This offering memorandum ("Offering Memorandum") has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to units ("Units") of the Romspen US Mortgage Investment Trust (the "Issuer"). See Definitions for the meaning ascribed to certain capitalized terms in this Offering Memorandum. The Units are offered for sale only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a public offering or advertisement of Units. No securities commission or similar regulatory authority has passed on the merits of the Units or reviewed this Offering Memorandum and any representation to the contrary is an offence. The Units do not trade on any exchange or market. Subject to the availability of exemptions from the prospectus requirements under applicable securities laws, holders of Units will be restricted from selling their Units for an indefinite period. Holders of Units will have certain redemption rights. See Declaration of Trust – Redemption of Units.

OFFERING MEMORANDUM

Offering **July 29, 2022**

ROMSPEN US MORTGAGE INVESTMENT TRUST

Up to $750,000,000

PRICE: Net Asset Value per Unit

Minimum Subscription: $50,000 (Class A Units)/$5,000,000 (Class I Units)

subject to compliance with applicable securities laws

The Issuer is offering, on a private placement basis, Units at Net Asset Value per Unit, for maximum total gross proceeds of $750,000,000 (the "**Offering**").

The Offering is being made in reliance on certain exemptions to the prospectus requirements under applicable securities laws in the Offering Jurisdictions. As a result, the Units will be subject to the applicable resale restrictions under such laws. The Issuer has engaged Romspen Investment Corporation ("**Manager**"), in its capacity as an exempt market dealer, to coordinate the sale of Units. See Offering.

The Issuer is a "connected issuer" of Manager as such term is defined in *National Instrument 33-105 – Underwriting Conflicts* ("NI 33-105") (for clarity, Manager is not acting as an "underwriter" in the distribution of Units as such term is defined in NI 33-105). Manager is entitled to appoint at least a majority of the Trustees and currently all of the Trustees are directors, officers and/or employees of Manager. For additional information, please see the headings Offering – Connected Issuer and Conflicts of Interest.

The Issuer is a trust established under the laws of Ontario pursuant to a declaration of trust dated June 10, 2022. The Issuer's affairs are governed by an amended and restated declaration of trust dated July 18, 2022 (as has been or may be amended, modified or restated from time to time, the "**Declaration of Trust**"). The Issuer commenced operations on June 10, 2022. The Issuer is an indirect "feeder fund" for, and an indirect limited partner of, TIG Romspen US Master Mortgage LP (the "**Master Fund**"), an exempted limited partnership formed on December 22, 2017, under the laws of the Cayman Islands.

The net proceeds of the Offering will be used by the Issuer to subscribe for Class A limited partnership interests of the Intermediate LP, which in turn, will be used to subscribe for class A limited partnership interests of the Master Fund ("**Master Fund Units**"), thus providing the Master Fund with capital to make Authorized Investments, primarily direct and indirect interests in Mortgage Loans. The objectives of the Master Fund are to provide its limited partners (of which the Issuer will indirectly be one) with stable and secure cash distributions from such Mortgage Loans and related investments in market segments which are under-serviced by large financial service providers; and to obtain superior yields and maximize distributions through the efficient management of the Master Fund's investments in such market segments. The Master Fund is a non-bank provider of real estate finance. The Master Fund intends to make monthly cash distributions to its limited partners, and the Issuer intends to make monthly distributions to its

Unitholders, primarily from cash distributions received from the Master Fund (via the Intermediate LP). See Distribution Policy. It is important for Subscribers to consider risk factors that may affect the commercial mortgage market generally and therefore the stability of distributions to Unitholders. Subscribers are urged to read the Risk Factors section of this Offering Memorandum for a more complete discussion of these risks and their potential consequences and to review these risks with their professional advisors.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under that Act or any other legislation.

The price of the Units offered hereby was established by the Trustees. **There are certain risk factors inherent in an investment in the Units and in the activities of the Issuer, including the possibility of Unitholder liability. See Risk Factors.**

Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under Subscription Procedure and to the right of the Trustees to close the subscription books at any time without notice. Closings will be held on a monthly basis on or about the first Business Day of each month, or at such other dates as determined by the Trustees. **Subscribers will have 2 Business Days to cancel their agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, Subscribers will have the right to sue either for damages or to cancel their agreement to purchase Units, as set out in Schedule A to this Offering Memorandum**. See Subscription Procedures and Schedule A - Rights of Action for Damages or Rescission.

DISCLAIMERS

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the Units offered hereby.

Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their professional advisors to assess the business, legal, income tax and other aspects of this investment.

The Units will be issued only on the basis of information contained in this Offering Memorandum and provided by the Trustees in writing, and no other information or representation is authorized or may be relied upon as having been authorized by the Issuer. Any subscription for the Units made by any Person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such Person. Neither the delivery of this Offering Memorandum at any time nor any sale to Subscribers of any of the Units shall, under any circumstances, constitute a representation or create any implication that there has been no change in the business and affairs of the Issuer since the date of the sale to any Subscriber of the securities offered hereby or that the information contained herein is correct as of any time subsequent to that date.

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SUMMARY OF THE OFFERING

This is a summary only and is qualified by the information appearing elsewhere in this Offering Memorandum. Capitalized terms appearing herein and not otherwise defined have the respective meanings ascribed thereto in the Definitions section or elsewhere in this Offering Memorandum. Unless otherwise indicated, all references to dollar amounts in this Offering Memorandum are to Canadian dollars.

Significant Parties

Issuer:	Romspen US Mortgage Investment Trust (the "**Issuer**"), a trust established under the laws of Ontario on June 10, 2022. The head office of the Issuer is located at 162 Cumberland Street, Suite 300, Toronto, Ontario, M5R 3N5.
Trustees:	The trustees of the Issuer are Wesley Roitman, Blake Cassidy and Richard Weldon (the "**Trustees**"). Each of the Trustees is a resident of Ontario. The Trustees are responsible for management of the business of the Issuer.
Master Fund:	TIG Romspen US Master Mortgage LP (the "**Master Fund**"), an exempted limited partnership formed under the laws of the Cayman Islands on December 22, 2017. The Master Fund is a provider of real estate finance, primarily in the United States. The sole limited partner of the Master Fund is TIG Romspen US Mortgage Intermediate LP, a Delaware limited partnership (the "**Intermediate LP**"). The limited partners of the Intermediate LP are (1) the Issuer, (2) Romspen US Mortgage Investment Fund, an Ontario limited partnership (3) Romspen Liberty LP ("**Liberty LP**"), an Ontario limited partnership, (4) TIG Romspen US Mortgage LP (the "**US Feeder Fund**"), a Delaware limited partnership, (5) TIG Romspen US Mortgage Offshore Fund LP, an exempted limited partnership formed under the laws of the Cayman Islands (the "**Offshore Feeder Fund**"), and certain other Persons (or other feeder funds formed from time to time) who will subscribe for limited partnership interests in the Intermediate LP from time to time. Romspen US Mortgage GP Inc. (the "**Intermediate General Partner**"), an Ontario corporation registered as a foreign company in the Cayman Islands pursuant to the *Companies Law* (as amended) of the Cayman Islands, is the general partner of the Intermediate LP, the US Feeder Fund and the Offshore Feeder Fund. All of the issued and outstanding shares of the Intermediate General Partner are owned by the Manager. The Intermediate General Partner is responsible for management of the business of the Intermediate LP. Romspen US Master Mortgage GP LLC, a Delaware limited liability company (the "**Master Fund General Partner**"), is the general partner of the Master Fund. All of the membership interests of the Master Fund General Partner are owned by the Intermediate LP. The Master Fund General Partner is responsible for management of the business of the Master Fund.
Manager:	Romspen Investment Corporation (the "**Manager**"), an Ontario corporation, is the agent for the Issuer. The Manager is a licenced/registered as a mortgage brokerage and mortgage administrator in Ontario, a mortgage broker in British Columbia and a mortgage broker in Alberta. The Manager provides capital raising services to the Issuer and mortgage origination and administration management and oversight services to the Master Fund Manager. The Manager is a registered exempt market dealer in each of the Offering Jurisdictions.
Master Fund Manager:	Romspen Investment LP ("**Master Fund Manager**"), an Ontario limited partnership formed on December 16, 2016, provides overall management services to the Master Fund. The Manager is the only limited partner of Master Fund Manager. RILP GP Inc., an

Ontario corporation incorporated on December 16, 2016, is the general partner of the Master Fund Manager. All of the shares of RILP GP Inc. are owned by the Manager.

Offering

Offering	Units of the Issuer.
Offering Size	$750,000,000 (maximum).
Price	Net Asset Value per Unit, calculated in Canadian dollars as of each Valuation Date.
Attributes of Units	The Units represent the beneficial ownership interest of the holders hereof in the Issuer. Units may be designated by the Trustees as being Units of a class and/or Series. As at the date of this Offering Memorandum, the Trustees have designated two classes of Units – Class A Units and Class I Units – which differ only with respect to the Capital Raising Fee attributable to such Units. See Declaration of Trust – Units. Each Unit carries one vote at meetings of Unitholders and a Unitholder is entitled to distributions as described under Distribution Policy.
Use of Proceeds	Proceeds from the Offering (after deducting the costs of issue and reasonable reserves for Issuer expenses) will be used by the Issuer to indirectly acquire Master Fund Units, or to make other Authorized Issuer Investments.
Subscription Procedure	Subscribers may subscribe for Units through the Manager or through Representatives. Representatives may process orders by electronic means through Fundserv using the codes: RIC 300 (Class A Units) or RIC 310 (Class I Units). Each Subscriber must: (i) complete and sign a Subscription Agreement, including the applicable schedules thereto; (ii) deliver payment of the subscription price for the Units to the Issuer by way of electronic transfer satisfactory to the Trustees or any administrator (payment of the subscription price through a Representative will transact through Fundserv one (1) Business Day after the applicable monthly Closing); and (iii) deliver to Manager the Subscription Agreement with applicable schedules referenced above and any other forms, declarations and documents as may be required by Manager or the Subscriber's Representative, if applicable, to complete the subscription.

Strategy and Business of the Issuer

The Issuer is an indirect "feeder fund" of the Master Fund. It will further its objectives of preserving capital and providing its Unitholders with stable and secure cash distributions by indirectly contributing capital to the Master Fund, primarily by purchasing limited partnership interests of the Intermediate LP, which in turn will purchase Master Fund Units of the Master Fund. The Issuer will obtain exposure to Mortgage Loans through its indirect investment in the Master Fund (see Mortgage Loans). As the Intermediate LP is the only limited partner of the Master Fund, and invests all of its assets in the Master Fund, where appropriate in this Offering Memorandum, references to the Master Fund may be construed as a reference to the Intermediate LP, as the context may require.

Investment and Operating Policies of the Master Fund

Investment Policies

The Master Fund will adhere to the following policies established by the Master Fund Partnership Agreement when investing the Master Fund's capital:

(a) Master Fund capital may be invested only in Authorized Investments, including participations and co-lending arrangements with third parties or with affiliates and their principals;

(b) when not invested in Authorized Investments, Master Fund capital will be invested in Authorized Interim Investments;

(c) at least 80% of the Master Fund's capital will be invested in Mortgage Loans secured by first liens on the applicable property or first-ranking participations or co-lending arrangements;

(d) Loan to Value ratios – the Master Fund's target loan-to-value ratio for Mortgage Loans is between 60%-70%;

(e) Title Insurance – absent special circumstances, all Mortgage Loans will be title insured by a reputable title insurance company;

(f) Insurance – borrowers must adhere to the Master Fund's property insurance requirements, as supplemented by the advice of the Master Fund's insurance consultant, if applicable

(g) In addition to being secured primarily by liens on real property, Mortgage Loans in which the Master Fund invests will also typically be secured by (i) guarantees from beneficial owners and/or borrower sponsors, with such guarantees further secured by a security interest in the guarantors' assets, (ii) a pledge of the ownership interests of the borrower; (iii) a security interest in the borrower's assets, (iv) an environmental indemnity from the borrower and guarantors, (v) a specific assignment of material agreements relating to the real property, and (vi) other loan documents standard in the lending market in which the Master Fund operates for the specific type of Mortgage Loan being made; and

(h) Diversification – absent special circumstances, such as the necessity to protect Master Fund capital or for risk management purposes, no more than 10% of Master Fund capital may be invested in any single Mortgage Loan, or with any single borrower/sponsor.

