourable lending environment for alternative providers of capital to pursue commercial real estate ("CRE") debt transactions. The Manager believes that the more conservative lending standards and higher capital requirements of the banking sector has created an attractive opportunity for private lenders as yields moved higher on CRE-backed debt due to a general reduction in liquidity in the sector. More recently, there has been dislocation in credit markets as a result of the worldwide COVID-19 pandemic and the Federal Reserve tightening cycle. The Manager believes that this market volatility, while pressuring near term fair values, has created and continues to create unique opportunities for the Partnership.

The Manager believes that investing in private commercial real estate debt, which may include properties being developed for commercial as well as residential use, is an attractive strategy characterized by durable yield, medium-term liquidity, and moderate risk with steady returns. The potential for predictable frequency of cash flows, downside risk protection, and real estate's ability to act as an inflation hedge along with diversification benefits contribute to real estate debt's risk-adjusted returns. These results are driven by a number of factors, including:

- cash flows from debt instruments generated through interest, fees and repayment terms that are periodic and predictable, supported by generally conservative underwriting standards and security in the form of collateral, which can enhance the stability of the risk-adjusted return profile;

- debt is senior to equity in the capital stack, which means that in the event of a default, debt holders are paid back before equity holders, offering investors with downside risk mitigation compared to equity positions;
- commercial real estate serving as a historical hedge against inflation, stemming from property owners' ability to mark leases to market as lease roll occurs; this allows real estate investment managers to respond to changing market conditions, which can help offset higher price levels and thereby potentially increasing income for lenders; and
- recent market volatility following COVID-19 and the Central Bank rate hikes, which have resulted in the impairment of some private lenders due to insufficient capital, excess leverage, and exposure to the office sector, leading to some of the lowest levels of competition experienced since 2014.

Commercial Loans

The Manager believes that while middle-market companies (revenues between \$50 million and \$500 million) are vital to support a growing economy, they have limited alternatives to access growth capital to expand their operations, fund acquisitions, or recapitalize. The financial landscape is dominated by large global banks and private equity funds, whose financial terms and dilutive financing structures can be ill-suited to meet the demands of mid-market companies. The Manager believes there is a clear funding gap between equity providers and bank debt. In addition, continued market uncertainty and banking regulatory changes have exacerbated the funding gap, as banks further limit their willingness to extend credit, which the Manager believes provides an increasing growth opportunity for focused specialty finance providers.

Global Maritime Loans and Assets

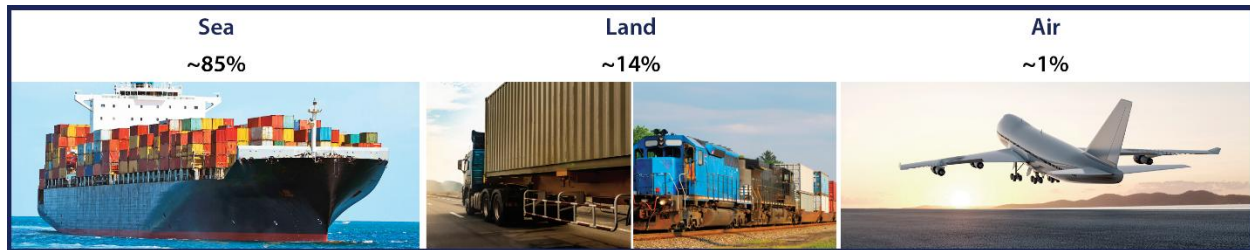
The global maritime industry plays a pivotal role in the worldwide economy, with approximately 85% of world trade carried out by sea, and its importance cannot be overstated as it is heavily relied upon as a dependable and cost-effective means of transportation. The industry serves as the backbone of international trade and commerce, facilitating the movement of goods, raw materials, and energy resources across the world.

The assets that make up the entire maritime industry have a combined estimated value of approximately US\$1.8 trillion and generally are all mobile (excluding ports and other select stationary infrastructure) with the ability to relocate and operate globally. The industry consists of numerous unique and uncorrelated sectors that support the production, transportation, and storage of different types of energy, as well as the transportation of many other commodities, finished goods, equipment, and passengers. The assets of these sectors are the vessels, equipment, ports and storage facilities, whose earnings and values are driven by idiosyncratic supply and demand factors.

Figure 1. Overview of Major Maritime Sectors

Maritime Sectors		Supporting Assets	Key Statistics
 	Cargo Shipping	Dry: Containerships (finished goods), Dry Bulk Carriers (commodities), Car & Equipment Carriers	12 billion tons of goods carried by the maritime industry in 2022 (equivalent to the weight of 65.8m Empire State Buildings)
		Liquid & Gas: Tankers (Oil & Chemicals), Gas Carriers	>51 thousand total cargo vessels >US\$1.2 trillion total value of cargo vessels
 	Offshore Construction & Energy Infrastructure	Oil: Oil Rigs, Offshore Construction and Service Vessels, FPSO units (Floating Production Storage and Offloading), Seismic Survey Vessels, Shuttle Tankers	25 million barrels of oil produced per day by the offshore industry in 2022 (27% of total production)
		Wind: Turbine Installation Vessels, Commissioning Service Operation Vessels, Crew Transfer Vessels	60 gigawatt (“GW”) offshore wind capacity at end of 2022 and projected to grow at a 23% compounded annual growth rate (“CAGR”) to 250 GW by 2030 US\$56 billion total value of assets
	Passenger	Leisure: Large Cruise, Regional Cruise (Ocean and River), Expedition Cruise, Yachts, Tour Boats Commute: Ferries (Passenger and Car)	>7 thousand cruise vessels and ferries >US\$113 billion total value of cruise vessels and ferries

World Cargo Mix – 85% of World Trade Carried on Vessels



Additionally, the Manager believes that with a more heightened focus on the energy transition as of late, environmental regulations and decarbonization targets are driving an incremental need for significant investment across all shipping asset classes to gradually replace older, less fuel-efficient vessels. There are currently more than 18,000 vessels above 10 years old and it is estimated to cost in excess of US\$900 billion to replace these assets during the next 10-15 years at today's new building prices. The Manager believes that with banks shrinking their lending capacity, ship owners will require other financing providers to step up in order to support necessary payments for these capital expenditures.

The success of any investment is subject to several risks, but various credit enhancements (outside of the standard security packages including first priority mortgages over the underlying assets) are included in maritime debt transactions such as, in the Manager's opinion, robust financial covenants, corporate guarantees, insurance proceeds which cover more than the full value of outstanding loans and collateral assets which are fungible and readily saleable, allowing for maximum recovery in a worst-case scenario. Structures generally deleverage at a pace which is faster than the underlying depreciation of the asset, building equity, and are covered by scrap steel value approximately 50% through maturity (assuming a five-year duration).

Global Infrastructure Assets and Leases

The Manager believes that, for decades, there has been systemic underinvestment in infrastructure in parts of the world such as the United States, Europe and India, which means that a significant amount of capital is needed to address the global funding gap. This market's activity has been catalyzed further by strategic and infrastructure fund divestment programs. Furthermore, the Manager expects that recent government initiatives will create additional opportunities. Some examples of these assets are depicted below.



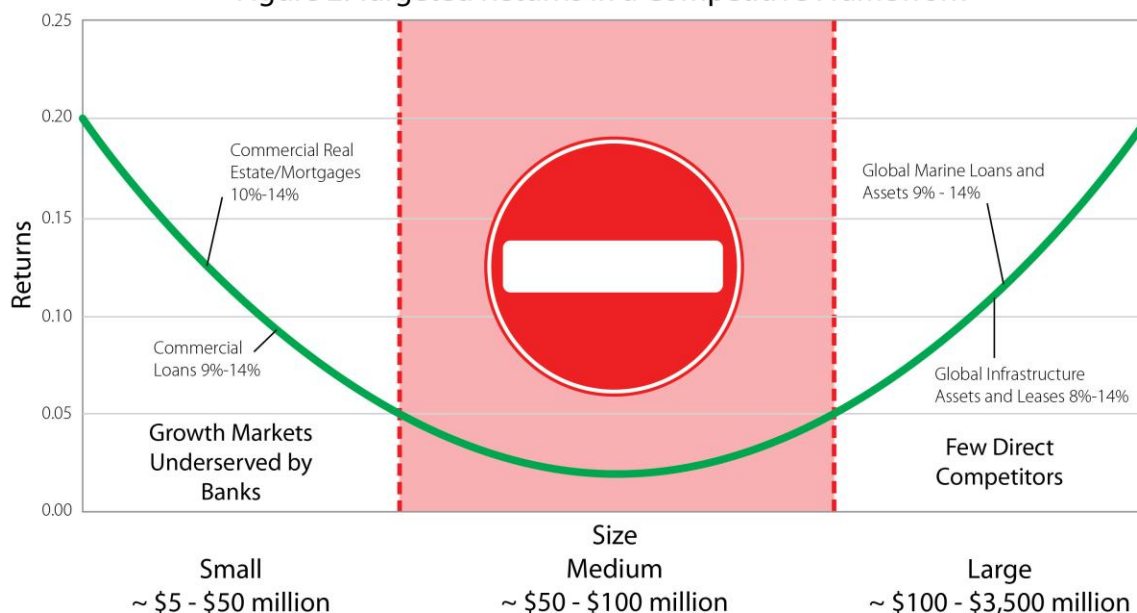
Infrastructure assets have certain characteristics that the Manager believes are attractive for the Fund, as depicted below.

 Significant Cash Yield Significant percentage of returns can be generated from cash distributions	 Lower Volatility Regulated / contracted revenues from operating assets	 Diversification Low correlation of infrastructure to other major asset classes	 Inflation Protection Inflation-linked cash flows provide natural hedge to rising liabilities	 Long Duration Long operational life of underlying assets
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The Manager expects an expanding opportunity of core infrastructure assets to be available for investment, as capital-constrained governments and corporations are continuing to monetize mature infrastructure assets in order to deploy capital towards growth and development initiatives. This activity is set against a prevailing landscape of systemic underinvestment in public sector infrastructure. Furthermore, inflation-linked infrastructure assets are now benefitting from higher rates of inflation seen across global economies, contributing to the current higher-interest rate environment.

Figure 2 below shows what the Manager believes to be targeted expected returns of the different investments along the y-axis and the size of the underlying investment entity along the x-axis. This illustrates segments of the market the Manager targets to invest: smaller growth markets that are under served by banks and large capital-intensive businesses where there are few direct competitors. Typically, the Manager focuses on investment opportunities in the “small” and “large” segments. The investments that fall in between these two types of opportunities (i.e., “medium”) are investments that the Manager would typically refrain from pursuing, believing the larger supply of finance available in those areas ultimately renders less attractive opportunities to achieve above average returns.

Figure 2: Targeted Returns in a Competitive Framework



These dollar sizes are general/approximate ranges. The size of a business may be relative to the size and shape of the industry it is in, whether the industry is growing or mature and whether there are a few large or many small competitors. As such, the ranges depicted are very approximate.

INVESTMENT POLICIES OF THE PARTNERSHIP

Management of the Partnership

An investment goal of the Partnership is to preserve capital and provide income and above average long-term returns by investing primarily in a portfolio of private debt instruments, debt instruments and debt-related securities including commercial mortgages and private debt, and, to a lesser extent, equity in assets in the real estate, infrastructure and maritime sectors and income producing public securities. These investments will be primarily deployed across four pillars of assets including mortgages, commercial loans, global maritime loans and assets, and global infrastructure assets and leases. This framework does not restrict the Partnership from deploying capital into other asset classes. To help address this goal, the Manager may utilize specialists for co-investments, including, but not limited to, Mortgage Administrators and Specialty Investment Managers, as detailed below.

The Manager may work with one or more mortgage administrators, who will be responsible for servicing and administering mortgages throughout their term on behalf of the Partnership (“**Mortgage Administrators**”). The Manager and/or an affiliate of the Manager may also act as a Mortgage Administrator, subject to obtaining any required regulatory approvals. Such Mortgage Administrators may also work with the Manager in connection with the same or other investment opportunities relating to other investment funds or entities managed by, or related to, the Manager. The Manager decides whether or not the Partnership participates in mortgages offered to it by a Mortgage Administrator.

Specialty Investment Managers will be selected by the Manager from time to time for their perceived: (i) investment underwriting skills; (ii) ability to identify and execute investments (debt and/or equity) suitable for the Partnership (the “**Investments**”); (iii) ability to guide and manage an attractive portfolio of primarily middle-market companies (the “**Financed Companies**”) in which the Partnership will either directly or indirectly finance; and (iv) ability to determine the appropriate time and terms upon which to exit the Investments or the investments in Financed Companies. The Manager decides whether or not the Partnership invests directly or indirectly in a fund managed by a Specialty Investment Manager and the extent of the commitment to that fund, but does not decide on the individual loans or investments which will comprise that Specialty Investment Manager’s fund. In addition to the investment strategies described under “*Investment Objective and Strategies – Investment Strategies of the Partnership*” above, the Manager will, and expects its Specialty Investment Managers will, employ investment principles and restrictions on loans and other debt securities that the Partnership may enter into directly or indirectly.

Crown is a reporting issuer that is currently a Specialty Investment Manager of the Partnership. The Partnership is invested in Crown and is considered an insider under applicable securities laws. Crown is also involved in the management of underlying issuers held in Crown Capital Partner Fund, LP, which is an Underlying Fund. There are certain risks and potential conflicts of interest associated with these relationships. Please see “*Risk Factors – Potential Conflicts of Interest*” and “*Corporate Governance – Conflicts of Interest*”.

The Manager will invest the Partnership’s assets in investment products managed by Specialty Investment Managers which it believes have disciplined investment philosophies that are similar or in alignment to its own. Specifically, the Manager would expect a Specialty Investment Manager’s philosophy, portfolio construction and portfolio management to involve an assessment of the overall macro-economic environment and financial markets and company-specific research and analysis. The Manager would also expect a Specialty Investment Manager’s investment approach to emphasize capital preservation, low volatility and minimization of downside risk. In addition to engaging in due diligence

from the perspective of a long-term investor, the Manager would seek a Specialty Investment Manager that focuses on:

- businesses with strong franchises and sustainable competitive advantages;
- industries with positive long-term dynamics;
- businesses and industries with cash flows that are dependable and predictable;
- management teams with demonstrated track records and appropriate economic incentives;
- rates of returns commensurate with the perceived risks;
- securities or investments that are structured with appropriate terms and covenants; and
- businesses backed by experienced private equity sponsors.

The Partnership may also co-invest directly in commercial loans with a Specialty Investment Manager.

The Partnership's investment strategy is not confined to geographical boundaries and embraces a global perspective when considering potential Mortgage Administrators and Specialty Investment Managers. This approach expands the opportunities to capitalize on a diverse range of markets and investment prospects worldwide. Additionally, the Partnership maintains an open mindset towards exploring various investment strategies employed by Mortgage Administrators and Specialty Investment Managers. This flexibility allows the Manager to adapt to changing market conditions and seize potential opportunities while adhering to its overall investment philosophy. The Manager's commitment to continuously evaluating the suitability of existing relationships with Mortgage Administrators and Specialty Investment Managers helps create a dynamic and responsive portfolio management approach. Consequently, the Partnership retains the discretion to terminate or modify arrangements with Mortgage Administrators and Specialty Investment Managers based on ongoing assessments and evolving investment priorities.

Commercial Real Estate Mortgages

In addition to the investment strategies described under "*Investment Objective and Strategies – Investment Strategies of the Partnership*", the Manager will employ investment policies on commercial real estate mortgages as follows:

- the Partnership may be invested in mortgages, subordinated mortgages, deeds of trust, charges or other security interests of, or in Real Property. "**Real Property**" means property that the Manager considers to be real property regardless of whether such property is legally considered real property and includes leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise) and interests in and to any of the foregoing;
- the majority of mortgages are currently expected to be up to \$50 million with a larger concentration being between \$5 million and \$25 million;
- mortgages are generally expected to be written for terms of 6 to 36 months and supported by commercial liability insurance and by personal or corporate guarantees;
- while individual mortgages will vary, the aggregate portfolio of mortgages are generally expected to be written for principal amounts at the time of commitment (together with the principal balance

outstanding on prior mortgages if applicable), not exceeding 75% of the determined value of the underlying Real Property securing the mortgages;

- the Partnership may assign all or a portion of a mortgage or mortgages held by it (the “**Assigned Portion**”) to one or more arm’s length third party lenders (the “**Assignee Lender(s)**”) for value. If a portion of such mortgage or mortgages (the “**Retained Portion**”) is retained by the Partnership, the Partnership may enter into an agreement with the Assignee Lender(s) as to relative ranking of the Assigned Portion and the Retained Portion;
- the Partnership may participate in investments on a syndicated basis with others, including a Mortgage Administrator and their affiliates and associates;
- to manage and diversify risk, a Mortgage Administrator may syndicate investments in which the Partnership participates with one or more lenders. All such syndicated mortgages may initially be funded by the Partnership with mortgagors at a specified interest rate and a portion of the mortgage may then be syndicated to a financial institution or other lenders sourced by the Mortgage Administrator. Syndication may be on a pari passu basis or on a subordinated basis. Syndicating reduces the Partnership’s exposure in respect of any one investment;
- when making an investment in, or an acquisition of, a mortgage or other investment, the Manager may, in its absolute discretion, but is not obliged to, obtain or review an independent appraisal from a person who is an appraiser accredited or licensed by the Appraisal Institute of Canada or any successor thereof (a “**Qualified Appraiser**”), and/or a “**Phase I Environmental Audit**” (i.e. an evaluation of Real Property for purposes of environmental analysis performed solely on the basis of historical records without invasive sampling or drillings from such property) on the underlying Real Property which is the primary security for the mortgage or other investment, and the Manager may or may not obtain additional independent appraisals or audits of the underlying property or any additional collateral and other properties securing the mortgage or other investment;
- in addition, in its absolute discretion, the Manager may rely upon an independent appraisal from a Qualified Appraiser and/or a Phase I Environmental Audit in respect of the subject property that has been provided to the Partnership from the Mortgage Administrator;
- the Partnership’s interest in each mortgage investment will be held by legal title and registered in the name of the Mortgage Administrator or registered in the name of the Partnership or Fund;
- the determined value relied upon for purposes of making a mortgage investment need not be on an “as is” basis and may be based on stated conditions, including without limitation, completion, rehabilitation, sale or lease-up of improvements located on the Real Property; and
- the Partnership may participate in debtor-in-possession (“**DIP**”) financings. DIP financing, also known as “interim financing” or “receivership financing”, describes a situation where financing is provided to a technically insolvent company which via court approval is allowed to remain in possession of its assets during a restructuring process. A feature of DIP financing is that the DIP lender will be granted “super-priority” status over the claims of other creditors.

The Manager will select Mortgage Administrators which it believes administer mortgages for real estate projects that are of high quality with the expectation of experienced strong management, tangible security, an achievable business plan and above average risk-adjusted returns. A Mortgage Administrator

acts as an intermediary between investors and other lending entities wishing to fund private mortgage opportunities with builders and developers who need predictable access to mortgage capital. A Mortgage Administrator offers the developer ‘enablement capital’ to move its projects forward so that it can implement its business plan while the Mortgage Administrator takes a security interest in the project on behalf of lenders.

The Partnership also maintains the flexibility to invest using Mortgage Administrators on a global scale, thereby expanding the scope of potential investment opportunities. This strategic approach allows the Partnership to diversify its portfolio and gain exposure to a wide range of real estate projects and mortgage opportunities across different markets and jurisdictions. The Manager believes the ability to invest via Mortgage Administrators worldwide provides the Partnership with the opportunity to identify and capitalize on emerging trends in the private mortgage sector.

The Partnership is not restricted to a specific type of capital provision, thereby enabling the Partnership to tailor its investments according to the unique needs and requirements of each project, including, but not limited to, traditional debt financing, equity participation, or other innovative financial instruments. The Manager believes this flexibility will assist the Fund and/or Partnership to effectively structure their investments to help maintain their respective investment objectives while managing risk prudently. The Manager believes that this adaptable approach empowers the Partnership to seize opportunities in various stages of real estate development, from ground-up construction to refinancing existing mortgage facilities.

Commercial Loans

In addition to the investment strategies described under “*Investment Objective and Strategies – Investment Strategies of the Partnership*”, the Manager will employ investment policies on commercial loans, either directly or indirectly through Specialty Investment Managers, as follows:

- the Partnership may invest in first and second lien senior loans, term mezzanine debt and bridge loans, consisting of secured senior and subordinated debentures plus participation rights which are often in the form of gifted equity or deferred interest;
- first and second lien senior loans and mezzanine debt are typically term loans of 1 to 10 years amortization periods and so with expected general terms being between 1 to 7 years, although some may be a much longer in duration, whereas bridge loans are typically less than 1 year;
- a high priority in making first and second lien senior loans, mezzanine debt and bridge loan investments is to seek to ensure that the invested capital is safe. The goal is to accomplish this objective either directly or indirectly through credit underwriting, which focuses on the viability of the business and the expected realization of the security in the event an investment does not perform as expected. The goal is to protect the Partnership’s position either directly or indirectly through disciplined investment management, active management, protective covenants and priority agreements;
- the belief that strong management, real cash flow, controlled balance sheet leverage and the ability, either directly or indirectly, to negotiate the appropriate entry price point are the primary drivers of value creation;

- based on current expectations, the composition of commercial loans is expected to have appropriate loan to value and proper asset protection through their tenors. It is ordinarily expected that leverage of Financed Companies will be less than 50% of their determined value and controlled at or below a ratio of 5x debt/EBITDA¹ and more generally less than 4x debt/EBITDA;
- it is currently expected that a typical Financed Company would be generating EBITDA of \$5 million to \$15 million, although Financed Companies could be generating EBITDA of up to \$250 million; and
- the Partnership may participate in investments on a syndicated basis with others, including a Specialty Investment Manager and their affiliates and associates.

Global Maritime Loans and Assets

In addition to the investment strategies described under “*Investment Objective and Strategies – Investment Strategies of the Partnership*”, the Manager will employ investment policies on global maritime loans and assets, either directly or indirectly through Specialty Investment Managers, based on the following considerations:

- assets: the underlying ships are reliable, likely to hold value and readily saleable;
- borrower: possesses established track record and a quality reputation confirmed by the management team and third parties;
- cash flow: loans are consistently paid down at a higher rate than depreciation of the vessel’s value;
- structure: the composition of commercial loans is expected to have appropriate loan to value and proper asset protection through their tenors; and
- senior secured loans currently would ordinarily expect to be covered by scrap value of approximately 50% through maturity (assuming a 5 year duration).

Global Infrastructure Assets and Leases

In addition to the investment strategies described under “*Investment Objective and Strategies – Investment Strategies of the Partnership*”, the Manager will employ investment policies on global infrastructure assets and leases, either directly or indirectly through Specialty Investment Managers, as follows:

- invest in what the Manager believes to be a portfolio of high-quality, stable infrastructure assets;
- focus on the utilities, energy, renewable power, data infrastructure and transportation sectors;
- targeting mature, cash-generating core infrastructure assets with predominantly

¹ Earnings before interest, taxes, depreciation and amortization.

contracted/regulated revenues;

- pursue investments globally, currently principally located in North America, Western Europe and Australia; and
- leverage an operations-oriented approach to enhance sourcing and execution, and add value post-acquisition.

Derivatives

The Partnership may use derivatives to hedge the Partnership's foreign currency exposure. The Partnership may also use derivatives for non-hedging purposes to seek to generate additional returns. Such derivatives may include forward currency agreements, exchange traded options and over-the-counter options. In connection with the use of forward currency agreements, the Manager will follow the requirement under National Instrument 81-102 *Investment Funds*, as may be amended from time to time ("NI 81-102"). The Manager will review the currency exposure and will adjust hedging levels from time to time as it considers appropriate. The writing of call options by the Partnership will involve the selling of call options in respect of some or all of the equity securities held in the Partnership and may be either exchange traded options or over-the-counter options. Call options will be written only in respect of securities that are held in the Partnership and therefore the call options will be covered at all times. The writing of put options will involve utilizing cash, cash equivalents or other securities to provide cover in respect of the writing of cash covered put options, which are intended to generate additional returns and to reduce the net costs of acquiring the securities subject to the put options.

Amendments to Investment Policies

The investment policies of the Partnership set out above may be amended, supplemented or replaced from time to time by the Manager in its absolute discretion. If at any time a government or regulatory authority having jurisdiction over the Partnership or any property of the Partnership enacts any law, regulation or requirement which is in conflict with any investment policy of the Partnership then in force, such policy will be deemed to have been amended to the extent necessary to resolve any such conflict.

Collection Activities

A Mortgage Administrator is expected to provide those services as may be required in connection with the collection, handling, prosecuting and settling of any claims of the Partnership with respect to the Partnership's beneficial ownership in each mortgage, including foreclosing and otherwise enforcing mortgages and other liens and security interests securing the Partnership's interests.

A Specialty Investment Manager is expected to provide those services as may be required in connection with the collection, handling, prosecuting and settling of any claims on Investments or a Financed Company within an Underlying Fund or co-investment managed by the Specialty Investment Manager, including collection proceedings and otherwise enforcing secured loans and other liens and security interests securing the Underlying Fund's investment or co-investment's interests.

The Manager may provide those services as may be required in connection with the collection, handling, prosecuting and settling of any claims of the Partnership with respect to the Partnership's direct beneficial ownership in each commercial loan, including collection proceedings and otherwise enforcing secured loans and other liens and security interests securing the Partnership's interests.

WHO SHOULD INVEST

The Fund is designed to attract investment capital which is surplus to an investor's basic financial requirements. An investment in Units is intended to be a medium to long-term investment. The Manager has identified the investment risk level of the Common Units of the Fund as medium and the Preferred Units of the Fund as low to medium as an additional guide to help you decide whether an investment in the Fund is right for you.

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

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

Minimum Investment Criteria

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* ("**NI 45-106**"), as may be amended from time to time (an "**Accredited Investor**"), (b) are not individuals, are not residents of Alberta and that invest a minimum of \$150,000 in the Fund, or (c) to whom Units may otherwise be sold ((a), (b) and (c) will be referred to as the "**Minimum Investment Criteria**"). In the event applicable securities legislation, regulations or rules change in the future such that one or more of the exemptions described above are no longer available, the Fund will cease offering Units pursuant to such exemptions, but may continue offering Units to investors pursuant to other exemptions which are or remain available.

A list of criteria to qualify as an Accredited Investor is set out in the subscription agreement ("**Subscription Agreement**") delivered with this Offering Memorandum and generally includes individuals who have net assets of at least \$5,000,000, or financial assets of at least \$1,000,000, or personal income of at least \$200,000, or combined spousal income of at least \$300,000 in the previous two years with reasonable prospects of same in the current year, or an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a registered adviser or dealer. NI 45-106 requires that individuals who invest on the basis that they are Accredited Investors (other than certain ultra high net worth individuals) must sign a Risk Acknowledgement Form, which is included in the Subscription Agreement.

Unless an investor can establish to the Manager's satisfaction that another exemption is available, this will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is either an Accredited Investor or is not an individual or a resident of Alberta and is investing a minimum amount of \$150,000. This minimum amount is net of any initial sales commissions paid by an investor to their registered dealer. An investor (other than an individual) that is not an Accredited Investor,

or is an Accredited Investor solely on the basis that they have net assets of at least \$5,000,000, must also represent to the Manager (and may be required to provide additional evidence at the request of the Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. Purchasers will be required to make certain representations in the Subscription Agreement and the Manager will rely on such representations to establish the availability of the exemptions. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

Irrespective of the foregoing, the minimum initial investment in Units is outlined below. See “*The Offering*”.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a “mutual fund trust” for purposes of the Tax Act, the Fund must not be established or maintained primarily for the benefit of a person who, at the relevant time, is not resident in Canada within the meaning of the Tax Act and any applicable tax convention entered into by the Government of Canada and includes a partnership that is not a Canadian partnership within the meaning of the Tax Act (a “**Non-Resident**”). Accordingly, at no time may Non-Residents be the beneficial owners of a majority of the Units (on either a number of Units or fair market value basis) and the Manager shall monitor compliance by the Fund with this Non-Resident restriction (the “**Non-Resident Restriction**”) and take such actions as may reasonably be undertaken on behalf of the Fund to cause the Fund to retain its “mutual fund trust” status. In this regard, the Manager may (i) require declarations as to whether a beneficial owner of Units is a Non-Resident (ii) perform residency searches of Unitholders and beneficial ownership mailing address lists to determine or estimate the residence for Canadian income tax purposes of beneficial ownership of Units and (iii) may place other limits on ownership of Units by Non-Residents as the Manager may deem necessary in its sole discretion to maintain the Fund’s status of a “mutual fund trust”. If the Manager determines or otherwise becomes aware, that the beneficial owners of 40% of the Units then outstanding (on either a number of Units or fair market value basis) are, or may be, Non-Residents, or that such a situation is imminent, the Manager shall refuse to accept a subscription for Units or issue or register a transfer of Units to a person unless the person provides a declaration that the Units will not be beneficially owned by person who is a Non-Resident. If, notwithstanding the foregoing, the Manager determines that more than 45% of the Units (on either a number of Units or fair market value basis) are beneficially held by Non-Residents, the Manager may send a notice to such Non-Residents, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to redeem their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not redeemed the specified number of Units or provided the Manager with satisfactory evidence that they are not Non-Residents within such period, the Manager may on behalf of such Unitholders redeem such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such redemption, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

THE UNITS

The Fund may issue an unlimited number of Units in an unlimited number of classes and series. Each issued and outstanding Unit of a class shall be equal to every other Unit of the same class with respect to all matters. To date, the Fund has created two Classes of Units available for purchase in Canadian and U.S. dollars: Common Units and Preferred Units. The Common Units are currently issuable in Series A, A1, F, F1, or O and the Preferred Units are currently issuable in Series AP or FP.

The interest of each Unitholder in a class represents the same proportion of the total interest of all Unitholders of the applicable series in that class as the Net Asset Value of Units held by such Unitholder is of the total Net Asset Value of the series of the class.

The respective rights of the holders of Units of each series in a class will be proportionate to the Net Asset Value of such Series relative to the Net Asset Value of each other series in the same class. Each Unit carries with it a right to vote, with one vote for each \$1.00 of Net Asset Value attributed to such Unit (the Net Asset Value of all Units held by a Unitholder shall be aggregated for the purpose of determining voting rights). Fractional Units may be issued.

On the first date on which a series of Units is issued, as applicable, Units of that series will be issued at an opening net asset value of \$50.00 (in the case of Common Units) and \$10.00 (in the case of Preferred Units). On each successive date on which Units of that series are issued, the Units may be issued at a Net Asset Value per Unit calculated as described below.

All changes in Net Asset Value (i.e., all income and expenses, and all unrealized gains and losses) of the Fund will be borne proportionately by each series of a class of Units based on their respective Net Asset Values and based upon whether they receive distributions as Common Units or Preferred Units, except as follows: (i) subscription proceeds received by the Fund in respect of a series of Units shall accrue to the Net Asset Value of such series; (ii) all redemption proceeds paid out by the Fund in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; and (iii) fees payable to the Manager and all other fees and expenses incurred in respect of all Units of a series shall be deducted from the Net Asset Value of such series. The Net Asset Value per Unit of a series shall be calculated by dividing the Net Asset Value of such respective series by the number of Units of such series then outstanding.

The Manager may in its discretion create different classes and series of Units. Each class and series may be subject to different fees and may have such other features as the Manager may determine. The Manager may redesignate a Unitholder's Units from one series of a class to another series of the same class (and amend the number of such Units so that the Net Asset Value of the Unitholder's aggregate holdings remains unchanged).

THE OFFERING

Units are being offered on a continuous basis to investors who meet the Minimum Investment Criteria. Units may be distributed through registered dealers (including the Manager in its capacity as an exempt market dealer).

To date, the Fund has created Common Units, issuable in Series A, A1, F, F1 and O, and Preferred Units, issuable in Series AP and FP. Additional series of Units may be issued from time to time at the discretion of the Manager.

Common Units

- **Series A and A1 Units** are available to all investors who invest a minimum of \$2,500.
- **Series F and F1 Units** are generally available to investors who invest a minimum of \$2,500 and who purchase their Units through a fee-based account with their registered dealer.
- **Series O Units** may be issued to certain institutional or other investors.

Preferred Units

- **Series AP Units** are available to all investors who invest a minimum of \$5,000.
- **Series FP Units** are generally available to investors who invest a minimum of \$5,000 and who purchase their Units through a fee-based account with their registered dealer.

The initial minimum investment in the Units may be adjusted or waived in the Manager's absolute discretion and without notice to investors. There are additional costs associated with investment in Units. See "*Fees and Expenses*" and "*Dealer Compensation*".

With respect to distributions, the Common Units and Preferred Units are, to a certain extent, comparable to common shares and preferred shares, respectively, of a corporation. The Preferred Units pay or accrue a monthly distribution (which accrues if it is unpaid) equal to the "Preferred Return" expressed as an annualized percentage (the "**Preferred Return**") of the subscription price of the holder of Preferred Units (the "**Preferred Unit Investment Amount**") which will be no more than the cost of unsecured debt available to the Partnership, as adjusted by the Manager from time to time as more particularly described under "*Distributions*". The Preferred Return is paid in preference to distributions on the Common Units. The Common Units receive a distribution following the payment of Preferred Return, which is not capped (unlike the Preferred Return). The distribution on the Common Units is variable and may be higher or lower than the distribution on the Preferred Units depending upon the cash flow of the Fund's underlying investments. All distributions are paid after the payment of Fund expenses, including interest and principal payments on indebtedness. See "*Distributions*", "*Fees and Expenses*" and "*Net Asset Value*".

With respect to sharing in the assets of the Fund upon dissolution, the Common Units and Preferred Units are, to a certain extent, comparable to common shares and preferred shares, respectively, of a corporation. Upon the liquidation of the Fund and a distribution of its assets to stakeholders, the Preferred Units will rank behind all general creditor claims and any prime brokerage or other borrowing facilities and they will rank ahead of the Common Units. Upon the liquidation of the Fund and the payment of all amounts to satisfy the Fund's liabilities and applicable reserves, the Preferred Units are entitled to receive only an amount equal to the Preferred Unit Investment Amount and any accrued but unpaid Preferred Return. Thereafter the holders of Common Units are entitled to receive the remainder of the assets of the Fund.

SUBSCRIPTIONS

Minimum Initial and Additional Subscriptions

The minimum initial subscription for an investor is as described under "*The Offering*".

Each additional investment must be in an amount that is not less than \$500 or such other amount as the Manager may determine in its discretion. For investors who are not Accredited Investors, 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 Net Asset Value 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 their registered dealer.

Subscription Procedure

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 CIBC Mellon Trust Company (the “**Administrator**”).

Subscriptions will be processed monthly on each last business day (that is, the last business day on which the Toronto Stock Exchange is open for trading) of each month on the Valuation Date and such other business day or days as the Manager may in its discretion designate.

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

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

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

All subscriptions for Common Units will be made through the purchase of interim subscription units at a fixed Net Asset Value per Unit of \$50. Subject to the foregoing and following the calculation of the Net Asset Value of each series of Units on the applicable Valuation Date, the interim subscription units will be automatically switched into the appropriate number of Units of the applicable series of Units as per each Unitholder’s Subscription Agreement. The number of Units of the applicable series will be the amount paid for the Units (less any sales commissions) divided by the applicable series Net Asset Value per Unit determined as at the applicable Valuation Date following which the subscription is accepted. An initial purchase confirmation will be issued once payment is received confirming receipt of the interim subscription while a subsequent confirmation will confirm the final number of Units issued upon acceptance as a Unitholder. The number of interim subscription units may be different from the final number of Units purchased. These interim subscription units are not redeemable.

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

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

U.S. Dollar Purchase Option

Units of the Fund are available for purchase in both Canadian and U.S. dollars. For purchase in U.S. dollars, the Net Asset Value per Unit is computed by converting the Net Asset Value per Unit in Canadian dollars to U.S. dollars based on the exchange rate used to calculate the Net Asset Value 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 the 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 underlying investment return (but may affect the overall return) of such Units and does not act as a hedge or protect losses caused by changes in the exchange rate between the Canadian and U.S. dollar. Please see “*Currency and Exchange Rate Risks*”.

Pre-authorized Chequing Plan

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

SWITCHES OF UNITS

Subject to the consent of the Manager, Unitholders may switch all or part of their investment in the Fund from one series of Units of a Class to another series of the same Class if the Unitholder is eligible to purchase that series of Units. Upon a switch from one series of Units to another series, the number of Units held by the Unitholder will change since each series of Units has a different Net Asset Value per Unit.

Generally, switches between series of a Class of Units are not dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of switching between series of a Class of Units.

Subject to the consent of the Manager and a Subscription Agreement in acceptable form and received by the Administrator, Unitholders may switch all or part of their investment in the Preferred Units to Common Units if the Unitholder is eligible to purchase that Class or series of Units. Upon a switch from Preferred Units to Common Units, the number of Units held by the Unitholder will change since each series of each Class of Units has a different Net Asset Value per Unit.

Generally, switches between one Class of Units to another Class are dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of switching between classes of Units.

TRANSFER OR RESALE

A Unitholder may, without charge and with the consent of the Manager, transfer all or any of the Units owned by him or her by delivering to the Administrator a request for transfer in a form acceptable to the registrar and transfer agent of the Fund, together with such evidence of the genuineness of each such endorsement execution and authorization and of such other matters (including that the transfer is being made in compliance with all applicable securities legislation) as may be reasonably required by such

registrar and transfer agent. See “*Administrator*”. A transfer will not be effective unless and until it is recorded on the register of Unitholders. Unitholders should consult with their own tax advisors regarding any tax implications in connection with transferring Units.

Subscribers are advised to consult with their advisers concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and the Declaration of Trust. Redemptions of Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in the Fund.

REDEMPTIONS

An investment in Units is intended to be a medium to long-term investment. Unitholders may redeem their Units, however, on any Valuation Date by submitting a request for redemption, in a form acceptable to the Administrator through their registered dealer or directly to the Administrator no later than the day that is 60 days prior to 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 60 day notice period may be waived at the discretion of the Manager.

The redemption price shall equal the Net Asset Value per Unit of the applicable series of Units being redeemed, determined as of the close of business on the relevant Valuation Date as described under the section “*Net Asset Value*” (which in the case of Preferred Units would be equal to the Preferred Unit Investment Amount plus any accrued but unpaid Preferred Return) (the “**Redemption Price**”). Unless redemptions have been suspended (which may only occur in the circumstances set out below), payment of redemption proceeds will be made by the Manager within nineteen (19) business days following the relevant Valuation Date.

Redemptions of the Common Units within 36 months of initial purchase are subject to a redemption fee. See “*Fees and Expenses*”.

Redemption proceeds are generally expected to be paid in cash, except to the extent such redemptions exceed the thresholds set out below, in which case, redemption proceeds may be paid in promissory notes:

- (a) if, in any calendar month, the total amount payable by the Fund for all Units redeemed exceeds 0.42% of the Fund’s Net Asset Value at the end of the previous month (approximately 5% on an annualized basis) (the “**Aggregate Redemption Limit**”). The Manager may, at its discretion, waive or adjust this limit for any redemption period;
- (b) no single account may redeem more than \$20,000 in cash per month (“**Account Redemption Limit**”); or
- (c) if, in the Manager’s absolute discretion, the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of and/or adversely affect the remaining Unitholders and/or the Fund generally.

For (a) and (b) above, if the total redemption requests exceed the Aggregate Redemption Limit, the Account Redemption Limit will be reduced proportionately across all redeeming unitholders. Notwithstanding the foregoing, the Manager, in its absolute discretion, may pay in cash small redemptions to satisfy minimum requirements from a RRIF or LIF account.