Operating Policies

(a) Master Fund Borrowings – Borrowings will be on commercially reasonable terms and will not exceed 35% of the Mortgage Loan Portfolio cost;

(b) Investment Approval – Authorized Investments must be approved by the Master Fund General Partner and the Manager; and

(c) Legal title to Authorized Investments may be held and recorded/registered by a collateral agent in trust for the Master Fund, which agent may be the Master Fund General Partner or a person approved by the Master Fund General Partner, including an Affiliate.

See Investment and Operating Policies of the Master Fund.

Mortgage Loan Portfolio

The Mortgage Loan Portfolio consists of direct or indirect interests in Mortgage Loans, secured by a range of Real Properties and has, among other things, the following characteristics, some of which are stipulated by the Master Fund's investment policies:

- a majority of Mortgage Loans are less than $50 million, with a larger concentration of Mortgage Loans being between $5 million and $40 million;
- payments typically are interest-only;
- generally have terms of 2 years or less;

- Mortgage Loans are secured by Real Property located in the U.S., and are denominated in U.S. dollars; and
- Mortgage Loans are syndicated, or participations are sold in Mortgage Loans, when deemed appropriate.

Aggregated statistics for the Mortgage Loan Portfolio are set out below as at March 31, 2022, and this and other select information is updated and published in monthly and quarterly reports.

- the Mortgage Loan Portfolio consists of 36 Mortgage Loans with an aggregate principal balance, net of fair value provisions, of approximately $520 million;
- all Mortgage Loans in the Mortgage Loan Portfolio are First Mortgage Loans;
- the regional segmentation of Mortgage Loans is: Southeast (48%), South-central (17%), Northwest (17%), Northeast (9%), Southwest (9%);
- 46% of Mortgage Loans are Construction Mortgage Loans, 30% are Pre-Development Mortgage Loans and 24% are Term Mortgage Loans;
- approximately 76% of Mortgage Loans had original terms of less than one year, and 100% had terms of 2 years or less; and
- the weighted average interest rate of the Mortgage Loan Portfolio is 10.37%.

Mortgage Loans

The Master Fund will use the capital contributions from its feeder funds (via the Intermediate LP) to invest in Mortgage Loans and other Authorized Investments.

The Master Fund Manager, an Affiliate of Manager, pursuant to the Servicing Agreement, has been engaged by the Master Fund General Partner to oversee the management of the Master Fund. The Master Fund Manager has the exclusive right to oversee the origination, arranging, underwriting, syndication and servicing all Mortgage Loan investments on behalf of the Master Fund in accordance with specific investment and operating policies established by the Master Fund from time to time. The Master Fund Manager has engaged the Manager to provide certain of such services. See Conflicts of Interest.

Other Matters

Currency Hedging

The Issuer's functional currency is the Canadian dollar and the Issuer will generally value its assets, distribute and report in Canadian dollars. The Issuer will invest primarily in assets issued or denominated in US dollars and will receive distributions primarily in US dollars, and, consequently, will have exposure to changes in the currency exchange rate between the Canadian dollar and the US dollar. The Issuer intends, but has no obligation, to attempt to mitigate negative currency exchange-rate exposure of Unitholders by engaging in foreign exchange hedging transactions, primarily through currency forward contracts. Any profits, losses and expenses associated with such currency hedging will be allocated among Unitholders on the same basis as other gains, losses and expenses of the Issuer. See The Issuer and Risk Factors.

Risk Factors

An investment in Units involves certain risks relating to the nature of the Units (being a security of a non-public issuer) and relating to the nature of the Issuer's assets and activities that prospective Subscribers should consider before making an investment decision or a decision to participate. Prospective Subscribers who are not willing to accept these risks should not proceed with an investment in Units. **Prospective Subscribers are urged to read this entire**

Offering Memorandum, and specifically the Risk Factors section, the Declaration of Trust and to review the risks identified with their professional advisors.

Certain Income Tax Considerations

The Canadian and U.S. income tax summaries contained herein address the principal income tax considerations of an investment in Units ("**Tax Commentaries**"). Subscribers are cautioned that the Tax Commentaries are general summaries only and do not constitute tax advice to any particular Subscriber. The Tax Commentaries identify certain tax risks and contains assumptions, limitations, qualifications and caveats. Prospective Subscribers should review these risks, assumptions, limitations and caveats with their professional tax advisors and reach their own conclusion as to the merits and likely tax consequences of an investment in Units.

Rights of Action

Securities laws in certain jurisdictions of Canada provide Subscribers with rights of action for rescission or damages where an offering memorandum, such as this Offering Memorandum, any amendment to it, any record incorporated by reference into it, or advertising and sales literature used in connection therewith, contains a misrepresentation. However, these rights must be exercised by the Subscriber within the time limits prescribed by applicable securities laws. See Schedule A - Rights of Action for Damages or Rescission.

Forward-Looking Statements

Prospective Subscribers should be aware that certain statements used herein, including, without limitation, sensitivity analyses, analyses of market trends, trends in revenue and anticipated expense levels as well as other statements about anticipated future events or results, are forward-looking statements. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. **The forward-looking statements that are contained herein involve a number of risks and uncertainties. Should one or more of these risks materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual events or results might differ materially from events or results projected or suggested in these forward-looking statements.** Some of these risks and uncertainties are identified under the heading Risk Factors. Additional information regarding these factors and other important factors that could cause actual events or results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements made by the Issuer are qualified in their entirety by reference to the important factors discussed in Risk Factors and to those that may be discussed as part of particular forward-looking statements. Neither the Issuer nor the Trustees intend, and do not assume any obligations, to update these forward-looking statements. All statements relating to the prospective operation of the Master Fund and the Issuer are forward-looking statements.

DEFINITIONS

The following terms used in this Offering Memorandum have the meanings set out below:

"**affiliate**" of a person means any person or company that would be deemed to be an affiliated entity of such person within the meaning of *National Instrument 62-104 – Take-Over Bids and Issuer Bids* (applied, with the necessary changes being made, in respect of entities that are not corporations);

"**associate**", when used to indicate a relationship with a person or company, has the meaning ascribed to such term in *National Instrument 62-104 – Take-Over Bids and Issuer Bids*;

"**Authorized Interim Investments**" means authorized interim investments of the Master Fund, and includes, among other things, money-market instruments, and money-market mutual funds, cash or cash equivalents, including U.S. government securities, certificates of deposit and bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation.

"**Authorized Investments**" means authorized investments of the Master Fund as set out in the Master Fund Partnership Agreement, and includes Mortgage Loans, Authorized Interim Investments, Related Investments, Workout Investments, or the acquiring, holding, maintaining, improving, leasing or managing of any Real Property where determined necessary or desirable, in the Master Fund General Partner's sole discretion, to preserve, protect or enhance the Master Fund or its assets.

"**Authorized Issuer Interim Investments**" means cash deposits or receipts or "specified debt" (being the debt securities enumerated in section 8.21(2) of *National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registration Obligations*) as determined from time to time by the Trustees or the Manager.

"**Authorized Issuer Investments**" means evidence of indebtedness of, or limited partnership interests or other evidence of ownership in, directly or indirectly (via the Intermediate LP), the Master Fund;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**Capital Raising Agreement**" means the agreement, dated as of July 15, 2022, between the Issuer and Manager pursuant to which Manager provides Capital Raising Services to the Issuer. See Capital Raising Agreement.

"**Capital Raising Fee**" has the meaning ascribed to such term under the heading Capital Raising Agreement – Capital Raising Fees.

"**Capital Raising Services**" means the services provided to the Issuer by Manager pursuant to the Capital Raising Agreement.

"**Closing**" means each closing of the Offering.

"**Code**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**Commercial Mortgage Loans**" means Mortgage Loans in respect of properties, land developments and construction projects which have retail, commercial, service, office and/or industrial uses.

"**Construction Mortgage Loans**" means Mortgage Loans which are advanced against stipulated budgets for multi-family residential and commercial, retail, service, office and/or industrial use projects.

"**CRA**" means Canada Revenue Agency.

"**Declaration of Trust**" means the amended and restated declaration of trust governing the Issuer, as amended from time to time in accordance with its terms.

"**Distribution Date**" in respect of the Issuer means the date on or about the 20th of the month following each Valuation Date.

"**Environmental Audit**" means an evaluation of Real Property for purposes of environmental analysis.

"**Expenses**" means expenses incurred by or on behalf of the Issuer in connection with the management of the business of the Issuer, as more fully set out in the Declaration of Trust.

"**FDAP**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**FIRPTA**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**First Mortgage Loan**" means a Mortgage Loan having priority over all other Mortgage Loan interests registered or recorded against the same Real Property used to secure such Mortgage Loan.

"**Fundserv**" means the facility maintained and operated by Fundserv Inc. for electronic communication with participating entities, including the receiving of orders, order matching, contracting, registrations, settlement of orders, transmission of confirmation of purchases and the redemption of investments or instruments.

"Independent Advisory Committee" shall have the meaning ascribed to such term under the heading Independent Review Committee.

"**Intermediate General Partner**" means Romspen US Mortgage GP Inc., an Ontario corporation, the general partner of the Intermediate LP.

"**Intermediate LP**" means TIG Romspen US Mortgage Intermediate LP, a Delaware limited partnership.

"**Intermediate LP Partnership Agreement**" means the limited partnership agreement governing the affairs of the Intermediate LP.

"**IRS**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**Manager**" means Romspen Investment Corporation, or such Person as may from time to time be appointed by the Trustees to perform the services performed by the Manager.

"**Master Fund**" means TIG Romspen US Master Mortgage LP, an exempted limited partnership formed under the laws of the Cayman Islands on December 22, 2017.

"**Master Fund Units**" means units representing limited partnership interests in the Master Fund.

"**Master Fund Capital**" at any time, means all of the monies, interests, properties and assets of the Master Fund, including, without limitation, all monies realized from the sale of assets of the Master Fund or borrowings by the Master Fund.

"**Master Fund General Partner**" means Romspen US Master Mortgage GP LLC, the general partner of the Master Fund.

"**Master Fund Manager**" means Romspen Investment LP, an Ontario limited partnership.

"**Master Fund Manager GP**" means RILP GP Inc., an Ontario corporation, the general partner of the Master Fund Manager.

"**Master Fund Partnership Agreement**" means the amended and restated limited partnership agreement governing the affairs of the Master Fund.

"**Master Fund Withdrawal Gate**" shall have the meaning ascribed to such term under the heading Investment and Operating Policies of the Master Fund – Key Provisions of the Master Fund Partnership Agreement – Withdrawals by Unitholders.

"**Material Agreements**" means the contracts referred to under Material Agreements.

"**MBLAA**" means the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (Ontario).

"**Mortgage Loan**" means a loan, whether or not evidenced by notes, debentures, bonds, assignments of purchase and sale agreements or other evidence of indebtedness, whether negotiable or non-negotiable, secured by a mortgage, hypothec, deed of trust, lien, charge or other security interest of or in Real Property in the United States by or on behalf of the Master Fund.

"**Mortgage Loan Portfolio**" means, at any time, the portfolio of Mortgage Loans held directly by or on behalf of the Master Fund.

"**Net Asset Value of the Issuer**" on any Valuation Date shall be equal to the value, denominated in Canadian dollars, of the Issuer's assets as at the Valuation Date, less an amount equal to the total liabilities of the Issuer as at the Valuation Date (as more particularly described in the Declaration of Trust);

"**Net Asset Value per Unit**" at a given time means, in respect of a class of Units, the Net Asset Value of the Issuer attributable to such class of Units divided by the number of Units of such class outstanding at such time.

"**NI 31-103**" means *National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registration Requirements*.

"**NI 45-106**" means *National Instrument 45-106 - Prospectus and Registration Exemptions*.

"**Non-Performing Mortgage Loan**" means, at any given time, a Mortgage Loan for which the timing or collectability of interest has been determined to be uncertain by the Manager or the Master Fund Manager, in their sole discretion, and consequently for which accrual of interest is not included in the financial statements for applicable Persons.

"**Non-Residents**" shall have the meaning ascribed to such term under the heading Declaration of Trust – Limitation on Non-Resident Ownership.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Offering**" means the offering on a private placement basis of Units for maximum gross proceeds of $750,000,000 described in this Offering Memorandum.

"**Offering Jurisdictions**" means Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador, Nova Scotia and any other jurisdiction of Canada where Manager from time to time is registered as an exempt market dealer, where a Representative is registered as a dealer or where the Issuer or Manager engages a third-party agent to distribute the Units.

"**Offering Memorandum**" means this offering memorandum, as it may be amended, restated or modified from time to time.

"**Ordinary Resolution**" means: (i) a resolution passed by Unitholders holding, in the aggregate, more than 50% of the number of Units held by those Unitholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of the Unitholders or any adjournment thereof; or (ii) a written resolution in one or more counterparts consented to in writing by Unitholders holding, in the aggregate, more than 50% of the number of Units held by those Unitholders who are entitled to vote.

"**Issuer**" means Romspen US Mortgage Investment Trust, a trust established under the laws of Ontario and governed by the Declaration of Trust.

"**Person**" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

"**Pre-Development Mortgage Loans**" means Mortgage Loans granted as security for loans which are advanced for the purpose of assisting in the development of the mortgaged lands which may include, but not be limited to, Mortgages that are advanced against stipulated budgets for the acquisition of land, pre-development costs and installation and construction of roads, drainage, sewage, utilities, and similar improvements on such lands.

"**Qualified Appraiser**" means a person who is an appraiser accredited or licensed by the Appraisal Institute of Canada, the American Society of Appraisers or any successors thereof.

"**Real Property**" means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, Mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise) and any interests in and to any of the foregoing.

"**Redemption Date"** means the last day of each month, or if not a Business Day, then the next Business Day.

"**Redemption Charge**" has the meaning ascribed to such term under the heading Declaration of Trust – Redemption of Units.

"**Redemption Request**" has the meaning ascribed to such term under the heading Declaration of Trust – Redemption of Units.

"**Register**" means that record of the names and addresses of Unitholders together with other pertinent information to be kept by, on behalf of, or under the direction of the Trustees.

"**Registered Plans**" shall have the meaning ascribed to such term under the heading Certain Canadian Federal Income Tax Considerations – Eligibility for Investment.

"**Related Investment**" means bonds, debentures, notes or other evidence of indebtedness in, or shares, units or other evidence of ownership in any entity, engaged directly or indirectly in the funding, holding or investing in Mortgage Loans, or the sole or principal purpose and activity of which is to invest in, hold and deal in Mortgage Loans.

"Representative" means the duly authorized registered dealer, broker or investment advisor acting as the agent for a Subscriber or Unitholder.

"**Reserves**" means amounts from time to time transferred or credited, in the sole discretion of the Trustees, to a reserve or contingent account on the books and records of the Issuer for Expenses and such other matters and things as the Trustees acting reasonably determines as being appropriate.

"**Services Agreement**" means the agreement between the Master Fund and the Master Fund Manager, pursuant to which the Master Fund Manager coordinates and oversees the provision of mortgage origination and management services to the Master Fund.

"**Special Resolution**" means: (i) a resolution passed by Unitholders holding, in the aggregate, not less than 66 2/3% of the number of Units held by those Unitholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of Unitholders or any adjournment thereof; or (ii) a written resolution in one or more counterparts consented to in writing by Unitholders holding, in the aggregate, not less than 66 2/3% of the number of Units held by those Unitholders who are entitled to vote.

"**Subordinate Mortgage Loan**" means a Mortgage Loan other than a First Mortgage Loan.

"**Subscribers**" means subscribers for Units hereunder, pursuant to the Offering, whose subscriptions have been accepted by the Trustees, and to whom Units have been issued and not revoked or transferred (individually, a "Subscriber").

"**Subscription Agreement**" means the agreement to be entered into between the Issuer and Subscribers in furtherance of a subscription for Units under the Offering in such form as approved by the Trustees from time to time.

"**Syndication**" means the sharing of ownership a Mortgage Loan or other investment by more than one Person.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder.

"**Tax Proposals**" shall have the meaning ascribed to such term under the heading Certain Canadian Federal Income Tax Considerations – General.

"**Term Mortgage Loans**" shall have the meaning ascribed to such term under the heading Master Fund's Investment Objectives - Investment Objectives and Overview.

"**Treaty**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**Unitholder**" means a holder of Units.

"**Unit**" means a unit of interest in the Issuer, identified with reference to a class, and if applicable, a series, if more than one class and series of Units is authorized in accordance with the Declaration of Trust.

"**US GAAP**" means generally accepted accounting principles in the United States.

"**USRPI**" shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – General.

"**Valuation Date**" means the last Business Day of each month.

"**Workout Investments**" means any evidence of indebtedness, any evidence of ownership in any entity or any other investment made by or at the direction of the Master Fund General Partner, in the Master Fund General Partner's sole discretion, on behalf of the Master Fund, to preserve or protect the Master Fund or its assets.

Reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced, or supplemented from time to time. Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or regulations.

THE ISSUER

The Issuer is a trust established under the laws of Ontario on June 10, 2022. See Declaration of Trust. The head office of the Issuer is located at 162 Cumberland Street, Suite 300 Toronto, Ontario M5R 3N5. The Trustees are responsible for the overall control and direction of the Issuer. See Trustees.

The Issuer was established for the principal purpose of issuing Units and investing the net Offering proceeds in Master Fund Units (via the Intermediate LP), and has investment objectives identical to those of the Master Fund. The Issuer will almost exclusively derive its income from its indirect investment in Master Fund Units. See Declaration of Trust and Master Fund Partnership Agreement. The Master Fund's long-term objective is to provide its limited partners with stable and secure cash distributions from its investments in Mortgage Loans in its target market segments, with the goal of obtaining favourable yields and maximizing distributions and the value of limited partnership interests through the efficient sourcing and management of a geographically diverse portfolio of Mortgage Loan investments in the United States.

The objective of the Issuer is to generate income, primarily from its indirect investment in Master Fund Units. The Issuer's income will be derived from its indirect interest in the Master Fund. From this income, the Trustees will calculate, allocate and distribute the Issuer's Distributable Cash to Unitholders on a monthly basis or other scheduled basis as determined by the Trustees from time to time in accordance with the Declaration of Trust.

To achieve these objectives, the Issuer will benefit from the experience of the Manager's principals, agents and employees in originating, underwriting, syndicating and servicing Mortgage Loan investments for the Master Fund, as overseen by the Master Fund Manager. Mortgage Loan investments will be subject to specific investment policies and the operation of the Master Fund will be subject to specific operating policies. These policies were established based on the historical practices of the Manager, whose principals have been successfully operating in the mortgage investment industry for many years. See Investment Strategy and Investment and Operating Policies of the Master Fund.

The Master Fund intends to pursue a strategy of growth through additional direct and indirect investments in Mortgage Loans in areas that are currently underserviced by banks and other lending institutions. The Master Fund is well positioned to grow its portfolio by focusing on underserviced market niches within the real estate lending market and intends to expand its Mortgage Loan assets by accessing capital through further capital contributions from the Issuer and other limited partners. The Issuer will finance additional capital contributions to the Master Fund by the issuance of additional Units. See Investment Strategy and Investment and Operating Policies of the Issuer.

The Issuer's functional currency is the Canadian dollar and the Issuer will generally value its assets, distribute and report in Canadian dollars. The Issuer will invest primarily in assets issued or denominated in US dollars and will receive distributions primarily in US dollars, and will have exposure to changes in the currency exchange rate between the Canadian dollar and the US dollar. The Issuer intends, but has no obligation, to attempt to mitigate negative currency exchange-rate exposure of Unitholders by engaging in foreign exchange hedging transactions, primarily through currency forward contracts. The Issuer will only hedge currency exchange rate risk (if at all) to the extent they deem reasonably practical, and reserves the right to change the extent and method of such hedging at any time in their absolute discretion (including not engaging in any currency hedging transactions). Any profits, losses and expenses associated with such currency hedging will be allocated among Unitholders on the same basis as other gains, losses and expenses of the Issuer. The Issuer's judgment on whether to hedge currency exchange rate risk may be incorrect and result in losses to the Issuer and Unitholders, in addition to incurring potentially substantial exchange rate hedging and transaction costs. To the extent that the Issuer's currency exposure is unhedged, Units may be exposed to the movement of the Canadian dollar compared to the US dollar. The Issuer will receive subscription proceeds denominated in Canadian dollars, and will receive distributions from the Intermediate LP in US dollars. The Issuer will convert such amounts, as applicable, at the spot rate of exchange available to the Issuer at any time and from time to time in their sole discretion.

The Issuer was established, essentially, for an indefinite term. Pursuant to the Declaration of Trust, the Trustees, in their sole discretion, may determine to terminate the Trust upon providing reasonable prior written notice to the Unitholders. See Declaration of Trust - Termination.

THE MASTER FUND

The affairs of the Master Fund and the rights and obligations of its limited partners are governed by the Master Fund Partnership Agreement. The Master Fund is comprised of a single limited partner, the Intermediate LP, which in turn, is comprised of several limited partners acting as "feeder funds", including the Issuer, each holding a single class of limited partnership interests (Class A interests). In the future, it is contemplated that additional feeder funds will own indirect interests in the Master Fund (by becoming limited partners of the Intermediate LP, subject to Applicable Law). The Intermediate LP Partnership Agreement gives the Intermediate LP the ability to offer different classes and series of partnership interests to such Persons.

The Master Fund Manager, a wholly-owned subsidiary of the Manager, oversees the origination and servicing of new Mortgage Loans for the Master Fund. New US Mortgage Loan investment opportunities are identified by the Manager and the Master Fund Manager, and the capital required to fund such investments will primarily be provided by available cash, or by the limited partners of the Intermediate LP, pro rata in accordance with their percentage limited partnership interests in the Intermediate LP.

INDUSTRY OVERVIEW

The Commercial Mortgage Loan market in the United States is segmented into tiers that reflect the desirability of Commercial Mortgage Loans as tier-one, mid-tier or other by the large lending institutions. Several business and project specific factors influence this segmentation. The business factors vary from time to time and by region amongst the large lending institutions and include geographical preferences and concentration issues, other business objectives, relationships with borrowers, risk tolerance, cost of funds, size of Mortgage Loans, and other financial criteria inherent to each individual lender. Project-specific factors include the stage of project development, borrower profile and experience, market factors, the amount of borrower equity, levels of presales and/or pre-leasing, existence of mortgage insurance and clarity of exit and repayment strategies. These factors, when ranked by each lender, determine the tiered structure of the industry and the pricing and availability of capital to borrowers throughout the marketplace. As such, it is quite common to have similar projects considered as either tier-one and/or mid-tier by different lenders and to have the same project evolve from a lower-tier to a tier-one ranking project and for it to attract new and different lenders as the project moves through the various development stages of land acquisition, pre-development, infrastructure, construction, and finally the selling cycle. As a result, in the United States' most populated cities, major financial institutions compete for the tier-one, high volume, secured or insurable loan opportunities with an oversupply of capital to opportunities. In all other markets, there exists a near constant imbalance of capital to demand for Commercial Mortgage Loan funds for mid-tier development and construction projects. In these markets, the Master Fund and other private lenders compete for lower volume development and construction loan opportunities with a usual oversupply of opportunities to appropriately priced capital. The segments between tiers are known as shoulder markets.