To date, all redemption requests submitted to the Fund have been fully paid in cash. However, if on any Valuation Date, the Manager determines, in its sole discretion, that the Fund does not have sufficient cash reserves to pay the amounts payable on the redemption of Units, the Manager shall advise the Unitholder in writing that all or a portion of the redemption proceeds payable in respect of the Units tendered for redemption shall be paid by the Fund issuing a promissory note equal to the redemption proceeds (“**Redemption Notes**”). Within 5 calendar days of the Manager’s notice set out above, or at the Manager’s discretion, the Unitholder may rescind its notice of redemption in respect of the Units tendered for redemption. If the Manager determines that cash resources are insufficient to satisfy the redemption requests within the standard payment period of nineteen (19) business days following the relevant Valuation Date, the Fund may satisfy all or a portion of such redemption requests through the issuance of Redemption Notes, which will have the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate equal to the Bank of Canada overnight rate in effect on the date of issuance, reset each year as at January 1, simple interest per annum, calculated from the day the Redemption Note is issued and payable at the end of the term of such note;
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Fund, as applicable, pursuant to the note indenture with holders of senior indebtedness;
- (c) subject to earlier prepayment, at the discretion of the Manager, being due and payable on the fifth anniversary of the date of issuance; and
- (d) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Manager.

Redemption Notes issued by the Fund will be unsecured debt obligations of the Fund and may be subordinated to other financing obtained by the Fund. There is no assurance that the Fund will have sufficient funds to pay on maturity the principal balance and accrued unpaid interest under any Redemption Notes issued.

In addition, if the Units are held by an investor through a Registered Plan (as defined herein) and such investor requests to receive Redemption Notes in satisfaction of the portion of their redemption request, such Redemption Notes will not be qualified investments for such Registered Plan, which could give rise to adverse consequences to the Registered Plan and the investor, including such Registered Plan becoming subject to a penalty tax or having its tax exempt status revoked, depending on the circumstances. Accordingly, investors holding Units through a Registered Plan should consult their own tax advisors and consider recission of such redemption request before receiving Redemption Notes. See “Certain Canadian Federal Income Tax Considerations –Disposition of Units” and “Risk Factors”.

The Manager has the right to require a Unitholder to redeem some or all of the Units owned by such Unitholder on a Valuation Date at the Net Asset Value per Unit thereof (which in the case of Preferred Units would be equal to the Preferred Unit Investment Amount plus any accrued but unpaid Preferred Return), by notice in writing to the Unitholder given at least 10 business days before the designated Valuation Date, which right may be exercised by the Manager in its absolute discretion.

The Manager is not required to redeem any Units on a pro-rata basis and may redeem out any series without being obligated to redeem any Units of another series. Preferred Units will be redeemed in preference to Common Units.

Suspension of Redemption Rights

At the discretion of the Manager, the Fund may suspend redemption rights in certain circumstances, including, but not limited to, the following:

- (a) during any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities or derivatives are traded which, in the aggregate, would, in the opinion of the Manager, significantly impact the Net Asset Value of the Fund;
- (b) during any period in which the Manager believes that conditions exist which render it unable to sell the Fund's Investments or Financed Companies or impair the Manager's ability to determine equitably the value of any of the Fund's Investments or Financed Companies, provided that such suspension is permitted under applicable securities legislation or under any exemptive relief granted by the appropriate regulator(s) of such securities legislation; and
- (c) when required to do so under applicable securities legislation.

The suspension of redemption rights may, at the discretion of the Manager, apply to all requests for redemption received prior to the suspension that have not yet been paid, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than two business days) be advised by the Manager of the suspension and that the redemption will be effected on the basis of the Net Asset Value per Unit determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall (unless the suspension lasts for less than two business days) be advised that they have the right to withdraw their requests for redemption.

To the extent that it is not inconsistent with applicable securities legislation, any declaration of suspension made by the Manager shall be conclusive. See "*Risk Factors*" for risks associated redemptions, Redemption Notes and with the ability of the Fund and/or Manager to suspend redemption rights.

DISTRIBUTIONS

The Manager's current intention is to make monthly distribution payments to Unitholders. Distribution payments may be paid after payment of the Fund's expenses, including interest and payment on indebtedness, and providing for any required reserves. Payments to holders of Common Units will not be cumulative.

The Manager intends on paying a fixed distribution amount for Series A and F Units that as of October 31, 2025, is equivalent to 5% per annum for Series A Units, and 6% per annum for Series F Units based on the Net Asset Value per Unit as of September 30, 2025. This fixed distribution amount will be reviewed and/or adjusted periodically at the discretion of the Manager.

The Manager intends on paying a variable distribution amount for Series A1 and F1 Units. Such amount will be determined at the discretion of the Manager based on the fluctuations of the Net Asset Value Per Unit from the previous applicable Net Asset Value calculation date.

The monthly distribution amount accruing to holders of Preferred Units shall be equal to 1/12 of the Preferred Return applicable to the Preferred Units Series, as determined by the Manager. The Preferred Return will range from the Royal Bank of Canada overnight regular savings rate to no more than the cost of unsecured debt available to the Partnership. The Preferred Return will be reviewed by the Manager

quarterly. The Preferred Return may change the quarter after the Royal Bank of Canada Prime Rate (“**Prime Rate**”) changes by 50 basis points or more on an absolute basis. The Manager may, at its discretion, change the Preferred Return quarterly after the Prime Rate changes by less than 50 basis points on an absolute basis. The Manager will post the current Preferred Return on the Fund’s website at www.portlandic.com.

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 Net Asset Value per Unit.

The Fund will annually distribute sufficient net income and net realized capital gains (reduced by a capital gains refund or loss carry forwards, if any) in each calendar year to ensure the Fund is not liable for ordinary income taxes. Notwithstanding the foregoing, distributions may be a combination of income, capital gains and return of capital. See “*Certain Canadian Federal Income Tax Considerations*”.

All distributions by the Fund on Units will be automatically reinvested in additional Units of the same series of the Fund held by the Unitholder at the Net Asset Value thereof, unless the Unitholder notifies the Manager in writing that it wishes to receive such distributions in cash.

Distributions are subject to the Fund’s cash flow and may be suspended or reduced. See “*Risk Factors*”.

NET ASSET VALUE

The Net Asset Value of the Fund and the Net Asset Value per Unit of each series of Units will be determined as of 4:00 p.m. (Toronto Time) on each Valuation Date by the Administrator in accordance with the Declaration of Trust.

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

All of the Fund’s fees and expenses, including the Preferred Return, are allocated to the Common Units of the Fund and thus all of the Fund’s fees and expenses affect the Net Asset Value of the Common Units. In addition, different series of Common Units have different commissions, trailer fees and expenses allocated to them as described under “*Fees and Expenses*”.

The Net Asset Value of the Preferred Units is equal to the Preferred Unit Investment Amount.

Valuation Principles

The assets and liabilities in the Fund will be carried at fair value, which is the amount of consideration that would be agreed upon in an arm’s length transaction between knowledgeable, willing parties under no compulsion to act. In determining the fair value of the assets of the Fund, the following rules shall be applied:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, in which event the

value thereof shall be deemed to be such value as the Manager, or third party engaged by the Manager, determines to be the reasonable value thereof;

- short-term loans and mortgages contemplated herein are valued at cost plus accrued interest, which the Manager, or third party engaged by the Manager, believes approximates fair value, provided there are no impairments. The Manager, or third party engaged by the Manager, will consider, but not be limited in considering, the following as part of its assessment for any impairments in the value of such investments: market interest rates, credit spreads for similar loans, and the creditworthiness and status of a borrower, including its payment history, the value of underlying property securing the short term loans and mortgages, overall economic conditions, status of construction or property development, if applicable, and other conditions specific to the underlying property or holding;
- the value of short-term income securities shall be that which, in the opinion of the Manager, or third party engaged by the Manager, reflects their fair value;
- long term mortgages and private commercial loans (including but not limited to first and second lien senior loans, term mezzanine debt and bridge loans consisting of senior and subordinated debentures plus participation rights) (collectively “**long term loans**”) do not trade in the actively quoted markets. The Manager, or third party engaged by the Manager, may use certain valuation techniques, including but not limited to discounted cash flows, in estimating the fair value of such long term loans. The process of valuing investments for which no published market exists will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. Determination of fair value will take into consideration a variety of factors including, but not limited to, the term to maturity of the loan, the market interest rate of similar loans, the value of any participation rights, whether it has a fixed or floating rate, any known impairment, the creditworthiness and status of a borrower, including its payment history and the value of any property securing the long term loans, overall economic conditions, status of construction or property development, if applicable and other conditions specific to the underlying property or holding;
- the value of any share, subscription right, warrant, option, future or other equity security which is listed or dealt upon a stock exchange shall be determined by taking the exchange specific closing or the latest available sale price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price as the Manager, or third party engaged by the Manager, may from time to time determine) on the day as of which the Net Asset Value or Net Asset Value per Unit is being determined;
- the value of inter-listed securities shall be computed in a manner which in the opinion of the Manager, or third party engaged by the Manager, most accurately reflects their fair value;
- the value of any bond, time note, debt-like security, share, unit, subscription right, clearing corporation options, options on futures, over-the-counter options or other security or other property which is not listed or dealt on a stock exchange shall be determined on the basis of such price quotations which, in the opinion of the Manager, or third party engaged by the Manager, best reflect its fair value. If no quotations exist for such securities, value shall be the fair value thereof as determined from time to time in such manner as the Manager, or third party engaged by the Manager, may determine;

- the value of any restricted securities, as defined in NI 81-102, shall be that which, in the opinion of the Manager, or third party engaged by the Manager, best reflects their fair value;
- the value of any Underlying Funds which are not listed or dealt upon an exchange shall be the most recently available Net Asset Value or such estimates as are readily available from the issuer, which in the case of an Underlying Fund, such estimates may only be provided quarterly and may be delayed by one month or more;
- any premium received by the Fund for a written covered clearing corporation option, option on futures or over-the-counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the Net Asset Value of the Fund or a series of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued in accordance with the provisions of this paragraph;
- forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract was to be closed out unless daily limits are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- all assets of the Fund valued in terms of foreign currency, funds on deposit and contractual obligations payable to the Fund in foreign currency and liabilities and contractual obligations payable by the Fund in foreign currency shall be taken at the current rate of exchange obtained from the best available sources by the Administrator in consultation with the Manager, or third party engaged by the Manager. "Foreign currency" for the purpose of this section is currency other than Canadian currency; and
- if, in the opinion of the Manager, or third party engaged by the Manager, the above valuations do not properly reflect the prices which would be received by the Fund upon the disposal of shares, securities or other assets necessary to effect any redemption or redemptions, the Manager, or third party engaged by the Manager, may place such value upon such shares, securities or other assets as appears to it to most closely reflect the fair value of such shares, securities or other assets.

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

The liabilities of each Fund shall be deemed to include:

- the Preferred Units, which will be valued at the lessor of \$10.00 per Unit or the Net Asset Value of the Fund divided by the number of issued and outstanding Preferred Units as of the previous Valuation Date;
- all bills, notes and accounts payable;
- all expenses incurred or payable by the Fund;

- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- all allowances and reserves applicable to the valuation of the pool of mortgages and loans in consideration of overall credit worthiness of said pool, including potential or known default, as determined by the Manager, or third party engaged by the Manager, from time to time;
- all allowances authorized or approved by the Manager for taxes or contingencies; and
- all other liabilities of the Fund or series of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Common Units and the balance of any undistributed net income or capital gains associated there within.

Differences from International Financial Reporting Standards

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

Net Asset Value of the Fund is calculated in the foregoing manner will be used for the purpose of calculating the Manager’s (and other service providers’) fees except as otherwise disclosed under “*Fees and Expenses*” and will be published net of all paid and payable fees. Such Net Asset Value will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with IFRS, the financial statements of the Fund will include a reconciliation note explaining any difference between such published Net Asset Value and Net Asset Value for financial statement reporting purposes (which must be calculated in accordance with IFRS).

FEES AND EXPENSES

General

All of the Fund’s fees and expenses, including the Preferred Return, are allocated to the Common Units of the Fund. In addition, different series of Common Units have different commissions, trailer fees and expenses allocated to them as described below. The Preferred Units do not receive any allocation of fees or expenses of the Fund because the Preferred Units only entitle the holder to the Preferred Return and a return of the Preferred Unit Investment Amount. In contrast, the Common Units entitle the holder to the Fund’s income after payment of all fees, expenses, the Preferred Return and the return of any amount of the Preferred Unit Investment Amount. See “*Risk Factors – Series Risk*”.

Management Fees

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

- 1/12 of 0.50% of the Net Asset Value of the Series A and A1 Units, plus an amount equal to the Trailing Commission (as defined below under “*Dealer Compensation – Trailing Commission*”) on such Units payable by the Manager to registered dealers, plus

- 1/12 of 0.50% of the Net Asset Value of the Series F and F1 Units,

(determined before deduction of Management Fees allocable to such Units but after the deduction of the Preferred Return).

Series O Unitholders may be charged a negotiated fee and it shall be payable by each Series O Unitholder (excluding the Fund) directly to the Manager or deducted from the Series O Net Asset Value.

All Management Fees and Trailing Commission payable by the Fund to the Manager are subject to HST (and other applicable taxes) and will be deducted as an expense of the applicable class and series of Common Units in the calculation of the Net Asset Value of such class and series of Units.

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

- 1/12 of 0.50% of the value of the outstanding Series AP Units (excluding any Preferred Return), plus an amount equal to the Trailing Commission on such Units payable by the Manager to registered dealers, plus
- 1/12 of 0.50% of the value of the outstanding Series FP Units (excluding any Preferred Return).

The Preferred Units Management Fees and associated Trailing Commission payable by the Fund to the Manager are subject to HST (and other applicable taxes) and will be deducted as an expense of the in the calculation of the Net Asset Value of the Fund and the Net Asset Value of the Common Units. See “*Net Asset Value*”.

Additional series of Units may be issued from time to time at the discretion of the Manager. To the extent the Manager issues any additional series of Units, such additional series may be subject to reduced management fees as determined by and at the discretion of the Manager, but Unitholders of such series would not be eligible to be a part of the schedule of reduced management fees which the Manager reserves the right to offer to selected investors of Common Units, as detailed below.

From time to time, the Manager reserves the right to offer a reduced management fee to selected investors of Common Units of the Fund such as registered advising or dealing representatives who have clients that in aggregate invest significant assets in the Fund. Currently, the Manager offers the following reductions, subject to the conditions below: (i) a fixed reduction of its management fee by 1/12 of 0.05% (10% rebate) to investors whose registered advising or dealing representatives have clients that purchase or have purchased units of the Fund in an aggregate amount equal to \$10,000,000 in a minimum of 40 investor accounts, or such other amount as may be determined by the Manager; (ii) a fixed reduction of its management fee by 1/12 of 0.0625% (12.5% rebate) to investors whose registered advising or dealing representatives with clients that purchase or have purchased units of the Fund in an aggregate amount equal to \$12,500,000 in a minimum of 50 investor accounts, or such other amount as may be determined by the Manager; (iii) a fixed reduction of its management fee by 1/12 of 0.075% (15% rebate) to investors whose registered advising or dealing representatives have clients that purchase or have purchased units of the Fund in an aggregate amount equal to \$15,000,000 in a minimum of 60 investor accounts, and (iv) a fixed reduction of its management fee by 1/12 of 0.10% (20% rebate) to investors whose registered advising or dealing representatives have clients that purchase or have purchased units of the Fund in an aggregate

amount equal to \$20,000,000 in a minimum of 80 investor accounts, or such other amount as may be determined by the Manager.

The management fee reductions described above are available on the following conditions:

- It is the responsibility of the investor's advisor or dealer to advise the Manager that an investor is eligible for a reduction (and no investor shall be entitled to a reduction until the Manager is so advised).
- The investor shall only be entitled to a reduction for so long as the minimum requirements listed above continue to be met.

The reduced management fee is achieved by reducing the management fee charged by the Manager to the Fund based on the Net Asset Value of the Units held by such investor and the Fund distributing the amount of the reduction as a special distribution to the particular investor (a "**Management Fee Distribution**") which is reinvested in additional Units of the same Series of a Fund. Management Fee Distributions are paid first out of net income or net realized capital gains and, thereafter, as a return of capital. See "*Certain Canadian Federal Income Tax Considerations*".

Operating Expenses

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

- (i) third party fees and administrative expenses of the Fund or Partnership, as applicable, which include accounting and legal costs, fees payable to any Mortgage Administrators or Specialty Investment Managers, independent review committee fees, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Unitholder communication expenses, the cost of maintaining the Fund's or Partnership's existence, regulatory fees and expenses, all reasonable extraordinary or non-recurring expenses and applicable GST or HST; and
- (ii) fees and expenses relating to the Fund's or Partnership's portfolio investments, including the cost of securities, interest on borrowings, commitment fees, related expenses payable to lenders and counterparties including possible fees charged by any Mortgage Administrators or Specialty Investment Managers relating to Underlying Funds or co-investments, costs of co-investments, brokerage fees, commissions and expenses, and banking fees.

The Manager may allocate and charge to the Fund time spent by its personnel or the personnel of its affiliates for functions that pertain to the operating activities outlined above. Such amounts will be determined based on fully allocated costs without a markup. The Manager may bear some of the Fund's or Partnership's expenses from time to time, at its option.

Operating expenses of the Partnership shall be the responsibility of the Partnership and will be reflected in the Net Asset Value of the Partnership.

To the extent the Fund invests in the Partnership, it will indirectly bear fees and expenses incurred by the Partnership. However, the Fund will not pay a management or incentive fee that would duplicate a

fee payable by the Partnership for the same service. In addition, the Fund will not pay any sales charges or redemption fees for its purchase or redemption of units of the Partnership.

Legal and Organizational Costs

The Fund is responsible for, and the Manager is entitled to reimbursement from the Fund for, all costs associated with the organization of the Fund. Set up costs associated with the issuance of Preferred Units in the amount of \$29,000 and applicable HST are allocated and payable by the Fund and amortized over five years commencing the month following January 31, 2019.

Redemption Fees

If a holder of Common Units redeems their units within the first 18 months from each purchase, the Manager may, in its discretion, charge a redemption penalty equal to 5% of the Net Asset Value of such Units redeemed which will be deducted from the redemption proceeds and retained by the Fund.

If a holder of Common Units redeems their units after 18 months to 36 months from each purchase, the Manager may, in its discretion, charge a redemption penalty equal to 2% of the Net Asset Value of such Units redeemed which will be deducted from the redemption proceeds and retained by the Fund.

There is no redemption fee upon the redemption of Preferred Units. For Unitholders that switch from Preferred Units to Common Units, the redemption penalty described above will be applicable and the initial purchase date of the Common Units for calculating the redemption penalty will be the date the Units were switched, not the initial purchase date of the Preferred Units.

Underlying Funds and Fee Rebates

The Partnership may invest in Underlying Funds. Underlying Funds may be charged management fees, performance fees, carried interest, Trailing Commission and other expenses. In consideration of the performance of their services, Mortgage Administrators and Specialty Investment Managers will generally be entitled to a fee. These fees may be paid to a Mortgage Administrator or Specialty Investment Manager by the Partnership and/or Fund directly or by a reduction from payments received directly by the Mortgage Administrator or Specialty Investment Manager pursuant to such mortgage or loans. A summary of these fees are provided in the semi-annual unaudited and annual audited financial statements.

There may be duplication of management fees on investments in Underlying Funds. Where possible, the Manager will negotiate for a reduced fee or a rebate of same on its investment in Underlying Funds. In addition, the Partnership will not pay management or performance fees on investments in securities of any Underlying Fund that is a fund managed by Portland, or that, to a reasonable person, would duplicate a fee payable by an investor in the Fund.

DEALER COMPENSATION

When investors purchase Units, their registered dealers receive two primary types of compensation – initial sales commission and Trailing Commission. Initially, registered dealers may be paid a negotiable sales commission by investors in the Fund. Thereafter and on behalf of the Fund, the Manager will arrange to pay a monthly Trailing Commission to participating registered dealers.