MASTER FUND'S INVESTMENT PROGRAM

The following is a general description of the principal types of investments which the Master Fund has made and intends to make, certain investing techniques that it has and may employ, the investment criteria that it has applied and plans to apply, and the guidelines that it has established with respect to the composition of the Mortgage Loan Portfolio. The following description is merely a summary, and prospective investors should not assume that any descriptions of the specific activities in which the Master Fund may engage are intended in any way to limit the types of investment activities which the Master Fund may undertake or the allocation of Master Fund capital among such investments.

The Master Fund's Value Proposition

The investment strategy of the Master Fund is to invest in Mortgage Loans in the shoulder and mid-tier markets where borrowers' credit requirements are not being met by larger lending institutions. To maintain a stable yield on the portfolio, the Master Fund manages risk by diversifying the portfolio across several criteria, and by employing conservative underwriting standards and diligent and pro-active servicing and administration processes. As a result of the Master Fund's intended strategy of initiating a lending relationship in the early stages of a development and the

restricted competition in the markets in which it invests, the Master Fund anticipates that it will continue to have substantial influence over interest rate pricing and investment security exposure on its investments.

As part of its growth strategy, the Master Fund may develop and execute a strategy for consolidation within its target markets, which strategy may involve purchasing existing Mortgage Loans or Mortgage Loan portfolios from other lenders currently competing in these markets. As well, the Master Fund actively seeks to optimize the risk/return relationship of various investments by overweighting attractive segments/geographic regions and underweighting others, while always ensuring adequate portfolio diversification.

Investment Objectives and Overview

The Master Fund's long-term objectives are to: (a) provide its limited partners with stable and secure cash distributions from its investments in Mortgage Loans in its target market segments, and (b) preserve Master Fund capital. The Master Fund's goal is to obtain favorable yields and maximize distributions to its limited partners through the efficient sourcing of, investment in and management of a diverse portfolio of Mortgage Loan investments.

The Master Fund will seek to achieve its investment objectives by investing, directly or indirectly, in Authorized Investments. The Master Fund may make such investments directly or indirectly, through one or more special-purpose vehicles formed by the Master Fund General Partner or an Affiliate to facilitate such investments.

The Master Fund generally expects that almost all of its Authorized Investments will consist of Mortgage Loans sourced, originated and underwritten by the Master Fund and/or the Manager and its Affiliates, and their employees and agents, either directly, or through an extensive network of industry intermediaries, and that almost all Mortgage Loans will be first lien mortgages. It is anticipated that, in most cases, the Master Fund will be the sole owner of the Mortgage Loans. However, the Master Fund may also participate in or purchase portions of Mortgage Loans originated by other lenders. Participation or purchased interests in Mortgage Loans will generally either be *pari passu* with other participants or lenders, or in a senior position to other participants or lenders. The Master Fund may also offer and sell to third parties participation or syndicated interests in Mortgage Loans owned by the Master Fund, in order to optimize the size or risk characteristics of the position in the Mortgage Loan retained by the Master Fund. In some cases, the Master Fund may invest in Mortgage Loans secured by second liens, or in junior loan participations, subject to the limitation that such subordinate investments do not exceed 20% of Master Fund capital. From time to time, the Master Fund may purchase whole Mortgage Loans (i.e., mortgages that have not been securitized) from third parties, provided such loans meet the Master Fund's investment objectives and satisfy its investment criteria.

The Mortgage Loan Portfolio will emphasize the following types of loans in well-functioning and efficient shoulder markets:

Pre-Development Mortgage Loans

Land acquisition, pre-development and infrastructure Mortgage Loans occur at an early stage in a project's development. Borrowers use loan funds to finance land acquisition, pre-development costs and the installation and construction of roads, drainage, sewage, utilities, and similar improvements. Current interest rate pricing for tier-one borrowers and projects ranges from bank prime plus 1% - 2%; 9% - 10% for the shoulder segment between the tier-one and mid-tier markets; and 11%- 14% for mid-tier borrowers and projects. Loan terms in all segments average 12 - 18 months in duration. The Master Fund will continue to focus on the shoulder and mid-tier markets, with pre-development Mortgage Loans underwritten to approximately a 65% or lower loan-to-value ratios.

Construction Mortgage Loans

Construction Mortgage Loans follow pre-development Mortgage Loans as projects move through the development cycle, and finance the construction of commercial developments (including mixed-use, office, retail, warehouse, industrial and hotel properties). Current interest rate pricing for tier-one borrowers and projects ranges from bank prime plus 1% - 2%; 9% - 10% for the shoulder segment between the tier-one and mid-tier markets; and 11% -14 % for mid-tier borrowers and projects. Mortgage Loan terms in all segments average 12 - 24 months in duration. The Master Fund will continue to focus on the shoulder and mid-tier markets with construction Mortgage Loans underwritten to approximately 65% or lower loan-to-value ratio on average. The development and construction

shoulder and mid-tier markets, while large and in the hundreds of millions of dollars annually, comprise a relatively small segment of the total real estate lending market.

Term Mortgage Loans

Term Mortgage Loans enable an owner of a completed or substantially-completed income producing property to defer arranging longer-term financing until conditions can attract more favorable financing terms. Interest rates vary depending on the borrower, property location, property type, and loan-to-value ratio. These Mortgage Loans are usually short to mid-term in length as the borrower's funding needs are driven by a specific opportunity for use of the funds on an interim basis or as a method of bridging financing until the property qualifies for long-term, low-cost institutional lender financing. Loans in this segment typically average 24 months in duration, and are underwritten to approximately a 65% loan-to-value ratio on average. Occasionally, changes in market conditions or institutional lender criteria will create the opportunity for longer terms.

The typical strategy for the Master Fund's exit of a given Mortgage Loan investment is through a borrower refinancing the loan with a conventional/institutional lender, a sale of all or a part of the real property securing the Mortgage Loan, and, in some cases, a sale of the entire Mortgage Loan to a third party.

Borrowing Strategy

The Master Fund may enter into one or more credit facilities for working capital purposes in order to enable it to manage its cash requirements, including to make distributions or to pay redemption proceeds. Any such credit facility may be secured by assets of the Master Fund. The Master Fund will use borrowings under the facility to manage its day-to-day cash flow requirements, given the timing issues caused by temporary mismatches between capital inputs and capital requirements. The Master Fund General Partner does not intend to use the facility to enhance Master Fund returns. The ratio of borrowings to Master Fund capital will generally not exceed 35% of the book value of Mortgage Loans held by the Master Fund (as at the time of facility drawdowns). The Master Fund's borrowings are intended to maximize the amount of Master Fund capital that is deployed at any given time in productive assets, and conversely, to minimize the amount of Master Fund capital waiting to be redeployed between Mortgage Loan investments. Typically, when a borrower repays a loan, the proceeds will be used to pay down the facility rather than being invested in Authorized Interim Investment until being redeployed.

From time to time, the Master Fund may borrow money on an interim basis pending subscriptions for Master Fund Units in order to make investments in Mortgage Loans. Accordingly, the Master Fund may enter into a revolving credit facility arrangement (with a feeder fund or another Person, including an Affiliate) whereby the lender will provide short term financing to the Master Fund for the purpose of making such investments. At the end of the month in which such financing was extended by the lender, the principal amount borrowed by the Master Fund plus interest earned thereon shall be repaid or, at the discretion of the Master Fund, all or a portion of such principal amount may be converted into Master Fund Units at the prevailing net asset value of the Master Fund as determined by the Master Fund Manager as of such date. Such credit facility will be secured by the investments and assets of the Master Fund and no individual borrowing thereunder shall remain outstanding beyond the beginning of the next calendar month. Each borrowing under the revolving credit facility will be entered into on market standard terms generally available to the Issuer from parties unaffiliated with the Manager or the Trustees.

Other Investment Considerations

The Master Fund uses a flexible and opportunistic approach to investing in different Authorized Investments and markets. The cash and cash equivalent balances of the Master Fund may be significant from time to time and will vary as the Manager deems advisable. The percentage of the Master Fund's portfolio invested in different types of Authorized Investments, including cash, will vary based on the Manager's assessment of specific investment opportunities and general market conditions.

Although the Master Fund expects generally to invest directly, the above restrictions will not prevent the Master Fund from investing indirectly through one or more wholly-owned subsidiaries or other vehicles where the Manager considers that such structures would be commercially and tax efficient or provide the only practicable means of access to the relevant investment.

Syndication and Participation Strategy

The Master Fund may participate in or purchase portions of Mortgage Loans originated by other lenders. Participation or purchased interests in Mortgage Loans will generally either be *pari passu* with other participants or lenders, or in a senior position to other participants or lenders. The Master Fund may also offer and sell to third parties participation or syndicated interests in Mortgage Loans owned by the Master Fund, in order to optimize the size or risk characteristics of the position in the Mortgage Loan retained by the Master Fund. In some cases, the Master Fund may invest in Mortgage Loans secured by second liens, or in junior loan participations, subject to the limitation that such subordinate investments do not exceed 20% of Master Fund capital. From time to time, the Master Fund may purchase whole Mortgage Loans (i.e., mortgage loans that have not been securitized) from third parties, provided such loans meet the Master Fund's investment objectives and satisfy its investment criteria.

Risk Management

The Master Fund takes a multi-faceted approach to risk management. In addition to the its default management plan (see Investment and Operating Policies of the Master Fund - Collection Activities and Investment Strategy – Defaults and Workouts), risk management is implicit in the Master Fund's operation of its business through, among other things, its: (i) investment and operating policies and investment guidelines (see Investment and Operating Policies of the Master Fund), (ii) its syndication and participation strategy, (iii) restriction on use of financial leverage, and (iv) its retention of experienced management through the Master Fund Manager, and, ultimately, Manager.

Development and Maintenance of the Mortgage Loan Portfolio

In the Manager's view, the keys to developing and maintaining a successful Mortgage Loan Portfolio are: (i) prudent loan underwriting; (ii) the ability to source a broad range of Mortgage Loan investment opportunities, thereby allowing the Master Fund to be selective in its choice of investments; and (iii) disciplined monitoring, servicing, collection and enforcement practices. The Master Fund General Partner believes that, because of the experience of the Manager's principals and senior management, the Master Fund will be able to source, originate and fund Mortgage Loan investments which satisfy the Master Fund's investment criteria and policies because of: (i) the specialized lending structures offered to borrowers; (ii) the reputation, experience and marketing ability of the principals and senior management of the Manager; (iii) the timely credit analysis and decision-making processes followed by the Manager and the Master Fund; and (iv) a lack of credit providers in the market segments in which the Master Fund invests, relative to credit demand in these segments, resulting from the consolidation in the financial services industry and the migration by the remaining participants in the industry away from the small- and medium-sized Mortgage Loan market in which the Master Fund operates, due to various regulatory modifications and operating practice changes within financial institutions after the credit crisis of 2007-2009.

Master Fund History with Mortgage Loans

Since its inception to March 31, 2022, the Master Fund has originated a cumulative total of $1.2 billion of Mortgage Loans, with a median Mortgage Loan size of approximately $10.9 million, and an average face interest rate of 10.92%. There have been no realized losses to date. Loan loss reserves are approximately $21.6 million as at March 31, 2022.

Mortgage Loan Investment Opportunity Sources and Proven Industry Experience

The Manager and Master Fund Manager currently oversee, manage and service approximately $2.7 billion of Mortgage Loans, and source Mortgage Loans either directly or through market intermediaries such as mortgage brokerages, financial institutions and other industry professionals. Manager's officers, employees and agents have extensive contacts in the mortgage loan and real estate industries, enabling them to identify investment opportunities and submit them to the Master Fund for consideration. In addition, the principals of the Manager have extensive experience in originating, sourcing and underwriting Mortgage Loans, and each has comprehensive knowledge and understanding of the mortgage loan and real estate markets, which facilitates the making of prudent investment decisions and the identification of sound investment opportunities. The Master Fund will take advantage of this experience and thereby maintain access to a source of Mortgage Loan investments for which there is limited competition with traditional institutional lenders.

Loan Monitoring and Enforcement Activities

The Master Fund Manager attempts to minimize the risk of defaulted Mortgage Loans by overseeing the maintenance of active communication with sponsors and guarantors, monitoring the performance of the Mortgage Portfolio and other Authorized Investments, including overseeing the tracking the status of outstanding payments due, grace periods and due dates, and the calculation and assessment of other applicable charges. The Services Agreement requires the Master Fund Manager to make reasonable efforts to collect all payments on account of principal and interest payable on a Mortgage Loan where applicable, to cause the borrower to perform its obligations under the Mortgage Loan and to follow established collection procedures. The Master Fund Manager is required to oversee the monitoring any Mortgage Loan that is in default, evaluate whether the causes of the default will be corrected by the borrower without significant impairment of the value of the related property, oversee the initiation of corrective action and take such other actions as are consistent with established collection procedures. The employees, agents and principals of the Manager have substantial experience in servicing Mortgage Loans, including the institution of enforcement proceedings, and have a history of very low losses on loans which Manager has underwritten and serviced.

The time within which the Master Fund Manager and Manager may make the initial determination of appropriate action, evaluate the appropriate corrective action, if any, develop additional initiatives, or institute enforcement proceedings may vary considerably depending on the particular Mortgage Loan, the Real Property, the borrower, the guarantors, the borrower's circumstances and the presence of an acceptable party to assume the Mortgage Loan. If a borrower or other obligor becomes subject to proceedings under bankruptcy or insolvency laws, the Master Fund may be prevented from accelerating the maturity of a Mortgage Loan, initiating foreclosure proceedings or exercising other enforcement proceedings for a period of time.

The Manager, the Master Fund Manager and the Master Fund General Partner will employ the services of, and may enter into joint ventures and/or consulting arrangements with, a broad range of professionals and other parties (receivers, lawyers, developers, property management companies, leasing companies and workout specialists), as well as other extensive industry contacts and relationships in order to assist in the workout and recovery of defaulted Mortgage Loans. The terms of such engagements and joint ventures may provide for monthly fees payable to such providers, as well as incentives and/or profit participation based on the successful execution of such workouts.

Non-Performing Mortgage Loans

Non-performing Mortgage Loans and their resolution is a normal, ongoing part of the Master Fund’s business. The Master Fund’s Mortgage Loan pricing takes into account the fact that a certain percentage of Mortgage Loans may have a period of non-performance. While the Master Fund will aim to collect all indebtedness, there are instances where borrowers encounter unforeseen circumstances or are in distressed situations, and the collection and/or timing of interest payments and principal repayments becomes unclear. For these Mortgage Loans, interest accrued into the Master Fund’s revenue is discounted, if such Mortgage Loans are partly performing, or eliminated, if such Mortgage Loans are not performing, which could result in a lower return on the Mortgage Loan Portfolio. Historically, some portion of such non-accrued interest is recovered during the collection process and the ultimate resolution of such Mortgage Loans. To date, the Master Fund has not realized any losses on any Mortgage Loans.

Resolving non-performing Mortgage Loans to maximize value is typically not a quick process, and takes patience, experience, capital and the absence of pressures created by financial leverage. The Master Fund’s business model, lending approach and practices are specifically designed to address these circumstances and manage them to successful outcomes. As such, it will be able to make the best long-term strategic decisions to maximize the value of non-performing Mortgage Loans, as opposed to more expeditious but less optimal courses of action.

The Master Fund may often choose to indirectly take control of, hold and develop a Real Property instead of disposing of it at a value significantly below optimal market prices, in order to maximize potential recoveries.

Independent Advisory Committee

The Master Fund General Partner has established the Independent Advisory Committee, initially consisting of John Ackerley, Joel Mickelson and Julie O’Hara. The Master Fund General Partner will seek the review and approval of

the Independent Advisory Committee for certain actions that the Master Fund desires to undertake, as set forth in the Master Fund Partnership Agreement. The Independent Advisory Committee meets quarterly to review the Master Fund's operations, but is not responsible for the daily operations or administration of the Master Fund and is not responsible for making or approving any investment decisions. The Master Fund compensates Carne Global Financial Services (Cayman) for the services of Mr. Ackerley and Ms. O'Hara, and the Master Fund may also compensate any other Independent Advisory Committee members appointed in the future (other than any persons affiliated with the Master Fund Manager). Mr. Mickelson is not compensated for his services rendered as an Independent Advisory Committee member. The Master Fund Partnership Agreement limitation on liability and indemnities in favour of the Independent Advisory Committee members, except as a result of their own misconduct in or about the conduct of the Master Fund's business or affairs or in the execution or discharge of their duties. A majority of the Independent Advisory Committee members will not be affiliated with the Master Fund General Partner, the Master Fund Manager or the Manager. Independent Advisory Committee members may be removed or replaced by the Master Fund General Partner. The backgrounds of the members of the Independent Advisory Committee are set forth below.

John Ackerley. John Ackerley is the Chief Executive Officer of Carne Global Financial Services (Cayman) and has over twenty (20) years of experience in the financial services industry in the Cayman Islands, Ireland and Dubai and possesses knowledge of investment fund structures and operations. He has a background in audit, accounting and fund administration and regularly writes on fund governance issues for the industry press. John has been active in the provision of governance services to the alternative investment industry since 2004. Mr. Ackerley was previously employed at Bank of America, Cayman, where he had overall responsibility for the client reporting team. He was also with The Harbour Trust Co., and was a Senior Vice President and Senior Executive Officer with Maples Finance in Dubai. He is a Fellow of the Institute of Chartered Accountants in Ireland, and a member of the Society of Trust and Estate Practitioners.

Joel Mickelson. Joel Mickelson is the Manager's Secretary and General Counsel, a position he has held for over 14 years, and is Secretary of the Intermediate General Partner and the of the general partner of the Master Fund Manager. Mr. Mickelson is a member of the Law Society of Ontario and has an LL.B. (1990) from the University of Toronto's Faculty of Law. Mr. Mickelson has broad experience in real estate law, mortgage investment entity and fund structuring, financial services regulation and compliance and securities law.

Julie O'Hara. Julie O'Hara is a director of Carne Global Financial Services (Cayman) Limited, and is an experienced non-executive fund director at Carne Group in the Cayman Islands, which provides independent directorship services to the alternative investment industry and is regulated by the Cayman Islands Monetary Authority (the "**Monetary Authority**"). Ms. O'Hara joined Carne Group in 2013 and has extensive legal experience in the investment funds industry, having worked across a number of key jurisdictions, including the Cayman Islands, Hong Kong and London. Ms. O'Hara provides fiduciary services to investment fund structures and is familiar with a wide range of investment strategies. Ms. O'Hara has significant experience in fund structuring, regulatory compliance and fund governance. Prior to joining Carne Group, Ms. O'Hara was a Managing Associate in the Business and Trust Law group at the Cayman office of the international law firm Ogier, specializing in investment funds from 1999 - 2012. Ms. O'Hara is a member of the Cayman Islands Bar Association and the Cayman Islands Law Society. Ms. O'Hara graduated with a Bachelor of Laws (Hons.) from the University of Liverpool and qualified as an attorney-at-law in the Cayman Islands in 2001. Ms. O'Hara is an approved director under the Directors Registration and Licensing Law, 2014, in the Cayman Islands.

INVESTMENT AND OPERATING POLICIES OF THE MASTER FUND

Investment and Operating Policies

Investment Policies

The Master Fund Manager, the Master Fund General Partner and the Master Fund will adhere to the following policies established by the Master Fund Partnership Agreement, when investing Master Fund capital:

(a) subject to item (b) below, Master Fund capital may be invested only in Authorized Investments, including participations and co-lending arrangements with third parties or with affiliates and their principals;

(b) when not invested in Authorized Investments, Master Fund capital will be invested in Authorized Interim Investments;

(c) at least 80% of the Master Fund's capital will be invested in Mortgage Loans secured by first liens on the applicable property or first-ranking participations or co-lending arrangements;

(d) Loan to Value ratios – the Master Fund's target loan-to-value ratio for Mortgage Loans is between 60%-70%;

(e) Title Insurance – absent special circumstances, all Mortgage Loans will be title insured by a reputable title insurance company;

(f) Insurance – borrowers must adhere to the Master Fund's property insurance requirements, as supplemented by the advice of the Master Fund's insurance consultant, if applicable;

(g) In addition to being secured primarily by liens on real property, Mortgage Loans in which the Master Fund invests will also typically be secured by (i) guarantees from beneficial owners and/or borrower sponsors, with such guarantees further secured by a security interest in the guarantors' assets, (ii) a pledge of the ownership interests of the borrower; (iii) a security interest in the borrower's assets, (iv) an environmental indemnity from the borrower and guarantors, (v) a specific assignment of material agreements relating to the real property, and (vi) other loan documents standard in the lending market in which the Master Fund operates for the specific type of Mortgage Loan being made; and

(h) Diversification – absent special circumstances, such as the necessity to protect Master Fund capital or for risk management purposes, no more than 10% of Master Fund capital may be invested in any single Mortgage Loan, or with any single borrower/sponsor.

Operating Policies

(a) Master Fund Borrowings – Borrowings will be on commercially reasonable terms and will not exceed 35% of the Mortgage Loan Portfolio cost;

(b) Investment Approval – Authorized Investments must be approved by the Master Fund General Partner and the Manager; and

(c) Legal title to Authorized Investments may be held and recorded/registered by a collateral agent in trust for the Master Fund, which agent may be the Master Fund General Partner or a person approved by the Master Fund General Partner, including an Affiliate.

Amendments to Investment and Operating Policies

The investment and/or operating policies of the Master Fund may be amended, supplemented or replaced from time to time by the Master Fund General Partner in its sole discretion without the consent, approval or ratification of the limited partners of the Master Fund or any other person. The Master Fund General Partner may elect, but will not be required, to submit any proposed amendments, supplements or replacements to the investment policies and/or operating policies to the limited partners of the Master Fund for approval. Where the investment and/or operating policies of the Master Fund are amended, supplemented or replaced by the Master Fund General Partner, limited partners of the Master Fund, including the Issuer, will be given written notice of material amendments to the investment policies 30 days prior to the implementation of any such amended investment policies. Notwithstanding anything else to the contrary set out in the Master Fund Partnership Agreement, if at any time a government or regulatory authority having jurisdiction over the Master Fund or any of its property enacts any law, regulation or requirement which is in conflict with any investment or operating policy of the Master Fund then in force, such policy in conflict will, if the Master Fund General Partner so resolves, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Master Fund General Partner will not require the prior approval of limited partners of the Master Fund or any other person.

Key Provisions of the Master Fund Partnership Agreement

The rights and obligations of the limited partners of the Master Fund are governed by the Master Fund Partnership Agreement. The following is a brief summary of certain provisions of the Master Fund Partnership Agreement, and does not purport to be complete, and is qualified in its entirety by reference to the Master Fund Partnership Agreement itself.

Term and Master Fund General Partner

The Master Fund will generally continue indefinitely, subject to the occurrence of a certain limited number of events, including the decision of the Master Fund General Partner to dissolve the Master Fund, or the removal for cause of the Master Fund General Partner without replacement of a successor. The Master Fund General Partner has complete responsibility for the management and control of the business and operations of the Master Fund. The Master Fund General Partner has delegated the responsibility for the oversight of the management of the Master Fund's assets to Master Fund Manager pursuant to the Services Agreement. The Master Fund General Partner generally has unlimited liability for the Master Fund's obligations to third parties not otherwise satisfied by the Master Fund. The limited partner of the Master Fund, and limited partners of the Intermediate LP, including the Issuer, are not liable for the Master Fund's or Intermediate LP's obligations except to the extent of their respective capital accounts and not in excess thereof. The limited partner of the Master Fund, and the limited partners of the Intermediate LP, including the Issuer, do not participate in the management or control of the Master Fund's or Intermediate LP's business or affairs. The Master Fund General Partner may resign on notice to its limited partner, but may only be removed for cause, after determination by a court of competent jurisdiction.