There is no commission payable by a purchaser to the Manager upon the purchase of the Units, except in its role as a registered dealer. Subscribers may pay negotiated initial sales commissions to their registered dealers, including the Manager (minimum investment requirements are net of any such fees).

Initial Sales Commission

For Series A and A1 Units, the registered dealer which distributes such Units may charge investors an initial sales commission of up to 10% (up to \$100 for each \$1,000 investment) of the value of the Units purchased. For Series AP Units, 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, Series F1, Series FP or Series O Units.

Trailing Commission

The Manager will collect from the Fund and pay to registered dealers a trailing commission (the “**Trailing Commission**”) equal to 1.00% per annum of the Net Asset Value of the Series A, A1 and AP Units held in each registered dealer’s client accounts. The Trailing Commission will assist registered dealers in providing Unitholders with continuing advice and service. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the Trailing Commission with registered dealers.

No Trailing Commission is paid in respect of Series F, F1, FP or O Units.

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

Sales Incentives

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

MANAGEMENT AGREEMENT

In order to set out the duties of the Manager, the Fund has entered into a master management agreement with the Manager first dated October 22, 2012 and amended and restated on December 13, 2013, as amended and the Partnership has entered into a management agreement with the Manager dated December 17, 2012, as may be amended from time to time (collectively referred to as the “**Management Agreement**”). Pursuant to the Management Agreement, the Manager shall direct the affairs of each of the Fund and the Partnership and provide day-to-day management services to the Fund and the Partnership, including management of the Fund’s and the Partnership’s portfolios on a discretionary basis and

distribution of the Units of the Fund and the Partnership, and such other services as may be required from time to time. The Manager may delegate certain of these duties from time to time.

For its services to the Fund, the Manager receives Management Fees (accrued on each Valuation Date and paid monthly) which are unique to each series of Units. See “*Fees and Expenses – Management Fees*”. Additional series of Units may be issued from time to time at the discretion of the Manager. To the extent the Manager issues any additional series of Units, such additional series may be subject to reduced management fees as determined by and at the discretion of the Manager.

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

The Management Agreement may be terminated by either the Fund and the Partnership or the Manager on 30 days’ notice to the other parties, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Declaration of Trust.

ADMINISTRATOR

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

CUSTODIAN AGREEMENT

The Fund and the Partnership have entered into an agreement for custodial services with CIBC Mellon Trust Company located in Toronto, Ontario, (the “**Custodian**”) dated August 13, 2015, as may be amended (the “**Custodian Agreement**”). As Custodian, CIBC Mellon Trust Company may hold cash and securities of the Fund. The Custodian Agreement may be terminated upon at least 60 days’ prior written notice by the Manager or 120 days prior written notice by the Custodian.

PRIME BROKER AND/OR CUSTODIAN AGREEMENT

The Fund and/or Partnership may appoint a prime broker and/or custodian in respect of the Fund and/or Partnership’s portfolio transactions (the “**Prime Broker**”). All margin borrowings must be from arm’s length financial institutions and must be on normal commercial terms. The Prime Broker will provide borrowing and/or prime brokerage services to the Fund and/or Partnership under the terms of an account agreement (the “**Prime Broker Agreement**”). These services may include the provision to the Fund and/or Partnership of trade execution, settlement, reporting, securities financing, stock borrowing, stock lending, options, foreign exchange and banking facilities, and are provided solely at the discretion of the Prime Broker. The Fund and/or Partnership may also utilise other brokers and dealers for the purposes of executing transactions for the Fund and/or Partnership. The Prime Broker assumes possession of and a security interest in the assets in accordance with the terms of the Prime Broker Agreement. Assets not required as margin on borrowings are required to be segregated (from the Prime Broker’s own assets) but the Fund’s and/or Partnership’s assets may be commingled with the assets of other clients of the Prime Broker. Furthermore, the Fund and/or Partnership’s cash and free credit balances on account with the Prime Broker

are not segregated and may be used by the Prime Broker in the ordinary conduct of its business, and the Fund and/or Partnership is an unsecured creditor in respect of those assets. The Fund and/or Partnership may request delivery of any assets not required by the Prime Broker for margin or borrowing purposes.

LOAN FACILITY

The Fund and/or Partnership may borrow for the purposes of making investments, providing cover for the writing of options, paying redemptions, working capital purposes and to maintain liquidity in accordance with its investment objective and investment strategies and to pledge its assets to secure the borrowings. The Manager, on behalf of the Fund and/or Partnership, may from time to time enter into a loan facility and will not borrow a net amount exceeding 25% of the total assets of the Fund and/or Partnership after giving effect to such net borrowing. The interest rate, fees, and expenses under a loan facility are expected to be typical of similar credit facilities and net prime brokerage accounts of this nature. In the event that the net amount borrowed exceeds 25% of the total assets of the Fund and/or Partnership, after giving effect to such net borrowing, assets of the Fund and/or Partnership will be sold and the amount borrowed reduced to less than 25% of the total assets of the Fund and/or Partnership. The Fund and/or Partnership may borrow from the Manager, its affiliates and/or other related parties. See “*Risk Factors – Risks Associated with the Fund and/or Partnership’s Investments and Strategies – Leverage*”.

MORTGAGE LICENSING AND MORTGAGE ADMINISTRATORS

As neither the Partnership, the Fund nor the Manager are currently licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (the “**MBLAA**”), neither the Partnership, the Fund nor the Manager can engage directly in the business of dealing in mortgages in Ontario, and must therefore engage a licensed mortgage brokerage and mortgage administrator to conduct mortgage investment activities. The Partnership, the Fund and the Manager have engaged one or more Mortgage Administrators to service and administer mortgages on behalf of the Partnership and the Fund. However, in the future, the Manager and/or an affiliate of the Manager may act as a Mortgage Administrator, subject to obtaining any required regulatory approvals.

Services

Any Mortgage Administrator will be required, among other things, to:

- provide or arrange all clerical, accounting and administrative functions and maintain or arrange for the maintenance of books and records in connection with the Partnership and/or Fund’s mortgage investments;
- arrange for office space and equipment and the necessary executive, clerical and secretarial personnel for the administration of the day-to-day operations of the Mortgage Administrator;
- investigate, select and conduct relations with consultants, borrowers, lenders, mortgagors and other mortgage and mortgage investment participants, accountants, originators or brokers, correspondents and mortgage administrators, technical advisors, lawyers, underwriters, brokers and dealers, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents, banks, investors, builders and developers; to employ, retain and supervise such persons and the services performed or to be performed by such persons in connection with the Partnership and/or Fund’s mortgage investments and to substitute any such party or itself for any other such party or for itself;

- act on behalf of the Partnership and/or Fund as its nominee or agent in connection with acquisitions or dispositions of the Partnership and/or Fund's mortgage investments, the execution of deeds, mortgages or other instruments in writing for or on behalf of the Partnership and/or Fund and the handling, prosecuting and settling of any claims of the Partnership and/or Fund relating to the Partnership and/or Fund's mortgage investments including the foreclosure or other enforcement of any mortgage, lien or other security interest securing the Partnership and/or Fund's interests;
- provide those services as may be required in connection with the collection, handling, prosecuting and settling of any claims of the Partnership and/or Fund with respect to the Partnership and/or Fund's beneficial ownership in each mortgage, including foreclosing and otherwise enforcing mortgages and other liens and security interests securing the Partnership and/or Fund's interests;
- service and administer mortgages throughout their term on behalf of the Partnership and/or Fund, including holding the Partnership and/or Fund's interest in a mortgage investment as nominee and bare trustee, maintaining records and accounts in respect of each eligible mortgage investment, remitting to the Partnership and/or Fund all amounts received by the Mortgage Administrator on account of the Partnership and/or Fund's interest in each mortgage and on a monthly basis forwarding to the Partnership and/or Fund a monthly statement of account in respect of all mortgage investments in which the Partnership and/or Fund has an interest;
- assist the Manager to formulate and modify the Partnership and/or Fund's investment policies when appropriate, and to report to the Partnership and/or Fund in connection with or relative to the Partnership and/or Fund's mortgage investments as may be required from time to time by the Manager. The Mortgage Administrator shall provide the Manager with information relating to proposed acquisitions, dispositions, financing and mortgage investments including such information that the Manager deems necessary to execute completely its due diligence and responsibilities;
- use its reasonable efforts to present to the Partnership and/or Fund investment opportunities consistent with the investment policies and objectives of the Partnership and/or Fund, which investments will mainly consist of whole or partial interests in mortgages; and
- if required or upon request of the Manager, obtain an appraisal and/or Phase I Environmental Audit of Real Property with respect to mortgage interests which are being acquired or with respect to which a mortgage loan or commitment is being made.

Mortgage Administrators will also be expected to fulfill the role and provide such services in an honest and diligent manner, in good faith and to the best of its ability and not to prejudice the opportunities provided to the Manager in any manner. Mortgage Administrators will also be expected to service the Partnership and/or Fund's portfolio of mortgage investments in the same manner, and with the same care, skill, prudence and diligence, with which it services and administers its current mortgage loans, giving due consideration to customary and usual standards of practice employed by mortgage loan administrators with respect to loans comparable to the Partnership and/or Fund's investments and to exercise reasonable business judgment in accordance with applicable law to maximize recovery under the Partnership and/or Fund's investments.

Fees

In consideration of the performance of its services, Mortgage Administrators will generally be entitled to a fee (the “**Mortgage Administrator Fee**”). A summary of these fees are provided in the semi-annual unaudited and annual audited financial statements. The Mortgage Administrator Fee may be paid directly to the Mortgage Administrator by the Partnership and/or Fund or more typically by way of deduction from payments received directly by the Mortgage Administrator from borrowers pursuant to such mortgage loans. In addition, the Mortgage Administrator may, from time to time, charge brokers’ fees, lenders’ fees, commitment fees, renewal fees, Non-Sufficient Funds (“**NSF**”) fees, administration fees, discharge fees and similar fees to borrowers with respect to the eligible investments and, provided such fees are commercially reasonable, all of such fees will be and remain the sole property of the Mortgage Administrator.

Liability and Indemnity

Generally, the Mortgage Administrator will only be liable to the Manager, the Partnership and/or Fund by reason of acts constituting bad faith, willful misconduct or negligence in respect of its duties under any applicable agreement. The Partnership and/or Fund has agreed to indemnify and hold harmless the Mortgage Administrator, as well as its directors, officers, shareholders, employees, affiliates and agents, from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the foregoing, reasonable legal fees and expenses, arising from or in connection with any actions or omissions which the Mortgage Administrator takes as Mortgage Administrator under any applicable agreement, provided that such action or omission is taken, or not taken, in good faith and without willful misconduct, negligence, standard of care or is taken pursuant to and is in compliance with that agreement. This indemnity will survive the removal or resignation of the Mortgage Administrator in connection with any and all of its duties and obligations under any applicable agreement.

Acknowledgements

The Partnership and/or Fund acknowledges that the Mortgage Administrator, or its directors, officers, shareholders, employees and affiliates, may purchase with their own funds and own as a co-lender, a percentage interest in an investment that the Mortgage Administrator presents to the Partnership and/or Fund for acquisition and that the Mortgage Administrator may also sell undivided percentage interests in such investments to other co-lenders. The Partnership and/or Fund also acknowledges that the Mortgage Administrator may hold a subordinated portion in a mortgage which is presented to the Partnership and/or Fund and the rate of return on such subordinated portion may vary from the Partnership and/or Fund’s rate of return. The Partnership and/or Fund also consents to and acknowledges, among other things, that: (i) the directors, officers, employees, affiliates and associates of the Mortgage Administrator are engaged in a wide range of investing and other business activities, which may include Real Property financing in direct competition with the Partnership and/or Fund; (ii) the services of the Mortgage Administrator and its directors, officers and employees are not exclusive to the Partnership and/or Fund and the Mortgage Administrator, its directors, officers, employees and affiliates may at any time engage in promoting or managing any other entity or its investments including those which may compete directly or indirectly with the Partnership and/or Fund; (iii) the Mortgage Administrator may, from time to time, charge brokers’ fees, lenders’ fees, commitment fees, renewal fees, NSF fees, administration fees, discharge fees and similar fees to borrowers in amounts that are commensurate with fees paid to other entities providing similar services with respect to the eligible investments and all of such fees will be and remain the sole property of the Mortgage Administrator; (iv) the Mortgage Administrator is under no obligation to make payments to the Partnership and/or Fund under the Agreement in respect of an eligible investment unless and until payments

are received by the Mortgage Administrator from the borrower or other applicable person in respect of the eligible investment in any particular month; and (v) directors, officers and employees of the Mortgage Administrator may have an equity interest in a Real Property financing which is subject to a mortgage investment managed by the Mortgage Administrator.

TERMINATION OF THE FUND

The Fund has no fixed term. The Manager may, in its discretion, terminate the Fund by giving notice to the Unitholders and fixing the date of termination not earlier than 30 days following the mailing or other delivery of notice. No Units may be redeemed at the option of a Unitholder from the date that the notice of termination is delivered. The Fund will be terminated and dissolved in the event that the Manager resigns and no successor trustee and manager is appointed, or if the Manager has been declared bankrupt or becomes insolvent or there is a material breach of the Manager's obligations under the Declaration of Trust and such default continues for 120 days from the date that the Manager receives notice of such material default from a Unitholder.

On or about the effective date of termination of the Fund, the Manager (or other person appointed by the Manager in the event that the Manager cannot or will not so act) shall sell all non-cash assets of the Fund, unless the Manager determines that it would be in the best interests of the Unitholders to distribute some or all of such assets in kind. The Manager shall be entitled to retain out of any moneys in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or reasonably anticipated by the Manager in connection with or arising out of the termination of the Fund and the distribution of the Fund's assets to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

DECLARATION OF TRUST

The rights and obligations of the Manager and the Unitholders of the Fund are governed by the Declaration of Trust (as 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 Fund.

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

The Units

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

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

Each Unit of a particular series generally entitles the holder thereof to participate pro rata with respect to all distributions made to that series (except special distributions) and, upon liquidation of the Fund, to participate pro rata with the other Unitholders of that same series in the assets that such series is entitled to. Upon the liquidation of the Fund and the payment of all amounts to satisfy the Fund's liabilities and applicable reserves, the Preferred Units are entitled to receive only an amount equal to the Preferred Unit Investment Amount and any accrued but unpaid Preferred Return. Thereafter the holders of Common Units are entitled to receive the remainder of the assets of the Fund.

Unitholder Meetings

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

Amendment to the Declaration of Trust

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

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

Where securities legislation requires that written notice be given to Unitholders before the change takes effect and where the Trustee reasonably believe that the proposed amendment has the potential to materially adversely impact the financial interests or rights of the Unitholders, so that it is equitable to give Unitholders advance notice of the proposed change, the Trustee may amend the Declaration of Trust on 30 days' notice to Unitholders.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as of the date hereof, of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of a Unit by a prospective investor who acquires Units offered under this Offering Memorandum on the date hereof. This summary only applies to a prospective investor who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all times, (i) deals at arm's length and is not affiliated with the Fund or the Manager, (ii) holds Units as capital property, and (iii) has not entered into, with respect to their Units, a "synthetic disposition arrangement" or a "derivative forward arrangement". Generally, Units will be

considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Tax Regulations**”), all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and an understanding of the current published administrative policies and practices publicly announced by or on behalf of the Canada Revenue Agency (“**CRA**”). This summary does not take into account the tax laws of any province or territory of Canada or of any foreign jurisdiction. This summary assumes that the Tax Proposals will be enacted as proposed, although no assurance can be given in this regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law whether by legislative, governmental or judicial action, or any changes in administrative policies of the CRA.

This summary is based on the assumptions that the Fund will: (i) qualify or be deemed to qualify as a mutual fund trust under the Tax Act at all material times; (ii) not be a “SIFT trust” for purposes of the Tax Act at any time; (iii) not be a “financial institution” for purposes of the Tax Act at any time; (iv) not invest in any “offshore investment fund property” as defined in section 94.1 of the Tax Act; (v) not invest 10% or more in any “exempt foreign trust” as described in section 94.2 of the Tax Act; (vi) not invest in securities of an issuer that would be treated as a “foreign affiliate” or a “controlled foreign affiliate” of the Fund or of any Unitholder; (vii) not invest in securities of an issuer that will be a “tax shelter investment” as defined in section 143.2 of the Tax Act; and (viii) not enter into any arrangement where the result would be a “dividend rental arrangement” under the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable in respect of an investment in Units. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, investors should consult with their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units (including distributions, adjusted cost base and proceeds of disposition) must generally be expressed in Canadian dollars. Amounts denominated in any other currency must be converted into Canadian dollars generally based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carry forwards) and such amount of the income of the Partnership as is allocated in the year to the Fund for purposes of the Tax Act, to the extent that such net income is not paid or payable to Unitholders. In computing its income, the Fund will generally be entitled to deduct reasonable administrative expenses incurred to earn income. The Fund will be entitled to deduct the costs incurred by it in connection with the issuance of Units on a five-year, straight-line basis, subject to proration for short taxation years. Provided the Fund qualifies as a “mutual fund trust” for purposes of the Tax Act throughout its taxation year, the Fund will be entitled to a refund (**capital gains refund**) of its tax liability on its net realized capital gains equal to an amount

determined by formula under the Tax Act based on the redemption of Units during the year and accrued gains on the Fund's assets. The capital gains refund may be, and in practice is expected to be, applied to eliminate the maximum amount of the Fund's tax liability in the years that it is available. The Declaration of Trust requires the Fund to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that the Fund will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund.

Taxation of the Partnership

The Partnership is not subject to tax under the Tax Act. Each partner (including the Fund) is required to include in computing the partner's income the partner's share of the income or loss of the Partnership for its fiscal year ending in or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if it were a separate person resident in Canada. In computing such income or loss, deductions may be claimed for reasonable amounts in respect of administrative and other expenses incurred for the purpose of earning income from business or property. The income or loss of the Partnership for a fiscal year will be allocated to each Partner on the basis of the Partner's share of such income or loss subject to the Limited Partnership Agreement and the detailed rules in the Tax Act in that regard, including, in the case of allocation of losses to limited partners, the at-risk rules. It is expected that most of the earnings of the Partnership will be ordinary income, as opposed to capital gains and capital losses.

The Fund, as a partner, will be required to include in its income the taxable portion of any capital gain on the disposition of its interests in the Partnership. In general, a partner's adjusted cost base in a partnership at a particular time is equal to its initial cost of the partnership interest, plus income allocated to it for fiscal periods ending before that time, minus deductible losses allocated to it for fiscal periods ending before that time and minus amounts received by it as distributions of partnership income or capital. To the extent that the adjusted cost base to the Fund in the Partnership is less than zero at the end of a fiscal period of the Partnership, the negative amount will be deemed to be a capital gain of the Fund from the disposition of the partnership interest in the year in which the negative amount arises and the adjusted cost base to the Fund of the partnership interest will be nil immediately thereafter.

Taxation of Resident Unitholders (other than Registered Plans)

The following portion of this summary only applies to a prospective investor who is resident in Canada for purposes of the Tax Act (a "**Resident Unitholder**"). Certain Resident Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have those Units, and every other "Canadian security" (as defined in the Tax Act) of the Resident Unitholder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

Distributions

A Resident Unitholder will generally be required to include in computing income for a taxation year the amount of any net income and the taxable portion of any net capital gains of the Fund that is paid or payable to the Resident Unitholder in the year, whether or not such amounts are paid in cash, reinvested in additional Units, Redemption Notes or otherwise.

Generally, any distributions in excess of a Resident Unitholder's share of the net income and net realized capital gains of the Fund are a return of capital. A return of capital is not taxable to the Resident

Unitholder, but will reduce the adjusted cost base of the Resident Unitholder's Units. To the extent the adjusted cost base of a Resident Unitholder's Units is reduced to a negative amount, the Resident Unitholder will be deemed to realize a capital gain equal to the negative amount, and the adjusted cost base of the Resident Unitholder's Units will be nil immediately thereafter. The general rules regarding the taxation of capital gains are discussed below under the heading *Taxation of Capital Gains and Capital Losses*.