Capital Accounts and Allocations

The Master Fund will establish a capital account for its limited partner, the Intermediate LP, and Intermediate LP will establish a capital account for each of its limited partners, including the Issuer, which will initially consist of a limited partner's initial capital contribution. Capital accounts will be increased by any additional capital contributions and the allocable share of net profits, and decreased by any capital withdrawals, distributions and the allocable share of any net losses. The limited partner of the Master Fund, and the limited partners of the Intermediate LP, including the Issuer, are not obligated to make additional capital contributions to the Master Fund or the Intermediate LP. Net profits and net losses of the Master Fund and the Intermediate LP will be allocated to their respective partners in proportion to each partner's capital account balance for the applicable valuation period, which is typically a calendar month. For accounting purposes, limited partnership interests in the Master Fund and the Intermediate LP are divided into "units" (with one (1) unit initially representing $10.00 of limited partnership interest).

Distribution Policy

The Master Fund and the Intermediate LP intend to distribute 100% of available cash collected on an ongoing basis, to their respective limited partners in proportion to their respective capital accounts. Distributable cash will be distributed to limited partners on or about the 20th of the month following each Valuation Date.

Designated Investments

The Master Fund General Partner has the option, in certain circumstances when certain Master Fund investments are rendered illiquid, restricted or difficult to value, to establish a separate series of Master Fund interests in order to separately account for such adversely affected assets from the Master Fund's other assets. These assets are referred to as "**Designated Investments**". The Intermediate LP may not withdraw any part of its capital account attributable to such Designated Investment until the Designated Investment is realized or the Master Fund General Partner determines that such investment need not be treated as a Designated Investment.

Valuations

The net asset value of the Master Fund is determined by the Master Fund General Partner and the Master Fund Manager's valuation committee in accordance with U.S. generally accepted accounting principles (fair value through profit and loss) and the Master Fund Manager valuation policy, and is generally equal to the amount by which the fair market value of the Master Fund's assets exceeds its liabilities.

Withdrawals

Limited partners in the Master Fund and the Intermediate LP may generally withdraw, upon 30 days' notice, all or a portion of the balance in their capital accounts at the redemption date next following such notice. There is a withdrawal charge of 4% for withdrawals within the first year. If total withdrawal requests on any withdrawal date exceed 1% of the Master Fund's net asset value (excluding Designated Investments), the Master Fund General Partner may, in its discretion, limit withdrawals to 1% of net asset value (excluding Designated Investments) (the "**Master Fund Withdrawal Gate**"), provided that this restriction cannot delay a withdrawal request for more than 36 months. Also, the Master Fund General Partner and the Intermediate General Partner may require a limited partner to withdraw, for any reason, upon 5 days' notice, all or part of its capital account. The Master Fund General Partner may also suspend the determination of net asset value of the Master Fund or suspend or limit withdrawal rights for any and all limited partners upon the occurrence of certain events.

Amendments to Master Fund Partnership Agreement

The Master Fund Partnership Agreement can be amended by the Master Fund General Partner acting alone, to deal with generally administrative matters, such as reflecting the admission of new limited partners, changing the office location of the Master Fund, correcting ambiguities, conforming with legal requirements, reflecting capital contributions, and to make other changes necessary for the Master Fund's business and not adverse to existing limited partners' interests. The Master Fund Partnership Agreement and the Intermediate LP Partnership Agreement can be amended by the Master Fund General Partner and the Intermediate General Partner, as applicable, and respective limited partners holding a majority of capital account balances to the extent legally permitted, but such amendments cannot adversely affect the rights of a specific limited partner without its consent.

Services Agreement

The Master Fund has entered into the Services Agreement with Master Fund Manager which gives the Master Fund Manager the exclusive right to oversee the origination, arranging, underwriting, syndication and servicing of all Mortgage Loan investments for the Master Fund, in accordance with the Master Fund's investment and operating policies. The Master Fund Manager will give the Master Fund the first opportunity to invest in Mortgage Loan opportunities that it identifies and reviews. In consideration of its services under the Services Agreement, the Master Fund Manager will be paid a services fee of 1.0% per annum of the outstanding principal balance of the Mortgage Loan Portfolio, plus 1.0% per annum of other non-Mortgage Loan investments beneficially owned, directly or indirectly, by the Master Fund, in each case, calculated daily and paid monthly. Master Fund Manager may waive,

reduce or rebate such fee for certain limited partners of the Master Fund, the Intermediate LP, and their limited partners. The Master Fund Manager is also entitled to all lender, broker, origination, commitment, renewal, extension, discharge, participation, forbearance, administration and similar fees generated on investments it presents to the Master Fund. Such fees are expected to be in the range of 2-3% of the principal amount of each Mortgage Loan.

Master Fund Expenses

The Master Fund will pay, whether directly or through reimbursement of the Master Fund General Partner or one of its Affiliates, certain costs and expenses related to its establishment and its ongoing investments and its operations, Expenses are generally shared by all of the indirect limited partners of the Master Fund, while expenses related to one or more particular series or classes of Master Fund Units or Intermediate LP Units (including with respect to Designated Investments) will be allocated accordingly by the Master Fund General Partner or the Intermediate General Partner. Certain costs and expenses of the Master Fund may be borne by the Master Fund General Partner, the Master Fund Manager, the Manager and/or their Affiliates in connection with conducting due diligence and negotiating the terms of Master Fund investments (including investment-related travel expenses) regardless of whether such investments are consummated.

A portion of the Master Fund's operating expenses may be shared with other investment entities managed by the Master Fund Manager or its Affiliates on an equitable basis and the Master Fund may likewise share a portion of the operating expenses of such other investment entities. Organizational costs of the Master Fund and Intermediate LP and the costs incurred in connection with the initial issuance of Master Fund Units, including legal and accounting fees, document production and printing costs, federal and state filing fees, and other related expenses, will be paid for by the Master Fund.

Administrator

The Trustees and the Master Fund General Partner may engage administrators from time to time to provide administrative services. At present, they have engaged SS&C Technologies Inc. and SS&C Fund Services (Cayman) Ltd. ("**SS&C**"), to provide certain loan administration, registrar and transfer agency and accounting services to the Issuer and the Master Fund. The administration fees will be paid by the applicable partnership.

Master Fund Manager Option to Purchase

Subject to the consent of the Independent Advisory Committee of the Master Fund, Manager and/or the Master Fund Manager will have the right, at any time, to cause the Master Fund to sell a Mortgage Loan to an Affiliate of the Master Fund Manager (including, without limitation, Manager) for a purchase price equal to the principal amount of such loan plus accrued interest.

THE MANAGER

The Master Fund Manager has engaged the Manager to provide certain services required under the Services Agreement. The Issuer has engaged the Manager to provide certain Capital Raising Services.

Mortgage Brokerage and Mortgage Administration

The Manager and its predecessors have been in the business of originating, underwriting, servicing and syndicating mortgage loans since 1966, and the Manager is registered as a mortgage brokerage and mortgage administrator in Ontario and as a mortgage broker in British Columbia and Alberta. Manager was initially incorporated to acquire a pool of privately-financed Mortgage Loans. Since then, it has continuously provided commercial mortgage loans to real estate investors, developers and entrepreneurs.

The Manager's expertise has been built through funding borrowers whose situations are not appropriate for traditional lending institutions or where traditional lending institutions will take too long to process their credit applications. The Manager views its structure and lending guidelines to provide it a with competitive advantage which has enabled it to be a leader in the Mortgage Loan industry in terms of providing timely commitments to finance. The Manager has a

reputation for completing transactions in a timely and flexible manner, which has earned it repeat business. The success of the Manager is dependent on its ability to source safe and secure loans. The Manager currently has approximately 50 employees.

The reluctance of large institutional lenders to enter into the niche markets in which the Master Fund invests has made available high-quality investment opportunities in which the Manager specializes. The Manager is well known in the non-bank real estate lending industry in Canada and the US, and it sources potential transactions principally through a network of licensed mortgage brokerages, repeat borrowers, industry professionals, and its reputation, which the Master Fund's management expects will continue to be enhanced through the activities of the Master Fund.

Executive Management

Members of the executive management team actively involved in the affairs of the Manager and the Master Fund Manager are as follows:

Name and Municipality of Residence	Position with Manager	Position with Master Fund Manager
Wesley N. Roitman Toronto, Ontario	Managing General Partner and Director	Director and President of the general partner
Blake A. Cassidy Toronto, Ontario	Managing Partner and Director	Director and Vice-President of the general partner

The following are brief biographies of the executive management team.

Wesley N. Roitman

Mr. Roitman is a Managing General Partner of the Manager where he has been employed since 2004 and oversees the Manager's overall operation and performance.

Previously, he was General Partner of St. Aubyn's Partnership and prior to this he was Executive Vice President and Chief Operating Officer of Northern Financial Corporation. From 1996 to 1999 Mr. Roitman was Chief Financial Officer of PSINet Limited, a large NASDAQ listed international internet service provider.

Mr. Roitman has a Bachelor of Science in Mathematics and Actuarial Science from the University of Toronto.

Blake A. Cassidy

Blake Cassidy is a Managing Partner of the Manager and is responsible for mortgage origination. As head of business development, he is focused on new business opportunities, products and services and managing the relationships within the brokerage and lending community.

Prior to joining the Manager in 1995, Blake gained experience in the real estate industry at New Era Mortgage Corporation and Sandray Property Management. Blake has a Bachelor of Science degree from the University of Toronto.

LICENSING AND LEGISLATIVE REGIME

Mortgage Brokerage and Administration

In Ontario, the MBLAA requires all individuals and businesses who conduct mortgage brokering activities to be licenced with the Financial Services Commission of Ontario, the government agency responsible for overseeing the

mortgage brokering industry in Ontario. Under the MBLAA, a Person engaged in mortgage lending, as well as dealing in, trading in, or administering mortgages, unless exempted, must generally be licenced.

As none of the Issuer, the Trustees, the Master Fund or the Master Fund Manager is or will be licensed under the MBLAA, any activities which require licencing are undertaken by the Manager, a licensed mortgage brokerage and mortgage administrator in Ontario.

The Master Fund's focus is on Commercial Mortgage Loans. None of the Manager, the Master Fund, or the Master Fund Manager is currently licensed or registered as a residential mortgage banker or residential mortgage broker in any U.S. jurisdiction and currently has no intention of engaging in any activities which would require such licenses or registrations.

Securities Activities

The Manager is registered as an exempt market dealer under NI 31-103 in certain of the Offering Jurisdictions. As mandated by NI 31-103, certain employees of Manager maintain the required proficiency requirements and Manager meets the stipulated working capital and insurance requirements for exempt market dealers. Manager, in its capacity as an exempt market dealer, performs dealer and ongoing administrative services for the Issuer pursuant to the Capital Raising Agreement. See Conflicts of Interest.

The Master Fund is engaged in mortgage lending as its primary activity. Applying the criteria set out in *CSA Staff Notice 31-323 - Guidance Relating to the Registration of Mortgage Investment Entities* (the "**Staff Notice**") to the activities of the Issuer and the Master Fund, it has been determined that the Issuer is a Pooled MIE (as such term is defined in the Staff Notice) and therefore not an investment fund. Consequently, the Manager has not sought registration as an investment fund manager or as an advisor in connection with the services it provides to the Issuer, the Master Fund Manager and the Master Fund.

MANAGEMENT OF THE ISSUER

The Issuer is under the general control and direction of the Trustees, including the day-to-day operations of the Issuer, but capital raising activities of the Issuer are carried out by the Manager under the Capital Raising Agreement. The Trustees are Wesley Roitman, Blake Cassidy and Richard Weldon, each an individual resident in the Province of Ontario and directors, officers and/or employees of the Manager.