The Fund may designate to the extent permitted by the Tax Act, the portion of the net income of the Fund distributed to Resident Unitholders that may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received or deemed to be received by the Fund or allocated to the Fund by the Partnership on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Fund or allocated to the Fund by the Partnership. Any amount so designated is deemed for tax purposes to be received or realized by Resident Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation applies to amounts designated as taxable dividends. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, the Fund may make designations in respect of its foreign source income earned directly by the Fund or allocated to the Fund by the Partnership, if any, so that Resident Unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes paid (and not deducted) by the Fund. A loss realized by the Fund may not be allocated to, and may not be treated as a loss of, the Resident Unitholders.

A portion of the Net Asset Value per Unit may reflect income and/or capital gains accrued or realized by the Fund before the Unit was acquired by a Resident Unitholder. In particular, this may be the case when Units are acquired late in the year, or on or before the date on which a distribution will be paid. The income and taxable portion of capital gains paid or payable to a Resident Unitholder must be included in the calculation of the Resident Unitholder's income in the manner described above, even if it relates to a period before the Resident Unitholder owned the Units and may have been reflected in the price paid by the Resident Unitholder for the Units.

Resident Unitholders that are Individuals or certain trusts may be subject to an alternative minimum tax in respect of taxable dividends (including eligible dividends) received or considered to be received from taxable Canadian corporations and realized capital gains.

Disposition of Units

Generally, a Resident Unitholder will realize a capital gain (or capital loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are exceeded by) the adjusted cost base to the Resident Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units held by the Resident Unitholder at a particular time is the total amount paid for all Units currently and previously held by the Resident Unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any Units previously disposed of by the Resident Unitholder. The adjusted cost base to a Resident Unitholder of one Unit is the average adjusted cost base of all Units owned by the Resident Unitholder as capital property at that time.

Where the Fund redeems Units by distributing Redemption Notes or other property of the Fund to a Resident Unitholder, the proceeds of disposition to the redeeming Unitholder will be equal to the fair market value of the Redemption Notes or other property of the Fund so distributed, less any capital gain realized by the Fund in connection with such redemption to the extent the Fund designates such capital gain

to the redeeming Resident Unitholder. The cost of any Redemption Notes or other property distributed in specie by the Fund to a Resident Unitholder upon the redemption of the Units of the Fund will be equal to the fair market value of that property at the time of distribution. The Resident Unitholder will thereafter be required to include in income any interest or other income derived from the Redemption Notes or other property, in accordance with the provisions of the Tax Act.

Generally, a reclassification of Units from one series of a class of Units to another series of the same class of Units is not considered to be a disposition for the purposes of the Tax Act. However, a reclassification of Units from one class of Units to another class of Units is generally considered to be a disposition giving rise to the tax consequences described in the previous paragraph.

Generally, the Fund may not be entitled to a deduction for (i) any income of the Fund designated to a Resident Unitholder on a redemption of Units, where the Resident Unitholder's proceeds of disposition are reduced by the designation, and (ii) the portion of a capital gain of the Fund designated to a Resident Unitholder on a redemption of Units that is greater than the Resident Unitholder's accrued gain on those Units where the Resident Unitholder's proceeds of disposition are reduced by the designation.

Taxation of Capital Gains and Capital Losses

In general, one-half of any capital gain (a **taxable capital gain**) realized by a Resident Unitholder and the amount of any net taxable capital gains realized or considered to be realized by the Fund and designated by the Fund in respect of the Resident Unitholder for a taxation year is included in the Resident Unitholder's income as a taxable capital gain for that year and one-half of any capital loss (an **allowable capital loss**) realized by a Resident Unitholder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Unitholder in the taxation year or designated by the Fund in respect of the Resident Unitholder for the taxation year subject to and in accordance with detailed rules in the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the detailed provisions of the Tax Act.

Eligibility for Investment

Provided the Fund qualifies as a mutual fund trust under the Tax Act at all material times, Units will be qualified investments under the Tax Act for a trust governed by a RRSP, RRIF, RESP, RDSP, TFSA, FHSA or DPSP, all as defined in the Tax Act (collectively referred to as "**Registered Plans**" and individually referred to as a "**Registered Plan**").

A Registered Plan that holds Units and the holder, annuitant or subscriber of that Registered Plan, as the case may be, will generally not be subject to tax on the value of the Units, income or capital gains distributed by the Fund to the Registered Plan or a gain realized by the Registered Plan on the disposition of the Units (whether payment is received in cash or by reinvestment in additional Units), provided the Units are a qualified investment.

Notwithstanding the foregoing, the holder of a TFSA, FHSA or RDSP, a subscriber of an RESP, or the annuitant under an RRSP or RRIF (a "**controlling individual**") will be subject to a penalty tax in respect of Units held by such Registered Plans if such Units are a "prohibited investment" for such Registered Plans for the purposes of the Tax Act. Units will not be a "prohibited investment" for such Registered Plans unless the controlling individual does not deal at arm's length with the Fund for purposes of the Tax Act, or has a "significant interest" as defined in the Tax Act in the Fund. In addition, Units will not be a

“prohibited investment” if such Units are “excluded property” as defined in the Tax Act for such Registered Plans. Controlling individuals should consult their own tax advisors with respect to whether Units would be a prohibited investment in their particular circumstances.

If a Registered Plan requests the redemption of Units, property (including Redemption Notes) received in payment thereof, other than cash, may not be a qualified investment for the Registered Plan. A Registered Plan and the annuitant, beneficiary or holder thereof, may be subject to adverse tax consequences if the Registered Plan holds property (including Redemption Notes) that is not a qualified investment for the Registered Plan. **Investors who purchased Units through a Registered Plan should consult their own tax advisors prior to requesting a redemption or some or all of their Units.** See “*Risk Factors – Redemption and Redemption Notes Risks*”.

Investors who choose to purchase and hold Units through a Registered Plan should consult their own tax advisors regarding the tax treatment of (i) contributions to, (ii) acquisitions of property by, (iii) the redemption of Units held by, the Registered Plan, (iv) Redemption Notes or other assets received on a distribution or redemption of Units of the Fund for Registered Plans, and (v) whether the Units of the Fund would be a prohibited investment under the Tax Act, having regard to their own particular circumstances. Accordingly, investors holding Units through a Registered Plan should consult with their own tax advisor before requesting to receive Redemption Notes.

Portland Registered Plans

You may open any of the following Portland Registered Plans:

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

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

Taxation of Non-Resident Unitholders

The following portion of this summary only applies to a prospective investor who is not, and is not deemed to be, resident in Canada for purposes of the Tax Act or any applicable tax treaty and does not acquire (or hold) their Units in connection with a business carried on, or deemed to be carried on, in Canada (a “**Non-Resident Unitholder**”).

The following portion of the summary assumes that a Unit is not, and will not at any relevant time, constitute “taxable Canadian property” of any Non-Resident Unitholder. “Taxable Canadian property” includes, but is not limited to, an interest in (i) real or immovable property situated in Canada, and (ii) property used in, held in respect of or described in any inventory of a business carried on in Canada. The Fund does not expect a Unit to be “taxable Canadian property” at any relevant time, however, no assurance can be given in this regard.

Distributions

A Non-Resident Unitholder will not be subject to Canadian income tax under Part I of the Tax Act on distributions received from the Fund. Distributions to Non-Resident Unitholders of net income or the taxable portion of any net capital gains of the Fund will generally be subject to Part XIII withholding tax at a rate of 25%. This withholding tax rate may be reduced by an applicable bilateral tax treaty Canada may have with the Non-Resident Unitholder’s home jurisdiction. For instance, under the *Convention between Canada and the United States of America with Respect to Taxes on Income and on Capital*, this withholding tax rate is reduced to 15% in respect of Non-Resident Unitholders entitled to the benefits of such treaty.

Generally, any distributions in excess of a Non-Resident Unitholder’s share of the net income and net realized capital gains of the Fund are a return of capital. A return of capital is not taxable to the Non-Resident Unitholder, but will reduce the adjusted cost base of the Non-Resident Unitholder’s Units. To the extent the adjusted cost base of a Non-Resident Unitholder’s Units is reduced to a negative amount, the Non-Resident Unitholder will be deemed to realize a capital gain equal to the negative amount, and the adjusted cost base of the Non-Resident Unitholder’s Units will be nil immediately thereafter.

If the Units do not constitute “taxable Canadian property” to a Non-Resident Unitholder, any capital gain (deemed or actual) realized by the Non-Resident Unitholder will not be subject to tax under the Tax Act. However, if the Units do constitute “taxable Canadian property” to a Non-Resident Unitholder, the tax consequences described above in “*Taxation of Capital Gains and Capital Losses*” in respect of the Resident Unitholders will generally apply to any such realized capital gain (deemed or actual).

Dispositions

Dispositions, or deemed dispositions, of Units of a Non-Resident Unitholder will generally not be subject to Part I tax under the Tax Act provided the Units do not constitute “taxable Canadian property” to the Non-Resident Unitholder. If the Units do constitute “taxable Canadian property” to a Non-Resident Unitholder, the tax consequences described above in “*Disposition of Units*” and “*Taxation of Capital Gains and Capital Losses*” in respect of Resident Unitholders will generally apply.

Unitholders that are not, nor are deemed to be, residents of Canada for purposes of the Tax Act should consult their own tax advisors for advice with respect to the Canadian and non-Canadian income tax consequences of an investment in Units, based on their particular circumstances.

INTERNATIONAL INFORMATION REPORTING

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the U.S. and related Canadian legislation found in Part XVIII of the Tax Act, Unitholders will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number. If a Unitholder does not provide the information or is identified as a U.S. citizen or U.S. resident, details of the Unitholder’s investment in the Fund will generally be reported to the CRA,

unless the investment is held within a Registered Plan. The CRA will then provide the information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS Rules**”), Canadian financial institutions are required to have procedures in place to identify accounts held by residents of foreign countries (other than the United States) or by certain entities any of whose “controlling persons” are residents of foreign countries (other than the United States). The CRS Rules provide that, beginning in 2018, Canadian financial institutions must report required information to the CRA annually. Such information would then be available for sharing with the jurisdictions in which the account holders or such controlling persons reside for tax purposes under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide required information regarding their investment in the Fund to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

RISK FACTORS

Investment in Units involves certain risk factors, including risks associated with the Fund’s and the Partnership’s investment objectives and strategies. The following risks should be carefully evaluated by prospective investors. Where the Fund or Partnership invests in an Underlying Fund, the Fund and the Partnership will also be subject to the risks of that Underlying Fund which have not been fully reproduced below. Also, some of the risks noted below may apply to the Fund and/or Partnership indirectly as a result of an investment in an Underlying Fund.

Risks Associated with an Investment in the Fund and/or Partnership

No Assurance of Return

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

Investment Risk

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

Liquidity, Marketability and Transferability of Units

There is no market for the Units and their resale is subject to restrictions imposed by the Declaration of Trust, including consent by the Manager, and applicable securities legislation. See “*Transfer or Resale*”. Accordingly, Unitholders may only be able to liquidate their investment through redemption of their Units, which may include receiving Redemption Notes. In addition, the Manager may suspend or defer redemption rights in certain circumstances. See “*Redemptions*”. 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. Accordingly, Units may not be appropriate for investors seeking greater liquidity.

Distributions

The return on an investment in the Units is not comparable to the return on an investment in fixed income securities. Cash distributions to Unitholders are not guaranteed and are not fixed obligations of the Fund. Any receipt of cash distributions by a Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute cash to Unitholders monthly, distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make distributions and the actual amount distributed depends upon the Fund's performance and is subject to various factors including those referenced herein. The value of the Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

Capital Depletion Risk

Series A and F Units are designed to provide monthly cash flow to investors based on a targeted annual distribution rate. **Where this cash flow exceeds the net income and net realized capital gains attributable to that Series, it will include a return of capital. A return of capital means a portion of the cash flow given back to you is generally money that was invested in the Fund, as opposed to the returns generated by the investment. This distribution to you should not be confused with "yield" or "income".** Returns of capital that are not reinvested will reduce the total Net Asset Value of the particular Series of the Fund. As well, returns of capital reduce the total assets of a Fund available for investment, which may reduce the ability of the Fund to generate future income. You should not draw any conclusions about the Fund's performance from the amount of this distribution.

Units are not Insured

The Fund is not a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Units are redeemable at the option of the holder, but only under certain circumstances as described herein.

Cybersecurity Risk

With the increased use of technologies to conduct business, the Manager, the Fund, the General Partner and the Partnership have become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's, Fund's, General Partner's and/or Partnership's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal Unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager, Fund, General Partner and/or Partnership. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's, Fund's, General Partner's and/or Partnership's systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager, Fund, General Partner and/or Partnership to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could result in legal claims or processing against the

Manager, Fund, General Partner and/or Partnership, and/or cause the Manager, Fund, General Partner or Partnership to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. The Manager maintains cyber risk insurance, but this insurance may not be sufficient to cover all of our losses from cybersecurity risk. While the Manager has established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's, Fund's, General Partner's and/or Partnership's third-party service providers (including, but not limited to, the Mortgage Administrators, Specialty Investment Managers, custodian, prime broker and administrator) may disrupt the business operations of the service providers and of the Manager, Fund, General Partner and/or Partnership. These disruptions may result in financial losses, the inability of Fund or Partnership Unitholders to transact business with the Fund and/or Partnership and inability of the Fund and/or Partnership to process transactions, the inability of the Fund and/or Partnership to calculate their Net Asset Value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. The Fund and/or Partnership and its Unitholders could be negatively impacted as a result of any such cybersecurity breaches, and there can be no assurance that the Fund and/or Partnership will not suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Manager's, Fund's, General Partner's and/or Partnership's third-party service providers in the future, particularly as the Manager and the Fund cannot control any cybersecurity plans or systems implemented by such service providers.

Cybersecurity risks may also impact issuers of securities in which the Fund and/or Partnership invests, which may cause the Fund's and/or Partnership's investments in such issuers to lose value.

Reliance on Manager, Key Personnel and Counterparties

The success of the Partnership and Fund will be primarily dependent upon the skill, judgment and expertise of the Manager and its principals. Also, the Manager is selecting and employing specialists to help administer and help address the investment goals.

In the event of the loss of the services of the Manager, or of a key person of the Manager, or the loss of the services of any Mortgage Administrators or Specialty Investment Managers, the performance of the Fund and/or Partnership may be adversely affected.

The Fund and/or Partnership relies on delegates/counterparties to perform significant functions, for example, administration, custody and investment management, as such poor performance by a delegate may negatively impact the Fund and/or Partnership. Each such delegate may in turn rely on key individuals and in the event of the death, incapacity or departure of any of these individuals, the operations, business and performance of the Fund and/or Partnership may be adversely affected.

Valuation of the Fund or Partnership's Investments

Valuation of the Fund and/or Partnership's securities and other investments may involve uncertainties and determinations requiring judgment and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not be available regarding certain of the Fund and/or Partnership's securities and other investments. Valuation

determinations will be made in good faith in accordance with the Declaration of Trust or Limited Partnership Agreement, as applicable.

The Fund and/or Partnership 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 and/or Partnership to any such investment differs from the actual value, the Net Asset Value 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 and/or Partnership 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 and/or Partnership. 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 and/or Partnership by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Manager. The Fund and/or Partnership does not intend to adjust the Net Asset Value of the Fund or Partnership retroactively.

Redemption and Redemption Notes Risks

Redemption rights offered by the Fund are subject to certain restrictions and subject to Redemption Notes, as set out herein. In addition, the Manager may suspend redemption rights in certain circumstances. Investors should carefully review the disclosure set out under the heading “*Redemptions*”.

Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash or require the Fund to fail to meet commitments in order 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.

If the Manager determines that the Fund does not have sufficient cash reserves to pay the amounts payable on the redemption of Units, redeeming Unitholders may receive Redemption Notes from the Fund (in lieu of cash). Redemption Notes will be unsecured debt obligations of the Fund and may be subordinated in other financing obtained by the Fund. Circumstances may arise where the Fund does not have the funds available to pay, on maturity of any Redemption Note, the principal balance and interest owing on such Redemption Note. There will be no market for Redemption Notes.

Furthermore, Redemption Notes will not be qualified investments for Registered Plans, which could give rise to adverse consequences to a Registered Plan or the annuitant under a Registered Plan, including the redeeming Unitholder becoming subject to a penalty tax or having its tax-exempt status revoked depending on the circumstances. Accordingly, investors that propose to invest in Units through Registered Plans or request redemption of the Units which may be paid by the Fund issuing Redemption Notes or other property of the Fund should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units. See “*Certain Canadian Federal Income Tax Considerations*”.

Although Redemption Notes are not qualified investments for Registered Plans, there may be instances relating to operational systems, which are out of the Manager’s control, where such Redemption Notes are inadvertently identified as qualified investments for Registered Plans. In such cases, there may

be no opportunity for your registered dealer to remedy this, which could lead to adverse tax implications for such Unitholders.

Changes in Investment Objective and Strategies

The General Partner may alter the investment objective and strategies (including borrowing) of the Partnership without prior approval of the Limited Partners and Unitholders. The Manager may alter the investment strategies of the Fund (including borrowing) without prior approval of the Unitholders.

Potential Conflicts of Interest

The business of the Manager is the investment of accounts for its clients. The orders of the Partnership or Fund may be executed at the same time as other accounts managed by the Manager. 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. However, 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 may co-invest with, partner with, and/or otherwise rely on Mortgage Administrators with respect to investments made by the Fund and/or Partnership. Such Mortgage Administrators, including but not limited to officers and directors of such Mortgage Administrators, may have conflicts of interest in their own businesses and/or business models which may negatively impact the performance of the Fund and/or Partnership. For example, directors, officers and employees of such Mortgage Administrators may have an equity interest in a Real Property financing which is subject to a mortgage investment managed by the Mortgage Administrator.

The Manager may also co-invest with, partner with, and/or otherwise rely on Specialty Investment Managers with respect to investments made by the Fund and/or Partnership. The Manager may also invest in funds managed by Specialty Investment Managers. Such Specialty Investment Managers, including but not limited to officers and directors of such Mortgage Administrators, may have conflicts of interest in their own businesses and/or business models which may negatively impact the performance of the Fund and/or Partnership.

If the Manager or an affiliate of the Manager becomes registered to operate as a Mortgage Administrator and is involved with investments of the Fund and/or Partnership such entities may also be dealing with other investment funds managed by the Manager and/or an affiliate of the Manager. Although the Manager and/or affiliate of the Manager will use their best efforts to be fair and reasonable, there may be situations where certain opportunities or investments are not allocated equally among all applicable accounts.

The Manager and the General Partner are controlled, directly or indirectly, by Michael Lee-Chin. Mandeville Operations Management Inc. (“**MOM**”) and AIC Global Holdings Inc. (“**AICGH**”), affiliates of the Manager, provide certain administrative services to the Manager for which they may receive a fee. AICGH and its employees also provide certain other services, including consulting and marketing-related services, to the Manager. Please see “*Corporate Governance - Sales Practices and Referral Arrangements*”. The amount of fees, if any, received from the Fund and/or Partnership by MOM and AICGH is contained in the audited financial statements of the Fund and/or Partnership. The Manager and AICGH are 100% controlled by Michael Lee-Chin. Michael Lee-Chin is a director and senior officer of the Manager and AICGH. The Manager will be utilizing these affiliates as described herein. Accordingly, investors should

be aware that there is an innate and financial bias for these entities towards products managed by the Manager. See also *“Corporate Governance – Conflicts of Interest”*.

Crown is a reporting issuer that is currently a Specialty Investment Manager of the Partnership. The Partnership is invested in Crown and is considered an insider under applicable securities laws. Crown is also involved in the management of underlying issuers held in Crown Capital Partner Fund, LP, which is an Underlying Fund. Please also see *“Investment Policies of the Partnership – Management of the Partnership”* and *“Corporate Governance – Conflicts of Interest”*.

Charges to the Fund

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

Tax-Related Risks

It is intended that the Fund qualify at all times as a “mutual fund trust” for purposes of the Tax Act. To qualify as a mutual fund trust, (i) the sole undertaking of the Fund must be the investing of its funds in property (other than certain real property or interests in real property), (ii) the Fund must comply on a continuous basis with certain requirements including those relating to the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units, and (iii) the Units must be “redeemable on demand” for purposes of the Tax Act. Furthermore, the Fund must not be reasonably considered to have been established or maintained primarily for the benefit of Non-Residents. If the Fund fails or ceases to qualify as a “mutual fund trust”, there may be adverse tax consequences to the Fund and the Unitholders, and the tax consequences would be materially different than those described herein. For instance, if the Fund ceases to qualify as a “mutual fund trust”, the Units will not be qualified investments for Registered Plans and there will be adverse tax consequences to Registered Plans and their annuitants, holders, subscribers or beneficiaries.

The Fund may, in its sole discretion, effect the compulsory redemption of all or any portion of the Units where, in the opinion of the Manager, acting reasonably, the subscription for or holding of Units by such person is, was or may be in any way unlawful or detrimental to the interests or well-being of the Fund or Unitholders. This may occur when the Fund determines that the Fund is at risk of being deemed not to be a “mutual fund trust” under the Tax Act by virtue of a majority of Units being beneficially held by one or more persons who are non-residents of Canada and/or non-Canadian partnerships for the purposes of the Tax Act or by virtue that such non-residents of Canada and/or non-Canadian partnerships own more than fifty (50%) percent of the fair market value of all issued and outstanding Units.

The Fund may be subject to loss restriction rules contained in the Tax Act unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that Unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund’s net income and net realized capital gains, if any, at such time to Unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

It is intended that the Fund will not be or become a “SIFT Trust” for purposes of the Tax Act. If investments in the Fund are listed or traded on a stock exchange or other public market, the Fund may be, and therefore taxable as, a SIFT Trust, which will have adverse tax consequences to the Unitholders and the Canadian federal income tax considerations of investing in the Fund will be materially different from those described herein.

The Fund is not required to distribute its income in cash. If the Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income may be distributed to the Unitholders in accordance with the provisions of the Declaration of Trust by reinvestment in additional Units. The Unitholders will be required to include all such distributions in computing their income for tax purposes, even if that cash may not have been distributed to such the Unitholders. Cash distributions to a particular the Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

Property of the Fund or Redemption Notes received as a result of a distribution or redemption of Units will not be a qualified investment for Registered Plans, which may give rise to adverse consequences to a Registered Plan and the annuitant, holder, subscriber or beneficiary thereunder.

While the Fund and the Partnership believe that its tax filing positions are and will be appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such a challenge were to succeed, it could have a material adverse effect on the Fund’s and/or the Partnership’s tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, or the administrative policies and assessing practices of taxation authorities, could materially adversely affect the Fund’s and/or the Partnership’s tax position. As a consequence, neither the Fund nor the Partnership is unable to predict with certainty the effect of the foregoing on its effective tax rate and earnings. The Fund will review the adequacy of its tax provisions and intends to adequately provide for those matters. Should the ultimate outcomes differ materially from the provisions, the Fund’s effective tax rate and earnings may be affected positively or negatively in the period in which the matters are resolved. Although the Fund and the Partnership are of the view that all expenses to be claimed by it in the determination of its income under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the CRA will agree with the expenses claimed. If the CRA successfully challenges the deductibility of expenses, the Fund’s taxable income and losses may change.

The designation of income or gains realized by the Fund to the Unitholders, including as of result of the characterization of gains realized by the Partnership on the disposition of investments as capital gains will depend largely on factual considerations. The Manager will endeavor to make appropriate characterizations of income or gains realized by the Fund for purposes of designating such income or gains to the Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Fund and/or the Partnership characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Fund’s and/or the Partnership’s characterization of a particular amount was incorrect, the Unitholders might suffer material adverse tax consequences as a result. Losses incurred by the Fund in a taxation year cannot be allocated to the Unitholders but may be deducted by the Fund in future years, subject to certain loss suspension rules contained in the Tax Act which may restrict the Fund’s ability to deduct certain losses in certain circumstances.

There can be no assurance that Canadian federal income tax laws or the judicial interpretation thereof, or the administrative policies or assessing practices of the CRA respecting the treatment of trusts or limited partnerships, will not be changed in a manner that adversely affects the Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of the Units. There is also a risk that the CRA may reassess the returns of Unitholders relating to their investments in the Units.

Canadian federal, provincial, and local tax aspects should be considered by prospective investors prior to purchasing Units under this Offering Memorandum. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum.

Lack of Independent Experts Representing Investors

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

Not a Public Mutual Fund

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

Possible Loss of Limited Liability

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

Possible Negative Impact of Regulation

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

Potential Indemnification Obligations

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

Risks Arising from Provision of Managerial Assistance

The Partnership may obtain rights to participate substantially in and influence substantially the conduct of the management of an Investment or Financed Company. The Partnership may designate directors to serve on the board of directors of an Investment or Financed Companies. The designation of directors and other measures contemplated could expose the assets of the Partnership and/or Fund to claims by an Investment or Financed Company, its security holders and its creditors. While the Manager intends to manage the Partnership and Fund in a manner that will minimize its exposure to such risks, the possibility of such claims cannot be precluded.

Series Risk

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

All of the Fund's fees and expenses, including the Preferred Return, are allocated to the Common Units of the Fund. This could be detrimental to the investment returns of Unitholders of Common Units.

While the Preferred Units do not receive any allocation of fees or expenses of the Fund, Preferred Units only entitle such Unitholders to the Preferred Return and a return of the Preferred Unit Investment Amount. This could impose limits on the maximum potential investment return for Unitholders of Preferred Units.

Additional series of Units may be issued from time to time at the discretion of the Manager. To the extent the Manager issues any additional series of Units, such additional series may be subject to different management fees as determined by and at the discretion of the Manager. Although this Offering Memorandum may be updated from time to time, this Offering Memorandum will not be updated solely because new Units or series of Units are issued.

Substantial Redemptions

If holders of a substantial number of Units of the Fund exercise their redemptions rights, the number of Units outstanding and the Net Asset Value of the Partnership could be significantly reduced due to corresponding redemptions of Units of the Fund. A substantial redemption of Partnership units may adversely affect the available capital required by the Partnership to carry out its investment strategy.

Litigation Risk

The Fund, the Partnership, the General Partner and/or the Manager (or an affiliate of the Manager) may become involved in, named as a party to, or become the subject of, various legal proceedings, including regulatory proceedings and legal actions. The outcome with respect to outstanding, pending or future legal proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Fund, the Partnership, the General Partner and/or the Manager (or an affiliate of the Manager) and as a result, could have a material adverse effect on the Fund and/or the Partnership. Even if the Fund, the Partnership, the General Partner and/or the Manager (or an affiliate of the Manager) prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Fund's, the Partnership's, the General Partner's and/or the Manager's (or affiliate of the Manager's) business, which could have a material adverse effect on the Fund and/or the Partnership.

AICGH, which owns and controls the Manager, is presently involved in two litigation proceedings. Investors should be aware that these legal proceedings may result in financial liability for AICGH. The impact of any damages awarded against AICGH on the Manager's financial condition, operations, and performance cannot be predicted with certainty. Please see "*Corporate Governance – Litigation*".

No Involvement of Unaffiliated Selling Agent

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

General Partner and Manager are Fiduciaries

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

Risks Associated with the Fund and/or Partnership's Investments and Strategies

Nature of the Investments

Investments in mortgages are affected by general economic conditions, local real estate markets, demand for housing or commercial premises, fluctuation in occupancy rates, operating expenses and various other factors. Investments in mortgages are relatively illiquid. This will tend to limit the Partnership and/or Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions. The Partnership and/or Fund's investments in mortgage loans will be secured by real estate. All Real Property investments are subject to elements of risk. While independent appraisals may be obtained before the Partnership and/or Fund makes any mortgage investments, the appraised values provided therein, even where reported on an "as is" basis are not necessary reflective of the market value of the underlying Real Property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or lease-up improvements on the Real Property providing security for the investment. There can be no guarantee that these conditions will be satisfied and if, and to the extent, they are not satisfied, the appraised value may not be achieved.

Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the Real Property at the time the conditions are satisfied.

There may be instances where the Partnership and/or Fund may invest in situations involving distressed companies. These investments by the Partnership and/or Fund are typically done as part of a DIP financing arrangement. DIP financings are often required to close with certainty and in a rapid manner in order to assist with the funding of the restructuring of a technically insolvent company. Although a DIP lender is typically granted “super-priority” status by court order over the claims of existing creditors, there may be existing court ordered charges that rank in priority to the DIP lending charge. In the event the DIP lender is required to enforce the DIP lending charge, the recourse would typically be only to the assets of an insolvent company.

An investment in commercial loans, particularly mezzanine finance can require a long-term commitment. Many of the Partnership’s and/or Fund’s investments will be highly illiquid and there can be no assurance that the Partnership and/or Fund will be able to realize such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to the Partnership and/or Fund, as applicable. In addition, to the extent the Partnership and/or Fund invests in illiquid public securities, that may also negatively affect the net asset value of the Partnership and/or Fund. As the Partnership and/or Fund may make only a limited number of investments, poor performance by a few of the investments could significantly affect the total returns to the Partnership and/or Fund. In the event a company that the Partnership and/or Fund invests in fails to meet projections, the Partnership and/or Fund may suffer a partial or total loss of capital invested in that company. Therefore, there can be no assurance that the Partnership and/or Fund will be able to realize the value of its investments and distribute proceeds in a timely manner.

There is a risk that the collateral securing commercial loans may decrease in value, may be difficult to sell in a timely manner, may be damaged, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the Investments or Financed Companies to raise additional capital. Moreover, in some circumstances, the underlying lien could be subordinated to claims of other creditors. In addition, deterioration in an Investment or Financed Companies’ financial condition and prospects, including the inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that the Fund and/or Partnership will receive principal and interest payments according to the loan’s terms, or at all, or that the Fund and/or Partnership will be able to collect on the loan should the Fund and/or Partnership be forced to enforce its remedies.

Mezzanine debt investments will generally be subordinated to senior secured loans and will generally be unsecured or have a subordinated secured interest. This may result in an above average amount of risk and volatility or a loss of principal. These investments may involve additional risks that could adversely affect investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, such debt could subject the Fund and/or Partnership to non-cash income. Since the Fund and/or Partnership will not receive cash prior to the maturity of some of its mezzanine debt investment, such investments may be of greater risk than paying cash loans.

The Fund’s and/or Partnership’s income and funds available for distribution to Unitholders would be adversely affected if a significant number of borrowers were unable to pay their obligations to the Fund and/or Partnership or if the Fund and/or Partnership was unable to invest its funds in mortgages or commercial loans on economically favourable terms. On default by a borrower, the Fund and/or Partnership

may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment.

Liquidity Risk

Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Fund's and/or Partnership's portfolio positions may be reduced. In addition, the Fund and/or Partnership may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Fund's and/or Partnership's liquidity. Also, certain of the investments owned by the Fund and/or Partnership may be subject to legal or contractual restrictions which may impede the Fund and/or Partnership's ability to dispose of its investments which it might otherwise desire to do. The Fund and/or Partnership 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. Such circumstances may force the Fund and/or Partnership to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Fund and/or Partnership may be unable to sell such financial instruments or prevent losses relating to such financial instruments. In addition, in conjunction with a market downturn, the Fund's and/or Partnership's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Fund's and/or Partnership's exposure to their credit risk. Moreover, to the extent the Partnership and/or Fund invests in illiquid public securities, that may also negatively affect the net asset value of the Partnership and/or Fund.

Credit Risk

Credit risk can have a negative impact on the value of a debt security, such as a loan or a mortgage. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called “**credit spread**”), between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread generally decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating generally decreases the value of a debt security.
- Collateral risk, which is the risk that in the event of a default under secured debt instruments, it may be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

Interest Rate Changes

The value of the Fund's and/or Partnership's investments may fall if market interest rates for government, corporate or high yield credit rise. The value of the Fund and/or Partnership's fixed income instruments may rise and fall as interest rates change. When interest rates fall, the value of an existing instrument tends to rise. When interest rates rise, the value of an existing bond or loan tends to fall. The value of debt instruments that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes. The Manager's ability to replace matured variable debt instruments at the same or better yield will be impacted by interest rate changes.

Real Estate Risk

In addition to general market conditions, investment in securities in the real estate sector, will be affected by the strength of the real estate markets. Factors that could affect the value of the Fund's and/or Partnership's holdings include the following (i) overbuilding and increased competition; (ii) increases in property taxes and operating expenses; (iii) declines in the value of real estate; (iv) lack of availability of equity and debt financing to refinance maturing debt; (v) vacancies due to economic conditions and tenant bankruptcies; (vi) losses due to costs resulting from environmental contamination and its related clean-up; (vii) changes in interest rates; (viii) changes in zoning laws; (ix) casualty or condemnation losses; (x) variations in rental income; (xi) changes in neighbourhood values; and (xii) functional obsolescence and appeal of properties to tenants.

Environmental and Other Regulatory Matters

Although Mortgage Administrators may obtain an evaluation of the property to be subject to the mortgage in the form of a Phase I Environmental Audit, environmental legislation and policies have become an increasingly important feature of property ownership and management in recent years. Under various laws, the Fund and/or Partnership could become liable for the costs of effecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and wastes at or from a property, or disposed of at another location. The failure to effect remedial work may adversely affect an owner's ability to sell real estate or to borrow using the real estate as collateral and could result in claims against the owner.

Debt Instruments and Debt-Related Securities

The Fund and/or Partnership may invest in bonds or other debt instruments including, without limitation, debt securities, bonds, notes and debentures issued by corporations. Debt-related securities pay fixed, variable or floating rates of interest. The value of debt instruments in which the Fund and/or Partnership may invest will change in response to fluctuations in interest rates. In addition, the value of certain debt instruments can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Debt instruments 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 instruments are not held to maturity, the Fund and/or Partnership may suffer a loss at the time of sale of such instruments.

Supply Chain Risk

Underlying portfolio investments may be adversely affected by supply chain issues. Supply chain issues have impacted most industries, including, but not limited to, semiconductor and chips (which in turn,

could impact software development, production and manufacturing), electronics, appliances, equipment, automobiles and other items that require manufacturing, repair or maintenance of products. Global supply chain issues have also triggered labour and workforce shortages. These supply chain and workforce shortages have been and may continue to be impacted by events beyond the reasonable control of the Partnership's portfolio investments, including macro-economic events, trade restrictions, political crises, public health emergencies including the COVID-19 pandemic or future variants, and/or natural disasters, climate change, water scarcity, poor water quality or extreme weather conditions.

Maritime and Shipping Industry Risks

The maritime industry is the subject of various risks, each of which could have a material, adverse effect on the Fund and/or Partnership, including, without limitation: events such as marine disasters, bad weather, mechanical failures, structural failures, human error, war, terrorism, piracy and other circumstances or events; compliance with various laws and regulations, including federal, state and local laws and regulations affecting the marine transportation industry, all of which are subject to amendment or changes in interpretation; requirements to obtain and maintain permits, licenses and certificates and perform routine inspections, monitoring, recordkeeping and reporting with respect to vessels and operation; and global trade agreements, trade sanctions, tariffs and subsidies that adversely affect the flow of import and export tonnage and the demand for marine transportation services. If the maritime industry continues to experience dislocation, the Fund's and/or Partnership's ability to achieve its investment objectives may be adversely affected.

In addition, values of shipping vessels, which will be the primary collateral for loans in the Fund and/or Partnership, can fluctuate substantially over time due to a number of factors, including: prevailing macroeconomic and regional economic conditions; a substantial or extended decline in global demand for exports and imports; changes in the supply-demand balance of shipping vessels markets, changes in prevailing charter rates for shipping vessels; condition of shipping vessels serving as collateral, including their size, age, technical specification, efficiency, operational flexibility and potential costs of retrofitting or modifying existing ships due to technological advances or changes in applicable regulations, standards or customer requirements; and loss events, including acts of piracy, seizure by maritime claimants or requisition of governments during a period of war or emergency.

The Fund and/or Partnership will have a limited number of investments in the maritime industry, primarily in shipping companies and non-U.S. oil services companies. As a result, the Fund and/or Partnership may be particularly vulnerable to economic conditions in the shipping industry, including declines in export/import volumes, strikes, increases in fuel costs, uninsured casualties and the difficulties associated with enforcing liens on liquidating collateral in non-U.S. jurisdictions. The Fund and/or Partnership may directly or indirectly make loans to special purpose vehicles that own one or more vessels where the borrower's revenues are limited to income derived from such vessels. If the vessels are not deployed for a period of time, or if revenues fall, the borrower may not have sufficient income to pay operational expenses or to service the debt.

Public Health and COVID-19 Risks

A local, regional, national or international public health crises including epidemics, pandemics, quarantines or outbreaks of infectious diseases or viruses (including but not limited to COVID-19 or future variants, H1N1 influenza virus, avian flu, respiratory syncytial virus and flu) or a fear of any of the foregoing, could adversely impact the General Partner, Manager, Fund and Partnership by causing operating, manufacturing, supply chain and project development delays and disruptions, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures).

It is unknown whether and how the General Partner, Manager, Fund and Partnership may be affected if such events and other similar and/or related events persist for an extended period of time. A widespread health crisis could result in uncertainty, volatility and disruption including to the financial markets, which could affect a number of factors, including interest rates, credit ratings, credit risk, inflation, business and financial conditions, results of operations and other relevant factors negatively impacting the General Partner, Manager, Fund and the Partnership.

Contagious diseases or global health crises can disrupt economic activities and impact borrower solvency, affecting the Fund's and Partnership's investments in private debt instruments and debt instruments, including but not limited to debt securities, and debt-related securities. For instance, during a pandemic, businesses may face reduced cash flows, increasing the risk of defaults on private commercial loans. Additionally, travel restrictions and disruptions in global supply chains can affect maritime businesses, impacting the Fund's and/or Partnership's investments in senior secured floating-rate loans to the shipping industry. Assessing the Fund's and/or Partnership's resilience and ability to manage such risks is crucial in navigating pandemic-related challenges.

Geopolitical Conflicts Risk

Geopolitical conflicts, including the Russia-Ukraine war, the conflict in Israel, Gaza and nearby areas, terrorism or other military events could directly or indirectly impact the Fund's and/or Partnership's portfolio investments, financial markets or more broadly, the global economy. For example, as a result of the Russia-Ukraine war, a company that the Fund and/or Partnership invests in directly or indirectly may be adversely impacted by having operations in Russia or Ukraine, actual or potential disruptions in supply chains, an increased risk of cyberattacks, an increase in commodity prices, the availability and cost of energy, reputational risks and the global economy. In addition, the Russia-Ukraine war has broader implications, including increased sanctions, trade barriers or restrictions on global trade or further retaliatory sanctions and trade measures taken by Russia or other countries in response. The future of the Russia-Ukraine war is highly uncertain, and unforeseen developments in this war could generate further changes to geopolitical conflicts risk and worsen its economic effects on the business of the Fund's and/or Partnership's portfolio investments. The aforementioned risks and concerns are similarly applicable to the conflict occurring in Israel, Gaza and nearby areas, which may extend to broader regions in the future.

Political instability, regional conflicts, or economic downturns in specific geographic regions can impact the performance of investments held in the Fund and/or Partnership. For example, real estate developments across North America may face disruptions or delays due to political instability or conflicts, affecting the Funds' and/or Partnerships' investments in mortgage floating-rate loans. Similarly, economic downturns in specific regions can impact the creditworthiness and cash flow generation of mid-market companies in North America and Europe, affecting the Fund's and/or Partnership's investments in senior secured cash flow lending.