The Manager has entered into the Capital Raising Agreement with the Issuer and is entitled to earn a fee for providing capital raising services to the Issuer. The Manager must render its services honestly, diligently and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities. The Manager, its directors, officers and their respective Affiliates may, from time to time, engage in other business activities, including business activities which may compete directly or indirectly with the Issuer. See Capital Raising Agreement and Conflicts of Interest.

Although none of the Trustees or the directors and officers of the Manager will devote all of his or her full time to the business and affairs of the Issuer, each will devote as much time as is necessary to supervise the management of, and to manage or to advise on the business and affairs of, the Issuer and its business, or in the case of the Manager, to provide the services contemplated under the Capital Raising Agreement. Whenever a conflict of interest arises between the Issuer, on the one hand, and the 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. See Conflicts of Interest.

DECLARATION OF TRUST

Units are subject to the terms and conditions of the Declaration of Trust. The statements in this Offering Memorandum concerning the Declaration of Trust are intended to be only a summary of the provisions of the Declaration of Trust and do not purport to be complete. A copy of the Declaration of Trust will be provided to

each Unitholder upon a request in writing for same being made to the Trustees. Prior to executing a Subscription Agreement, each prospective Subscriber should review with his, her or its advisors the provisions of the Declaration of Trust for the complete details of these provisions and all other provisions thereof. All capitalized terms in this section not otherwise defined herein shall have the meaning as set out in the Declaration of Trust.

General

The Issuer is an unincorporated open-ended limited purpose investment trust. The Issuer, its Trustees, the Units of any class and the property of the Trust shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by applicable laws and the terms, conditions and trusts set forth in the Declaration of Trust. The beneficial interests of a Unitholder shall be limited to the right to participate *pro rata* in distributions when and as declared by the Trustees. The legal ownership of the property of the Issuer and the right to conduct the activities of the Issuer are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Issuer, except as specifically provided in the Declaration of Trust.

A subscriber for Units will become a Unitholder upon acceptance by the Trustees of the subscription and the recording of the subscriber as a Unitholder in the Register. The rights and obligations of the Unitholders and the Trustees under the Declaration of Trust are governed by the laws of the Province of Ontario.

Units

Each Unit represents an undivided interest in the capital of the Issuer. The Issuer is authorized to issue an unlimited number of Units. The Trustees may create and name (or rename) from time to time one or more classes of Units, which may have different features than other classes of Units, as the Trustees may determine, and may designate one or more series of Units within such class. At present, there are two classes of Units – Class A Units and Class I Units – which differ only with respect to the Capital Raising Fee attributable to such Units (0.25% for Class A Units and 0.15% for Class I Units). Class I Units may only be subscribed for by registered advisors on behalf of accounts they manage. The Trustees may consolidate or subdivide the Units from time to time in such manner as it considers appropriate. Fractional Units may be issued. Fractional Units carry the same distribution entitlements and are subject to the same conditions as whole Units in the proportion which they bear to a whole Unit.

Each Unit of a particular class shall be equal to each other Unit of the same class with respect to all matters, including the right to vote, receive allocations and distributions from the Issuer, liquidation and other events in connection with the Issuer. No Unit shall have any preference, conversion, exchange, pre-emptive or redemption rights in any circumstances over any other Unit (except as specifically provided in the Declaration of Trust). Each Unitholder shall be entitled to one vote for each whole Unit held in respect of all matters to be decided upon by the Unitholders. Units represent the right of Unitholders to participate in the net income or net losses of the Issuer. Title to Units is conclusively evidenced by the Register maintained by or on behalf of the Trustees. Unit Certificates will generally not be issued.

Calculation of Net Asset Value

As at each Valuation Date, the Trustees, in consultation with the Issuer's accountant, the Manager and such Persons as it may engage, will set the Net Asset Value of the Issuer, generally within 20 days after such Valuation Date. The Net Asset Value of the Issuer on any Valuation Date means the market value of the Issuer's assets less an amount equal to its liabilities (including Reserves and Expenses). The Net Asset Value of the Issuer attributable to a particular class or series of Units shall be calculated by subtracting from that class' or series' proportionate share of the assets of the Issuer the liabilities attributable to that class or series. To arrive at the Net Asset Value per Unit for a particular class or series, the Net Asset Value of the Issuer attributable to such class or series of Units is divided by the number of outstanding Units of that class or series. The Net Asset Value of the Issuer and the Net Asset Value per Unit on the first Business Day following a Valuation Date are deemed to be equal to the Net Asset Value of the Issuer (or per Unit, as the case may be) on such Valuation Date after payment of all fees and after processing of all subscriptions and redemptions of Units in respect of such Valuation Date. The rules to be applied by the Trustees in determining the Net Asset Value of the Issuer are set out in the Declaration of Trust. The Trustees may determine such other rules

as are deemed necessary from time to time. The Net Asset Value of the Issuer and Net Asset Value per Unit established by the Trustees in accordance with the provisions of the Declaration of Trust will be conclusive and binding on all Partners.

Distribution Reinvestment Rights

Subject to all applicable securities and other laws and the right of the Trustees to suspend or terminate such right in accordance with the Declaration of Trust, a Unitholder has the right at any time and from time to time to purchase additional Units using the cash distributions allotted and payable to the Unitholder on account of the Units held by the Unitholder from time to time in accordance with the terms outlined in the Declaration of Trust and the distribution reinvestment plan established by the Trustees.

Transfers of Units

Subject to applicable securities laws, Units shall, for all purposes of the Issuer and the Declaration of Trust, be personal and moveable property, and shall be transferable without charge as between persons, but no transfer of Units shall be effective as against the Issuer or the Trustees, shall be in any way binding upon the Issuer or the Trustees until the transfer has been recorded on the Register maintained by the registrar designated by the Trustees.

Units shall be transferable on the Register only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Issuer or to the registrar of all necessary transfer or other taxes imposed by law, together with such further documentation that may reasonably be required by the Trustees or the registrar. Upon such delivery the transfer shall be recorded on the Register.

Investment Guidelines and Operating Policies of the Issuer

The Issuer may only invest in Authorized Issuer Investments and Authorized Issuer Interim Investments. The Issuer may also engage in "hedging" activities (as such term is defined in *National Instrument 81-102 — Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time).

Distributions

The Trustees shall have full discretion respecting the timing and the amount of any distribution ("**Distribution**"). The Trustees may adopt a distribution policy pursuant to which Distributions will be made by the Issuer to Unitholders, and the Trustees may amend or revoke such distribution policy from time to time. It is the present intention of the Trustees to make monthly Distributions approximately 20 days after the immediately preceding Valuation Date and to make payable to Unitholders on December 31st of each year Distributions of income, net realized capital gains of the Issuer and any other applicable amounts in an amount that when taken together with other Distributions made, reduces or eliminates the Issuer's liability for non-refundable income tax under Part I of the Tax Act in the taxation year to the maximum extent possible. When declared by the Trustees, Distributions shall be made in cash or Units pursuant to any distribution reinvestment plan or Unit purchase plan adopted by the Trustees.

Income and net taxable capital gains for the purposes of Tax Act will be allocated to Unitholders in the same proportions as Distributions received by Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

If the Trustees determine that the Issuer does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include or consist entirely of the issuance of additional Units, or fractions of Units, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Immediately after a *pro rata* distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution (having regard to any applicable withholding taxes).

The Trustees may deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distributions, whether such distributions are in the form of cash, additional Units or otherwise and the Issuer shall remit such amounts to the appropriate governmental authority with the times prescribed by law.

The Trustees may, in their sole discretion, establish one or more distribution reinvestment plans, distribution reinvestment and Unit purchase plans or Unit option plans at any time and from time to time.

Redemption of Units

General

Subject to the Master Fund Withdrawal Gate, a Unitholder may generally redeem all or a portion of its Units as of the end of each month (together with such other redemption date as may be permitted by the Trustees in its sole discretion, a "**Redemption Date**"). If such Redemption Date occurs prior to the last calendar day of the 12th calendar month following the date on which such Units were subscribed for, the proceeds in respect of any such redemption will be subject to a redemption charge equal to 4% of the amount permitted to be redeemed (the "**Redemption Charge**"). Any Redemption Charge will be credited *pro rata* to all remaining Unitholders and included in the next calculation of the Net Asset Value of the Issuer.

Each subscription for Units made by a Unitholder will be treated separately solely for purposes of determining the application of the Redemption Charge. Requests for redemptions must be provided by the Unitholder or the Unitholder's Representative (if a Unitholder originally subscribed for Units through Fundserv, notice must be sent through the Unitholder's Representative) to the Trustees in writing on a form prescribed by the Trustees (a "**Redemption Request**") at least 30 days prior to the requested Redemption Date, stating the Unitholder's intention to redeem and the amount of such redemption, if less than all of Unitholder's Units, accompanied by any evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving the notice. Redemption Requests will be irrevocable unless otherwise determined by the Trustees, in its discretion.

A Redemption Request is not effective until it has actually been received on a timely basis and the receipt has been acknowledged by the Trustees. Failure to obtain such written confirmation will render redemption instructions void. A Unitholder who has purchased Units through Fundserv should obtain further information from their Representative to determine the timing and other procedural requirements of such Representative in connection with the redemption of Units.

The Trustees, in its sole discretion, may permit redemptions at other times or otherwise modify or waive such redemption conditions and requirements, including any notice period and/or the Redemption Charge at any time without notice to or the consent of Unitholders.

Unitholders generally will receive the proceeds from any redemption (less any applicable Capital Raising Fee, Redemption Charge, holdbacks for reserves and/or actual or estimated Issuer's share of expenses incurred by the Master Fund in connection with the disposition of any of its investments required to fund such redemption) plus the pro rata share of any unpaid distributions which have been declared payable to Unitholders but remain unpaid as at the Redemption Date to the extent not included in the Net Asset Value per Unit of the Unit(s) to be redeemed within 30 days of the applicable Redemption Date. Calculation and payment of redemption proceeds will be made on the basis of the unaudited Net Asset Value of the Issuer. Once paid, no revision to a Unitholder's redemption proceeds will be made based upon audit adjustments. Thus, the Issuer will not seek reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment.

Subject to the provisions set out in the following paragraphs, the Unit Redemption Price payable in respect of Unit(s) tendered for redemption will be paid using the Fundserv network, if the Units were originally purchased through Fundserv, or deposited to the account of the Unitholder of the Unit tendered for redemption, or payable or deposited to the Unitholder's Representative or as otherwise instructed in writing by the Unitholder.

The entire amount payable for Units redeemed shall be based on the determination of the Net Asset Value of the Issuer on the applicable Redemption Date and such Units shall be deemed to have been redeemed from the Issuer on such

Redemption Date. Accordingly, the effective date of such Unitholder's redemption shall be deemed to be the Redemption Date.

If a Unitholder withdraws all or some of its Units prior to the end of the period during which the Issuer is amortizing expenses, the Trustees may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

Master Fund Withdrawal Gate

The Master Fund Withdrawal Gate (see Investment and Operating Policies of the Master Fund – Key Provisions of the Master Fund Partnership Agreement – Withdrawals by Unitholders) may limit redemptions of Master Fund Units. If Redemption Requests are received by the Issuer for any Redemption Date in an aggregate amount that exceeds the Master Fund Withdrawal Gate (or, if there are withdrawal requests from the Master Fund's or Intermediate LP's other limited partners, the Issuer's pro rata share of the Master Fund Withdrawal Gate), the Trustees shall, subject to the discretion of the Master Fund General Partner to allow withdrawals of Master Fund Units resulting in aggregate withdrawals from the Master Fund exceeding the Master Fund Withdrawal Gate, limit redemptions to the Master Fund Withdrawal Gate or the Issuer's pro rata share of the Master Fund Withdrawal Gate, as the case may be, as of the end of such Redemption Date. In such event, redemptions by each Unitholder making a redemption as of such date (on a pro rata basis with each other withdrawing Unitholder) will be limited on a corresponding basis. If the Trustees is unable to satisfy redemption requests due to the Master Fund Withdrawal Gate, the amount redeemed by each requesting Unitholder will be reduced pro rata based on the amount that would have otherwise been redeemed. Any amount that a Unitholder is not permitted to redeem as of the end of such Redemption Date may be redeemed as of the end of the next succeeding calendar month and shall be subject to the Master Fund Withdrawal Gate and shall have no priority over redemption requests initially made for each such Redemption Date. The Master Fund Withdrawal Gate shall not delay the redemption of any amount (excluding any amounts attributable to Designated Investments) for more than 36 months after the date on which such redemption request would have been effective in the absence of this limitation. Unsatisfied redemption requests resulting from the foregoing restrictions shall remain at the risk of the Issuer's business until the actual effective date of the redemption.