Inflation Changes

Inflation risk is the risk that the value of assets or income from investments will change in value due to unanticipated changes in inflation rates. Although inflation had been relatively low for many years, there was a significant increase in inflation around the world beginning in the second half of 2021 and may continue for some time. As inflation increases, the value of the Fund's and/or Partnership's assets or income from investments will be less in the future as inflation decreases the value of money. In addition, as inflation increases, the revenues or earnings of the Fund's and/or Partnership's portfolio investments may decrease

as a result of increases in operating costs, such as fuel and energy, transportation and shipping, materials, wages and labour costs and decreased consumer confidence and discretionary spending.

Unforeseen increases in inflation can impact the value and returns of investments held in the Fund and/or Partnership. Inflation erodes the purchasing power of income generated from private debt instruments, such as mortgage loans and commercial loans. It can also impact the profitability of infrastructure and maritime assets with regulated or contracted revenues if operating costs rise significantly due to inflation. These risks may be detrimental to the Fund and/or Partnership.

Energy Crisis Risks

The Fund and/or Partnership will be sensitive to, and their performance may depend to an increasing extent on, the overall condition of the energy sector and in particular, the current global energy crisis. The global energy crisis is the result of factors beyond the reasonable control of the Fund's and/or Partnership's portfolio investments including but not limited to economic growth, worldwide demand, political instability in the regions that the portfolio investments operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, natural gas, oil and other fossil fuels price volatility, energy conservation, environmental policies and depletion of resources. The acceleration of the current global energy crisis as a result of the Russia-Ukraine war restrictions on Russia's energy exports could also impact the business of the Fund and/or Partnership's portfolio investments.

Leverage

The Fund and/or Partnership may borrow for the purposes of making investments, providing cover for the writing of options, paying redemptions, working capital purposes and to maintain liquidity in accordance with its investment objective and investment strategies and to pledge its assets to secure the borrowings. The use of leverage increases the risk to the Fund and/or Partnership and subjects the Fund and/or Partnership to higher current expenses. Also, if the Fund and/or Partnership's portfolio value drops to the loan value or less, investors could sustain a total loss of their investment as potential returns are amplified both to the benefit and detriment of the investors. See "*Who Should Invest*," "*Risk Factors – No Assurance of Return*," "*Risk Factors – Investment Risk*," and "*Risk Factors – Investment and Trading Risks in General*".

In the event that the net amount borrowed exceeds 25% of the total assets of the Fund and/or Partnership, after giving effect to such net borrowing, assets of the Fund and/or Partnership will be sold and the amount borrowed reduced to less than 25% of the total asset of the Fund and/or Partnership. Such sales may be required to be done at prices which may adversely affect the value of the portfolio and the return to the Fund and/or Partnership. This restriction on borrowing on the Fund and/or Partnership may be altered at the Manager's discretion at any time without notice or approval of the Unitholders.

The interest expense, banking fees and withholding taxes occurred in respect of any borrowing may exceed the incremental capital gains/losses and income generated by the incremental investment of portfolio securities. In addition, the Fund and/or Partnership may not be able to negotiate borrowing on acceptable terms. There can be no assurance that the borrowing strategy employed by the Fund and/or Partnership will enhance returns. There is a possibility that some of the interest paid on an amount borrowed may not be deductible by the Fund and/or Partnership for tax purposes.

Failure to Meet Commitments

The Fund and/or Partnership may commit to making future mortgage investments, loans or

investments in Underlying Funds in anticipation of repayment of principal outstanding under existing mortgage investments. In the event that such repayments of principal are not made in contravention of the borrowers' obligations, the Fund and/or Partnership may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may face liability in connection with its failure to make such advances.

Similarly, following the initial investment in an Investment or Financed Company, via a loan or other debt instruments, the Fund and/or Partnership may be called upon to provide additional funding or have the opportunity to increase its investment in such investment or company or to fund additional investments through such investment or company. There is no assurance that the Fund and/or Partnership will make follow-on investments or that the Fund and/or Partnership will have sufficient funding to make all such investments. Any decision by the Fund and/or Partnership not to make follow-on investments or its inability to make them may have a substantial negative impact on the Investment or Financed Company in need of such investment.

Mortgage Administrator Insolvency

The Partnership and/or Fund's interest in each mortgage investment will be held by legal title and registered in the name of the applicable Mortgage Administrator on behalf of the Partnership and/or Fund, as applicable, as mortgage administrator and bare trustee of the investment. The insolvency of the applicable Mortgage Administrator could result in the loss of all or a substantial portion of the assets of the Partnership and/or Fund held by such Mortgage Administrator and/or the significant delay in the payment of withdrawal proceeds.

Availability of Investments through Mortgage Administrators

As some of the Fund's and Partnership's investments are sourced through Mortgage Administrators, the Fund and Partnership are exposed to adverse developments in the business and affairs of such Mortgage Administrators, including their management and financial strength, their ability to operate their businesses profitably and their ability to retain mortgage agents, mortgage administration and, through their carrying broker, brokerage licenses issued to them under applicable legislation. The ability of the Fund and Partnership to make investments in accordance with its objectives and investment policies depends upon the availability of suitable investments and the amount of funds available.

There can be no assurance that the yields on the mortgages currently invested in by Mortgage Administrators will be representative of yields to be obtained on future mortgage investments of the Fund and/or Partnership. The services of any Mortgage Administrator, the directors and officers of such Mortgage Administrator and the members of its credit committee are not exclusive to the Fund and/or Partnership. Mortgage Administrators, their directors and officers, affiliates, members of their credit committees and their affiliates may, at any time, engage in promoting or managing other entities or their investments including those that may compete directly or indirectly with the Fund and/or Partnership, and such Mortgage Administrators have sole discretion in determining which mortgages and investments they will make available to the Fund and/or Partnership for investment.

Currency and Exchange Rate Risks

The Fund will report its results and Net Asset Value in Canadian dollars and make distributions, if any, in same. Changes in currency exchange rates may affect the value of the Fund and/or Partnership's portfolio and the unrealized appreciation or depreciation of investments.

Changes in currency exchange rates may also have an additional and more detrimental impact on the investments of purchasers who purchase the Units in U.S. dollars. Changes in currency exchange rates may have a detrimental effect on such purchasers' investments regardless of the performance of the Fund and/or Partnership.

General Economic and Market Conditions

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

The prices of financial instruments in which the Fund's and/or Partnership'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.

Tariff Risk

Changes in tariffs and trade restrictions may adversely affect the Fund's and/or Partnership's portfolio companies by increasing costs, disrupting supply chains, and reducing market access. Trade disputes and protectionist measures, such as import duties, export restrictions, and retaliatory tariffs, could impact revenue, profitability, and economic conditions in certain sectors or regions. Shifts in trade agreements and regulatory policies may also create uncertainty and market volatility, affecting the performance of the Fund's and/or Partnership's investments.

Custody Risk and Broker or Dealer Insolvency

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

Counterparty and Settlement Risk

Some of the markets in which the Fund and/or Partnership 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

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

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company’s performance outlook, market activity and the larger economic picture influence its stock price. The value of the Fund and/or Partnership will be affected by changes in the prices of the stocks they hold. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to equity risk. In the case of equity securities which are units of income trusts, described under “*Risks Associated with the Fund and/or Partnership’s Investments and Strategies – Income Trust Risk*”, the price will vary depending on the sector and underlying asset or business.

Foreign Investment Risk

The Fund and/or Partnership may invest in securities or instruments issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding investment opportunities and increasing portfolio diversification, but there are risks associated with foreign investments, including: (i) companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada; (ii) the legal systems of some foreign countries may not adequately protect investor rights; (iii) political, social or economic instability may affect the value of foreign securities or instruments; (iv) foreign governments may make significant changes to tax policies, which could affect the value of foreign securities or instruments; and (v) foreign governments may impose currency exchange controls that may prevent the Fund and/or the Partnership from taking money out of the country.

Income Trust Risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business. If the Fund and/or Partnership invest in income trusts such as oil, gas and other commodity-based royalty trusts, real estate investment trusts and pipeline and power trusts, they will have varying degrees of risk depending on the sector and the underlying asset or business of the trust. Returns on income trusts are neither fixed nor guaranteed. Typically, trust securities are more volatile than bonds (corporate and government) and preferred securities. Many of the income trusts that the Fund and/or Partnership may invest in are governed by laws of a province of Canada or of a state of the United States which limit the liability of unitholders of the income trust from a particular date. The Fund and/or Partnership may, however, also invest in income trusts in Canada, the United States and other countries that do not limit the liability of unitholders. In such cases, there is therefore a risk that unitholders of an income trust, such as the Fund and/or Partnership, 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 will not be personally binding on unitholders. However, the income trust may still have exposure to damage claims not arising from contractual obligations.

Limited Sources of Borrowing

The Canadian financial marketplace has a limited number of financial institutions that provide credit to entities such as the Partnership. The limited availability of sources of credit may limit the Partnership's ability to take advantage of leveraging opportunities to enhance the yield on its investments or may result in the Partnership having to seek credit in foreign jurisdictions.

Investment and Trading Risks in General

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

Issuer-Specific Changes

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

Business Disruption Risk

Upon the occurrence of any business disruption, including, but not limited to, those caused by public health crises (including epidemics, pandemics, quarantine or outbreaks of infectious diseases or viruses), extreme weather conditions, natural disasters, terrorist attacks, wars, geopolitical conflicts, civil unrest, national or regional emergencies, shortage of adequate power or transportation facilities, computer and/or technological malfunctions, lack of internet, legislative changes, climate change, supply chain issues, or any other potential cause of a significant business disruption, the Manager, the impacted jurisdictions and the companies in which the Fund and/or Partnership invests, may not efficiently and quickly recover from such event, which could have a materially adverse effect on the Manager, the Fund and/or the Partnership, respectively. Such events can result in uncertainty, volatility and disruption including to global supply chains and service providers, operations, availability and mobility of people and the financial markets, which could affect a number of factors, including interest rates, credit ratings, credit risk, inflation, business and financial conditions, results of operations and other relevant factors negatively impacting the Manager, the Fund and/or the Partnership, respectively.

Climate Change and Extreme Weather Risks

Global climate change creates physical and financial risk and the business of the Fund's and/or Partnership's portfolio investments may be adversely affected by risks related to a transition to a low-carbon economy and/or risks related to the physical impacts of climate change and extreme weather. Risks related to the transition to a low-carbon economy could result in changes in consumer preferences or technologies and additional legal and regulatory requirements such as cap and trade regimes, carbon taxes, restrictive permitting, increased efficiency standards and incentives or mandates for renewable energy. There is also

an increasing concern that a gradual rise in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe, an increase in the frequency, severity, and duration of extreme weather conditions and natural disasters, and water scarcity and poor water quality.

Climate change and environmental factors pose risks to the Fund and/or Partnership's investments in real estate, infrastructure, and maritime assets. Changing climate patterns, stricter environmental regulations, or physical impacts like rising sea levels can affect the value and resilience of these assets. For example, extreme weather events or increased insurance costs due to climate-related risks can impact the profitability and asset values of real estate and infrastructure investments. Any of these risks may be detrimental to the Fund and/or Partnership.

Knowledge, Expertise and Dependence on the Mortgage Administrator(s)

As the Partnership and Fund are not currently licensed under the MBLAA, the Partnership and Fund cannot engage directly in the business of dealing in mortgages in Ontario, and must therefore conduct their mortgage investment activities under contract with a Mortgage Administrator, a licensed mortgage brokerage and mortgage administrator.

As such, the Partnership and/or Fund will be dependent on the knowledge and expertise of one or more Mortgage Administrators for services. There is no certainty that the persons who are currently officers and directors of such Mortgage Administrators will continue to be officers and directors of such Mortgage Administrators for an indefinite period of time. Based on the Manager, Partnership's and/or Fund's reliance on Mortgage Administrators, any wrongdoing by such Mortgage Administrators including negligence, deceit, breach of fiduciary duties and/or fraud would have a negative impact on the Partnership and/or Fund.

The Manager may co-invest with, partner with, and/or otherwise rely on Mortgage Administrators with respect to investments made by the Fund and/or Partnership. Such Mortgage Administrators, including but not limited to officers and directors of such Mortgage Administrators, may have conflicts of interest in their own businesses and/or business models which may negatively impact the performance of the Fund and/or Partnership.

The Manager and/or an affiliate of the Manager may also become a Mortgage Administrator, subject to obtaining any required regulatory approvals. This may give rise to increased risks due to the potential lack of experience of the Manager and/or an affiliate of the Manager and their respective personnel, with respect to acting as a Mortgage Administrator.

If the Manager or an affiliate of the Manager becomes registered to operate as a Mortgage Administrator and is involved with investments of the Fund and/or Partnership such entities may also be dealing with other investment funds managed by the Manager and/or an affiliate of the Manager. Although the Manager and/or affiliate of the Manager will use their best efforts to be fair and reasonable, there may be situations where certain opportunities or investments are not allocated equally among all applicable accounts.

Knowledge, Expertise and Dependence on Specialty Investment Managers

The Fund and/or Partnership are dependent on the knowledge and expertise of Specialty Investment Managers in connection with the investment products or Underlying Funds managed by the Specialty Investment Managers in which the Fund and/or Partnership invests or will invest. There is no certainty that

the persons who are currently officers and directors of a Specialty Investment Manager will continue to be officers and directors of such Specialty Investment Manager for an indefinite period of time.

As well, the Fund and/or Partnership may invest in income producing public securities of a Specialty Investment Manager, including preferred shares or dividend paying equity securities, increasing the Partnership's dependency on such Specialty Investment Manager. A regulatory issue or failure impacting such Specialty Investment Manager could significantly and adversely affect the performance of the Fund and/or Partnership.

The Manager may also co-invest with, partner with, and/or otherwise rely on Specialty Investment Managers with respect to investments made by the Fund and/or Partnership. The Manager may also invest in funds managed by Specialty Investment Managers. Such Specialty Investment Managers, including but not limited to officers and directors of such Mortgage Administrators, may have conflicts of interest in their own businesses and/or business models which may negatively impact the performance of the Fund and/or Partnership.

Leveraged Nature of Portfolio Investments

The companies in which Underlying Funds (managed by Specialty Investment Managers) invest, may employ leverage, a portion of which may be at floating interest rates. The leveraged capital structure of the Investments or Financed Companies will increase the sensitivity of the Underlying Funds' investments to any deterioration in a company's revenues, condition of industry, competitive pressures, an adverse economic environment or rising interest rates. In the event any such Investment or Financed Company cannot generate adequate cash flow to meet debt service, the Underlying Fund may suffer a partial or total loss of capital investment in the investment, which, given the size of the Underlying Fund's investments, could adversely affect the investment returns of the Underlying Fund and therefore the Fund and/or Partnership.

Diversification

The ability of the Fund and/or Partnership to diversify its investments will depend on the ultimate size of the Fund and/or Partnership relative to the size of the available investment opportunities. The Manager expects to make investments in diverse industries but unforeseen circumstances may cause it to limit the number of investments which could affect the Fund's and/or Partnership's ability to meet their investment objectives.

The composition of the mortgages and loans and infrastructure and maritime assets in the Fund and/or Partnership may vary widely from time to time and may be concentrated by type of mortgage or loan, industry or geography, resulting in the portfolio of mortgages being less diversified than anticipated. A lack of diversification may result in the Fund and/or Partnership being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography.

Liabilities upon Disposition

In connection with the disposition of an investment, the Fund and/or Partnership may be required to make representations about the business and financial affairs of Financed Companies typical of those made in connection with the sale of the business or be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify purchasers of such investment or underwriters to the extent that such representations or disclosure documents are determined to be inaccurate.

These arrangements may result in contingent liabilities which might ultimately have to be funded by the Fund and/or Partnership.

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. The Manager reduces the risk to the Fund and/or Partnership by primarily trading in exchange-traded options rather than over-the-counter options.

Portfolio Turnover

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

Risks Related to the Private Portfolio Investments

The underlying investments of the Fund and/or Partnership may consist of smaller and less established enterprises that may be (but not exclusively) at a conceptual or early stage of development or that may have little or no operating history; may offer services or products that are not yet developed or ready to be marketed or that have no established market. Investments in such enterprises may involve greater risks than are generally associated with investments in more established enterprises. Less established enterprises tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure.

Reinvestment Risk

There can be no assurances that any of the mortgages or commercial loans in which the Fund and/or Partnership has invested, from time to time, can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each mortgage or loan it is possible that the lender, the borrower or both, will not elect to renew such mortgage or loan or the borrower will elect to prepay all or a part of such mortgage or loan. In addition, if the mortgages or loans are renewed, the principal balance of such renewals, the interest rates and the other terms and conditions of such mortgages or loans will be subject to negotiations between the lenders, the borrower and the Mortgage Administrators, as applicable, at the time of renewal.

If an Underlying Fund pays distributions in cash that the Fund and/or Partnership is not able to reinvest in additional units or shares of the Underlying Fund on a timely or cost-effective basis, then the performance of the Fund and/or Partnership will be impacted by holding such uninvested cash.

Reinvestment risk is also the risk that future interest payments from a bond will not be reinvested at the prevailing interest rate when the bond was initially purchased. This risk is more likely when interest rates are declining.

Use of Derivatives

The Fund and/or Partnership may use derivative instruments. The use of derivatives may present additional risks to the Fund and/or Partnership. To the extent of the Fund's and/or Partnership'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 and/or Partnership from achieving the intended hedge effect or expose the Fund and/or Partnership to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Fund and/or Partnership may not be able to close out a position without incurring a loss. Some derivatives, such as call options, may limit the potential for gain as well as loss. The cost of entering and maintaining derivative positions may reduce returns to investors. No assurance can be given that the use of derivatives, such as the purchase or sale of forward currency agreements or puts and calls and other techniques and strategies that may be utilized by the Fund and/or Partnership, will not result in material losses.

Technological Disruption Risk

Technological advancements and disruptive technologies can render existing business models or assets obsolete, potentially impacting the Fund's and/or Partnership's investments. For instance, emerging technologies in the maritime industry, such as autonomous shipping, could disrupt traditional maritime businesses, affecting the Fund's and/or Partnership's investments in senior secured floating-rate loans to global shipping and maritime businesses. Monitoring technological trends and their potential impact on the Fund's and/or Partnership's portfolio is crucial to identify any disruptive threats.

Exchange Traded Funds

The Fund and/or the Partnership 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.

ETFs that are traded on an exchange are subject to the following additional risks: (i) an ETF's securities often trade on the exchange at a discount to the net asset value of such securities; (ii) an active trading market for an ETF's securities may not develop or be maintained; and (iii) there is no assurance that the ETF will continue to meet the listing requirements of the exchange.

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

CORPORATE GOVERNANCE

General

The Manager has the authority to manage and direct the business, operations and affairs of the Fund and/or Partnership, subject to applicable law and the Management Agreement. The Manager has established appropriate policies, procedures and guidelines to ensure the proper management of the Fund and the Partnership. The systems implemented monitor and manage the business and sales practices, risks and

internal conflicts of interest relating to the Fund and/or Partnership while ensuring compliance with regulatory and corporate requirements.

Independent Review Committee

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

The members of the IRC are independent of the Manager, the Fund, and entities related to the Manager. The IRC will review conflicts of interest matters relating to the operations of the Fund. The cost associated with the IRC will form part of the operating expenses of the Fund. Each member of the IRC will receive an annual retainer and may receive a fee for each meeting of the IRC attended by the member, and may be reimbursed for reasonable expenses incurred.

The current members of the IRC are David Sharpless, Simon Lewis and Evelyn Foo and their biographies are as follows:

David Sharpless is the Chairman and CEO of Maverick Inc., a family investment corporation. He is the former Chairman of a number of companies including Canaccede Financial Group Ltd., a private company that purchases consumer debt, New Carbon Economy Venture Management Inc., a private company which managed a number of investments in “green” technology companies, Hunter Keilty Muntz & Beatty Limited, a firm of international insurance brokers based in Toronto and Newcourt Credit Group Inc., a publicly traded asset finance company. Prior to that he spent more than 20 years as a business lawyer with Blake, Cassels & Graydon.

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.

Evelyn Foo is the President of EFoo Consulting Inc., a consulting firm specializing in the investment funds industry. She currently also serves as a Board Director at Olive Resource Management and the University of Toronto Alumni Association. She was previously the President, COO, CFO, and CCO at Galileo Global Equity Advisors Inc. (2009-2019), a boutique investment management firm with varied retail and private product offerings. Her prior roles encompassed investment areas at CIBC, TD, and Franklin Templeton. Ms. Foo is a Chartered Professional Accountant with 30+ years in the investment fund industry.

Conflicts of Interest

The Manager will not be devoting its time exclusively to the affairs of the Fund and Partnership. In addition, the Manager will perform similar or different services for others and may sponsor or establish other funds during the same period that it acts in relation to the Fund and/or Partnership. Additionally, the Fund and Partnership may invest in securities or borrow from lenders 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 Fund and/or

Partnership and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Fund, the Partnership and its other clients and at all times the Manager will ensure a fair and equitable allocation of its management time, services, functions and investment opportunities between the Fund and/or Partnership and any other such persons it provides services to. Also, the Administrator or other service provider engaged to calculate the Net Asset Value of the Fund and/or Partnership may consult from time to time with the Manager, and defer to the Manager who may in turn consult with a Mortgage Administrator or Specialty Investment Manager, when valuing a specific security to which the general valuation rules cannot or should not be applied (See “Net Asset Value”). This can create a conflict of interest for the Manager, as the Manager’s remuneration is dependent upon the Net Asset Value of the Fund and/or Partnership. However, the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Fund and/or Partnership, and will be held accountable under the Management Agreement if it fails to do so.

A Mortgage Administrator will enter into an agreement with the Partnership and will be entitled to earn a fee for providing services to the Partnership and to earn various fees from mortgagors on loans under its administration. A Mortgage Administrator must render its services under such agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under such agreement in a conscientious, reasonable and competent manner. However, a Mortgage Administrator, its directors and officers, its affiliates, may at any time engage in promoting or managing other entities or their investments including Real Property financing that may compete directly or indirectly with the Partnership. A Mortgage Administrator may establish other investment vehicles which may involve transactions which conflict with the interests of the Partnership.

In addition, a Mortgage Administrator has sole discretion in determining which mortgages and investments it will make available to the Partnership for investment and will, at the same time and on an on-going basis, be sourcing investment opportunities for its own account or the account of others. A Mortgage Administrator, in exercising its discretion, will use its best judgment and act in such manner as it sees fit, having regard to the relative sizes, investment objectives, portfolio composition and financial capabilities of all of the entities involved, including, specifically the Partnership.

A Specialty Investment Manager may enter into an agreement with the Partnership and/or Fund and may be entitled to earn a fee for providing services to the Partnership and to earn various fees from borrowers on loans under its administration. It will be expected that a Specialty Investment Manager will render its services under an agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under such an agreement in a conscientious, reasonable and competent manner. However, a Specialty Investment Manager, its directors and officers, its affiliates, may at any time engage in promoting or managing other entities or their investments that may compete directly or indirectly with the Partnership. A Specialty Investment Manager may establish other investment vehicles which may involve transactions which conflict with the interests of the Partnership.

Whenever a conflict of interest arises between the Partnership, on the one hand, and a Mortgage Administrator or Specialty Investment Manager on the other hand, the parties involved, in resolving that conflict or determining any action to be taken or not taken, will be entitled to consider the relative interests of all of the parties involved in the conflict or that will be affected by such action, any customary or accepted industry practices, and such other matters as the parties deem appropriate in the circumstances.

Crown is a reporting issuer that is currently a Specialty Investment Manager of the Partnership. The Partnership is invested in Crown and is considered an insider under applicable securities laws. Crown is also involved in the management of underlying issuers held in Crown Capital Partner Fund, LP, which is

an Underlying Fund. Please also see “*Investment Policies of the Partnership – Management of the Partnership*” and “*Risk Factors – Potential Conflicts of Interest*”.

The Manager has been engaged to direct the business, operations and affairs of the Fund and/or Partnership and will be paid fees for its services as set out herein. In addition, the Manager is a registered dealer participating in the offering of the Units to its clients for which it may receive an initial sales commission with respect to Series A and A1 Units and it will receive a Trailing Commission with respect to Series A and A1 Units. In addition, in the future, the Manager or an affiliate of the Manager may operate as a Mortgage Administrator, and receive additional fees as described under “*Mortgage Licensing and Mortgage Administrators*,” and may also be subject to additional risks as described under “*Risk Factors – Potential Conflicts of Interest*”. The Fund, the Partnership and any related issuers that are managed by the Manager from time to time may be considered to be “connected issuers” and “related issuers” of the Manager under applicable securities legislation. The Manager and the General Partner are controlled, directly or indirectly, by Michael Lee-Chin.

MOM and AICGH, affiliates of the Manager, provide certain administrative services to the Manager for which they may receive a fee. AICGH and its employees also provide certain other services, including consulting and marketing-related services, to the Manager, see “*Corporate Governance - Sales Practices and Referral Arrangements*”. The amount of fees, if any received from the Fund and/or Partnership by MOM and AICGH is contained in the audited financial statements of the Fund and/or Partnership. The Manager and AICGH are 100% controlled by Michael Lee-Chin. Michael Lee-Chin is a director and senior officer of the Manager and AICGH. The Manager will be utilizing these affiliates as described herein. Accordingly, investors should be aware that there is an innate and financial bias for these entities towards products managed by the Manager.

Sales Practices and Referral Arrangements

AICGH may assist the Manager to promote the existence and availability of the Fund to third party brokers and dealers (“**Wholesale Activities**”). AICGH may also assist the Manager to promote its investment philosophy to others who may be interested in purchasing Units of the Fund through the Manager, as an advisor or dealer (a “**Referral**”). Accordingly, the Manager has entered into an agreement governing such Referrals with AICGH. Although the Manager doesn’t pay AICGH or its employees for these promotional activities, as part of its compensation arrangement, AICGH may pay variable compensation incentives to AICGH employees based on net new investments in the Fund for Wholesale Activities or Referrals (currently, this amount is a one-time payment in the amount of one fifteenth percent (0.15%) which is determined and paid by AICGH and is subject to change).

The Manager provides AICGH with a confidential report of the investments in the Fund in order that AICGH can administer the foregoing compensation arrangements. AICGH will also be provided access to proprietary and confidential information regarding the Fund and/or Partnership and its investors to facilitate the services described herein.

FINANCIAL REPORTING

Financial Statements

The Fund is not a reporting issuer for the purpose of applicable securities legislation and is therefore, not required to disclose material changes which occur in its business and affairs, except in limited circumstances.

The Fund will prepare semi-annual unaudited and annual audited financial statements which will be available at no cost by calling toll-free 1-888-710-4242 or visiting www.portlandic.com.

The Fund has obtained exemptive relief from the requirements in National Instrument 81-106 – *Investment Fund Continuous Disclosure* to: 1) file its audited annual financial statements within 90 days after its most recently completed financial year; 2) deliver its audited annual financial statements within 90 days after its most recently completed financial year; 3) file its unaudited interim financial statements within 60 days after its most recently completed interim period; and 4) file its unaudited interim financial statements within 60 days after its most recently completed interim period. The Fund relies on the relief which provides that the Fund will file and deliver to Unitholders, on or before 180 days after the most recently completed year-end reporting period, and on or before 120 days after the end of the most recently completed interim reporting period, financial statements prepared in accordance with applicable law and IFRS. The Fund shall make available to each Unitholder annually, within the time periods prescribed by law, information necessary to enable such Unitholder to complete an income tax return under the Tax Act with respect to the amounts payable by the Fund.

Language of Documents (Québec residents only)

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

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

AUDITOR

The auditor of the Fund and Partnership is KPMG LLP.

LITIGATION

On February 13, 2023, the Ontario Superior Court of Justice (“**Court**”) issued a decision for judgment in respect of the liability trial of certain fund managers, including AICGH. The Manager is owned and controlled by AICGH. The case relates to market timing trading in AICGH's retail mutual funds during the period between January 1999 and September 2003. The Court found that the defendants breached their duty of care to prevent “market timing” in their funds and failed to take steps to prevent frequent trading or charge the fees set out in their prospectuses when it occurred. The defendants facilitated frequent trading by entering into “switch agreements” which allowed certain investors to switch in and out of funds for a fee. The Court found that defendants allowed time zone arbitrage to occur in their funds to the detriment of the plaintiffs. The Court concluded that the defendants owed a duty of care to the class members to prevent frequent short-term trading in their funds and that they breached that duty of care by falling short of the standard of care as set out in its reasons. The matter is expected to proceed to a damages trial to determine the harm suffered by the investors. The Manager believes that this decision does not influence the ability of the Manager to discharge its duties to the Fund and/or Partnership as described herein.

Another class action, regarding Quebec residents who, between January 1, 2000 and December 31, 2003, owned AICGH mutual funds listed in the claim alleges AICGH allowed frequent short-term market timing transactions in some of its funds. These transactions had the effect of diluting the return of long-term investors. This class action is still ongoing against AICGH and another defendant.

Investors should be aware that these legal proceedings may result in financial liability for AICGH. The impact of any damages awarded against AICGH on the Manager's financial condition, operations, and performance cannot be predicted with certainty. Investors should note that the information contained herein is subject to change as the legal proceedings progress. See also “*Risk Factors – Litigation Risk*”.

STATUTORY RIGHTS OF ACTION AND RESCISSION

Cooling-off Period

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

Rights of Action for Damages or Rescission

In addition to and without derogation from any right or remedy that a purchaser of the Units may have at law, securities legislation in certain of the provinces and territories of Canada provides that a purchaser of Units under this Offering Memorandum has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment thereto contains a misrepresentation. In certain jurisdictions, a purchaser of Units under this Offering Memorandum has similar rights of action for damages or rescission in respect of a Misrepresentation in advertising and sales literature disseminated in connection with this Offering Memorandum.

All such rights and remedies, or notice with respect thereto, must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation.

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

Under securities legislation in Canadian jurisdictions, subject to certain exceptions available in select jurisdictions, a person or company (including but not limited to the Fund) will not be liable for a Misrepresentation in forward-looking information contained in this Offering Memorandum if it proves that this Offering Memorandum contains, proximate to that information,

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

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

Rights for Purchasers in Ontario

If this Offering Memorandum, together with any amendment hereto, delivered to a purchaser of Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action for damages against the Fund, or, while still the owner of the Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that:

- (a) any person or company, including the Fund, shall not be held liable pursuant to either a right of action for damages or rescission if the Fund proves the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the purchaser as a result of the Misrepresentation relied upon;
- (c) the Fund shall not be held liable for a Misrepresentation where it is not receiving any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information that was previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its prior public disclosure; and
 - (iii) was not subsequently publicly corrected or superseded by the Fund before the completion of the distribution of the Units being distributed;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired; and
- (e) no action shall be commenced to enforce such right of action more than:
 - (i) in the case of an action for rescission 180 days after the date of the transaction that gave rise to the cause of action; or
 - (ii) in the case of an action for damages or any other action other than an action for rescission, the earlier of:
 - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (2) three years after the date of the transaction that gave rise to the cause of action.

The liability of the persons and companies referred to above is joint and several.

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

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (e) a subsidiary of any person referred to in paragraphs (a) to (d) above, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Purchasers in Saskatchewan

If this Offering Memorandum or any amendment thereto delivered to a purchaser resident in Saskatchewan contains a Misrepresentation at the time of purchase, a purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action for damages against the Fund, every promoter and director of the Fund at the time this Offering Memorandum was delivered, every person or company whose consent has been filed regarding this Offering Memorandum, but only with respect to reports, opinions or statements that were made by them, every person or company who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the Units on behalf of the Fund under this Offering Memorandum or amendment thereto, or, alternatively, a purchaser may elect to exercise a right of rescission against the Fund (in which case the purchaser shall have no right of action for damages against the Fund), provided that, among other limitations:

- (a) in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on;
- (b) in no case shall the amount recoverable exceed the price at which the Units were offered to the purchaser;
- (c) no action shall be commenced to enforce these rights more than:
 - (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
 - (ii) in the case of any action, other than an action for rescission or cancellation, the earlier of:
 - (1) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; and

- (2) six years after the date of the transaction that gave rise to the cause of action;
- (d) no person or company (excluding the Fund) will be liable if the person or company proves that:
 - (i) the Offering Memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its sending or delivery, the person or company immediately gave reasonable general notice to the Fund that it was sent or delivered without the person's or company's knowledge or consent;
 - (ii) after the filing of this Offering Memorandum or any amendments thereto and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum or amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it; and
 - (iii) with respect to any part of this Offering Memorandum or of the amendment thereto purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:
 - (1) there had been a Misrepresentation;
 - (2) the part of this Offering Memorandum or of the amendment thereto did not fairly represent the report, opinion, or statement of the expert; or
 - (3) the part of this Offering Memorandum or of the amendment thereto was not a fair copy of or extract from the report, opinion or statement of the expert;
 - (iv) with respect to any part of this Offering Memorandum or of the amendment thereto purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement as an expert that contains a Misrepresentation attributable to a failure to fairly represent their report, opinion or statement as an expert:
 - (1) after reasonable investigation, the person or company had reasonable grounds to believe, and did believe, that the part of this Offering Memorandum or of the amendment thereto fairly represented the person's or company's report, opinion or statement; or
 - (2) upon becoming aware that the part of this Offering Memorandum or of the amendment thereto did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Financial and Consumer Affairs Authority of Saskatchewan and gave reasonable general notice that such use had been

made of it and that the person or company would not be responsible for that part of this Offering Memorandum or of the amendment thereto; or

- (e) no person or company (excluding the Fund) will be liable for any part of this Offering Memorandum or amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or (ii) believed there had been a Misrepresentation.
- (f) no person or company (excluding the Fund) will be liable for any part of this Offering Memorandum or amendment thereto purporting to be made on the person's or company's own authority as an expert, or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company (i) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or (ii) believed there had been a Misrepresentation; and
- (g) every person who or company that sells the Units on behalf of the Fund under this Offering Memorandum or amendment thereto is not liable if that person or company can establish that they cannot reasonably be expected to have had knowledge of any Misrepresentation in this Offering Memorandum or of any amendment thereto.

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

The liability of the persons and companies referred to above is joint and several. These rights are subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Rights for Purchasers in Manitoba

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

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

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

- (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (ii) in the case of an action for damages, the earlier of
 - (1) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and
 - (2) two years after the date of purchase of the Units.

The liability of the persons and companies referred to above is joint and several.

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

Rights for Purchasers in New Brunswick

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

- (a) a person will not be liable in an action for rescission or damages if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered;
- (d) other than with respect to the Fund, no person is liable if the person proves:
 - (i) that this Offering Memorandum was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent;
 - (ii) that, on becoming aware of any Misrepresentation in this Offering Memorandum, the person withdrew the person's consent to this Offering Memorandum and gave written notice to the issuer of the withdrawal and the reason for the withdrawal; or

- (iii) that, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that there had been a Misrepresentation or that the part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert;
- (e) other than with respect to the Fund, no person is liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person:
 - (i) did not conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed that there had been a Misrepresentation; and
- (f) no action shall be commenced to enforce these statutory rights of action more than
 - (i) in an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action; or
 - (ii) in any action other than an action for rescission, including an action for damages, the earlier of:
 - (1) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (2) six years after the date of the transaction that gave rise to the cause of action.

The liability of the persons and companies referred to above is joint and several.

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

Rights for Purchasers in Nova Scotia

Where this Offering Memorandum or any amendment hereto contains a Misrepresentation, a purchaser resident in Nova Scotia to whom this Offering Memorandum has been delivered and who purchases the Units shall be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and the purchaser has a right of action for damages against the Fund, every director of the Fund at the date of this Offering Memorandum, and every person who signed this Offering Memorandum, or, alternatively, the purchaser may elect to exercise a right of rescission against the Fund, in which case the purchaser has no right of action for damages, provided that, among other limitations:

- (a) a person or company will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (b) in an action for damages, the Fund is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (c) in no case shall the amount recoverable by a purchaser under the right of action described herein exceed the price at which the Units were offered under this Offering Memorandum or amendment thereto;
- (d) other than with respect to the Fund, no person or company is liable if the person or company proves that:
 - (i) this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
 - (ii) after delivery of this Offering Memorandum or the amendment to this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment to this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum, or amendment to this Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it;
 - (iii) with respect to any part of this Offering Memorandum or amendment to this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:
 - (1) there had been a Misrepresentation, or
 - (2) the relevant part of this Offering Memorandum or amendment to this Offering Memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (e) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (ii) believed there had been a Misrepresentation;

- (f) no action may be commenced to enforce a the aforementioned rights of action more than 120 days:
 - (i) after the date on which payment was made for the Units; or
 - (ii) after the date on which the initial payment for the Units was made, where subsequent payments are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

The liability of the persons and companies referred to above is joint and several.

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

Rights for Purchasers in Newfoundland and Labrador

If this Offering Memorandum, together with any amendment to this Offering Memorandum contains a Misrepresentation and it was a Misrepresentation at the time of purchase, a purchaser resident in Newfoundland and Labrador has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Fund, every director of the Fund at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum, or, alternatively, while still the owner of the purchased Units, a right of action for rescission against the Fund (in which case the purchaser will cease to have a right of action for damages), provided that:

- (a) no action shall be commenced to enforce the foregoing rights:
 - (i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action;
 - (ii) in the case of any action, other than an action for rescission, the earlier of:
 - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action; or
 - (2) three years after the date of the transaction that gave rise to the cause of the action;
- (b) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) no person or company (other than the Fund) will be liable if:
 - (i) the person or company proves that this Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company;

- (ii) the person or company proves that the person or company, on becoming aware of any Misrepresentation in this Offering Memorandum, withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice of the withdrawal to the Fund and the reason for it;
- (iii) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:
 - (1) there had been a Misrepresentation; or
 - (2) the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and
- (iv) with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (1) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (2) believed that there had been a Misrepresentation;
- (d) in an action for damages, the Fund will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation; and
- (e) in no case shall the amount recoverable exceed the price at which the Units were offered to the purchaser under this Offering Memorandum.

The liability of the persons and companies referred to above is joint and several.

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

Rights for Purchasers in Prince Edward Island

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action for damages against the Fund, every director of the Fund at the date of this Offering Memorandum and every person who signed this Offering Memorandum, or, alternatively, while still the owner of the Units, a right of action for rescission against the Fund (in which case the purchaser will cease to have a right of action for damages), provided that:

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

- (i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (ii) in the case of any action, other than an action for rescission, the earlier of
 - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or
 - (2) three years after the date of the transaction that gave rise to the cause of the action;
- (b) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (c) no person or company (other than the Fund) will be liable if it proves that
 - (i) the Offering Memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company promptly gave reasonable notice that it was delivered without the person's or company's knowledge or consent,
 - (ii) on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew their consent to this Offering Memorandum and gave reasonable notice of the withdrawal and the reason for it;
 - (iii) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person or company had no reasonable grounds to believe and did not believe that
 - (1) there had been a Misrepresentation, or
 - (2) the relevant part of this Offering Memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (d) no person or company (other than the Fund) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or
 - (ii) believed that there had been a Misrepresentation;

- (e) in an action for damages, the Fund will not be liable for any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (f) in no case shall the amount recoverable exceed the price at which the Units were offered to the purchaser; and
- (g) the Fund, and every director of the Fund at the date of this Offering Memorandum who is not a selling security holder is not liable if the Fund does not receive any proceeds from the distribution of the Units and the Misrepresentation was not based on information provided by the Fund, unless the Misrepresentation:
 - (i) was based on information previously publicly disclosed by the Fund;
 - (ii) was a Misrepresentation at the time of its previous public disclosure; and
 - (iii) was not subsequently corrected or superseded by the Fund before completion of the distribution of the Units.

The liability of the persons and companies referred to above is joint and several.

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

A purchaser of Units may cancel the agreement to purchase the Units by sending written notice to the Fund by midnight on the second business day after such purchaser signed the agreement to purchase the Units.

General

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

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