The Trustees may, in its discretion, fulfill redemption requests that remain unsatisfied following a Redemption Date at earlier times than those provided in the immediately preceding paragraphs and in priority to later requests. The Trustees may, in its sole discretion, authorize a larger aggregate redemption payment on a particular Redemption Date, provided such payment does not in any way prejudice the operation and management of the Issuer.

Additionally, the Trustees may be unable to fulfill redemption requests in certain circumstances where the Master Fund General Partner has suspended the determination of net asset value of the Master Fund or suspended or limited withdrawal rights for any and all limited partners upon the occurrence of certain events. See Key Provisions of the Master Fund Partnership Agreement – Withdrawals.

Suspension of Redemptions

The Trustees, by written notice to the Unitholders, may suspend the determination of Net Asset Value of the Issuer and/or suspend or limit the right of any Unitholder to redeem the balance of a Unitholder's Units, including the payment of redemption proceeds, in whole or in part, (i) during the existence of any state of affairs as a result of which, in the opinion of the Trustees, disposal of investments by the Issuer or the determination of Net Asset Value of the Issuer, would not be reasonably practicable or would be seriously prejudicial to the non-withdrawing Unitholders, (ii) during any breakdown in the means of communication normally employed in determining the price or value of the Issuer's assets or liabilities, or when for any other reason the prices or values of any assets or liabilities of the Issuer cannot reasonably be promptly and accurately ascertained, or (iii) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the Trustees, be effected at normal rates of exchange. Upon the determination by the Trustees that any of the above-mentioned conditions no longer applies, the calculation of the Net Asset Value of the Issuer and redemption rights shall be promptly reinstated, and any pending redemption requests shall be honored as of such date as is reasonably practicable as determined by the Trustees. In addition, the Trustees, by written notice to any Unitholder, may suspend payment of redemption proceeds to such Unitholder if the Trustees deems it necessary to do so to comply with anti-money laundering laws

and regulations and other Applicable Laws applicable to the Issuer, the Trustees, the Manager or their Affiliates, subsidiaries or associates or any of the Issuer's other service providers.

Compulsory Redemption/Redemptions at the Option of the Trustees

The Trustees may require any Unitholder to redeem all or any portion of such Unitholder's Units for any reason, at any time upon five (5) days prior written notice. Payment shall be made in accordance with the procedure applicable to voluntary withdrawal requests.

Trustees

The Manager, for so long as the Manager is engaged by the Issuer pursuant to Capital Raising Agreement, shall have the right to appoint all of the Trustees. Any Trustee appointed by the Manager may be changed by the Manager at any time, notice of which shall be given to the Trust and the Unitholders. The Manager appointees shall be appointed by for an indefinite term unless removed in the discretion of the Manager or to ensure that a majority of Trustees at any given time are residents of Canada within the meaning of the Tax Act. The number of initial Trustees shall be three (3), namely Wesley Roitman, Blake Cassidy and Richard Weldon.

If the Capital Raising Agreement is terminated in accordance with its terms, the election of Trustees shall be by Ordinary Resolution.

The Trustees, subject only to the specific limitations contained in the Declaration of Trust, shall have, without further or other authorization and free from any power of control on the part of the Unitholders, full, absolute, and exclusive power, control and authority over the assets of the Issuer and over the business and affairs of the Issuer to the same extent as if the Trustees were the sole owner thereof in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Issuer or the conducting of the business of the Issuer. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority to the Trustees. The enumeration of any specific power or authority in the Declaration of Trust shall not be construed as limiting the general powers or authority or any other specified power or authority conferred in the Declaration of Trust on the Trustees. Except as specifically required by such laws, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

The Trustees may make, adopt, amend or repeal regulations containing provisions relating to the conduct of the affairs of the Issuer, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers of the Issuer, provided that such regulations shall not be inconsistent with applicable law or with the Declaration of Trust and not, in the opinion of the Trustees, prejudicial to the Unitholders.

Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Issuer or its assets or affairs (including the Manager). The Trustees shall have the power to determine the term and compensation of an advisor or any other person whom they may employ or with whom they may contract. The Trustees have engaged the Manager to provide certain services to the Issuer and the Unitholders, as more fully set out in the Capital Raising Agreement.

Fees and Expenses

The Trustees or the Manager may incur obligations, expend sums and take any actions deemed necessary to conduct the Issuer's business or operations or to protect the Issuer's assets, including selecting and engaging lawyers, accountants, auditors, administrators, investment dealers or such other Persons on such terms and for such compensation as the Trustees may deem necessary or advisable, and incurring such other capital, operating, financing or other expenses on behalf of the Issuer as the Trustees may, in its discretion, deem necessary or appropriate for the conduct of Issuer affairs. The Issuer will reimburse the Trustees or the Manager (or its affiliates) for all such expenses.

Amendment

The provisions of the Declaration of Trust may be amended by the Trustees, in their sole discretion, without the consent, approval or ratification of the Unitholders, in any manner as may be deemed by the Trustees to be necessary and/or desirable to conduct the business and affairs of the Trust, provided such amendment is not disproportionately adverse, in any material respect, to the interests of the current Unitholders.

To the extent an amendment to the Declaration of Trust is not permissible in accordance with the above, such amendment may be approved by way of Ordinary Resolution.

Liability of Unitholders

No Unitholder shall be held to have any personal liability as such, and no resort shall be had to their private property for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Issuer or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a trustee for any personal liability incurred by the Trustees as such, but rather the assets of the Issuer only are intended to be liable and subject to levy or execution for such satisfaction. Any written instrument creating an obligation which is or includes the granting by the Issuer of a lease, sublease or mortgage or which is, in the judgement of the Trustees, a material obligation shall contain a provision to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Unitholders, but the property of the Issuer or a specific portion thereof only shall be bound. Notwithstanding the foregoing, to the extent that claims are not satisfied by the Trust, there is a risk that a Unitholder will be held personally liable for obligations of the Trust where the liability is not disclaimed in the contracts or arrangements entered into by the Trust with third parties. Personal liability may also arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered by the Trust's management to be remote due to the nature of the Trust's activities. In the event that payment of a Trust obligation is required to be made by a Unitholder, such Unitholder is entitled to reimbursement from the available assets of the Trust.

Meetings

The Trustees may at any time convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding not less than 50% of the Units then outstanding. Each Unitholder is entitled to one vote for each whole Unit held. Only Unitholders of record on the date of the meeting shall be entitled to vote at such meeting. The approval of Unitholders on any matter shall be given by an Ordinary Resolution, except for those matters which require approval by Special Resolution. A quorum for the transaction of business at a meeting of Unitholders shall consist of Unitholders present in person or represented by proxy holding in total not less than 5% of the outstanding Units of the Issuer. If a quorum is not present at a meeting within one (1) hour after the time fixed for the meeting, the meeting shall be adjourned and held on a date fixed by the chairman of the meeting, which date shall be not later than 21 days thereafter. At any adjourned meeting, all Unitholders entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum.

Termination

The Trustees, in their sole discretion, may determine to terminate the Trust upon providing reasonable prior written notice to the Unitholders.

Reports to Unitholders

The Issuer will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. The Issuer's auditor shall audit the accounts of the Issuer at least once in each year and a report of the auditor with respect to the annual financial statements of the Issuer shall be provided to each Unitholder with the annual financial statements for the Issuer.

The Issuer will provide to Unitholders such information as is required by Canadian law to be delivered to such Unitholders for income tax purposes to enable Unitholders to complete their tax returns with the time and in the manner prescribed by the Tax Act.

Limitation on Non-Resident Ownership

In order for the Issuer to maintain its status as a "mutual fund trust" under the Tax Act, the Issuer must not be established or maintained primarily for the benefit of non-residents of Canada as such term is defined in the Tax Act ("**Non-Residents**"). Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Units (on a basic or fully diluted basis) and the Trustees will inform the registrar or any transfer agent of this restriction. The Trustees may require a registered Unitholder to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units registered in such Unitholder's name are resident and as to whether such beneficial owners are Non-Residents. If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49% of the Units (on a basic or fully-diluted basis) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person or partnership unless the person or partnership provides a declaration that the person or partnership, as the case may be, is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units (on a basic or fully-diluted basis) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to redeem or sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders, redeem or sell such Units without further notice and, in the interim, shall suspend the voting and distribution rights attached to such Units (other than the right to receive the net proceeds from the redemption or sale). Upon such redemption or sale, the affected holders shall cease to be holders of the relevant Units and their rights shall be limited to receiving the net proceeds of redemption or sale upon such evidence as may be acceptable to the Trustees evidencing such redemption or sale. The Trustees will have no liability for the amount received provided that they act in good faith.

Other Limitations on Ownership

A Unitholder that is or becomes a "financial institution" (was defined in the Tax Act) must disclose this fact to the Trustees, and the Trustees may restrict the participation of any such Unitholder or require any such Unitholder at any time to redeem all or some of its Units. A Unitholder that fails to identify itself as a financial institution shall indemnify and hold harmless the Issuer and each other Unitholder for any liabilities that result from or arise out of such failure. Any Unitholder that is or becomes a financial institution after becoming a Unitholder shall be deemed to have, immediately prior to the date on which it becomes a financial institution (or the date of issue of Units to such financial institution, whichever is later), redeemed some or all of such Units to the extent necessary to result in financial institutions owning in the aggregate Units to which is attributed Net Asset Value of the Issuer that is less than one-half of the Net Asset Value of the Issuer, and shall be entitled to receive from the Issuer as redemption proceeds an amount equal to the lesser of the Net Asset Value per Unit of such redeemed Units as at the date on which it is deemed to have redeemed such Units and the Net Asset Value per Unit of such Units as at the date the Trustees learns that such Unitholder is a financial institution (less all applicable deductions from redemption proceeds) as if such Unitholder voluntarily redeemed its Units.

CAPITAL RAISING AGREEMENT

The statements in this Offering Memorandum concerning the Capital Raising Agreement are intended to be only a summary of the provisions of such agreement and do not purport to be complete. A copy of the Capital Raising Agreement will be provided to each prospective purchaser on request in writing to the Manager. All capitalized terms in this section not otherwise defined herein shall have the meaning as set out in the Capital Raising Agreement.

Capital Raising Services

Subject to the overriding authority of the Trustees over the management and affairs of the Issuer, the Trustees have engaged the Manager to perform various activities (see Licensing and Legislative Regime – Securities Activities) for the Issuer, including, without limitation:

- undertaking all activities necessary for the Issuer to complete each tranche of funding or capital raising in compliance with applicable Canadian securities laws including preparation of all required disclosure documents, vetting of Subscribers investing through the Manager, liaising with Representatives and coordinating with Fundserv regarding the vetting and investment of Subscribers other than through Manager, completing the Closing of each tranche of issuance of Units and generally acting as the primary intermediary in dealings between investors and the Issuer for the purpose of effecting investments in the Issuer;

- providing advice on the structuring of each tranche of capital raising requested by the Issuer;

- providing assistance on behalf of the Issuer in connection with the Issuer's dealings with Representatives, sub-agents, institutions and investors regarding sales of securities of the Issuer, if applicable;

- conducting relations on behalf of the Issuer with other persons, including dealers, brokers, consultants, lenders, accountants, lawyers, appraisers, insurers and insurance agents to ensure that all disclosure documents utilized by the Issuer do not contain any misrepresentations;

- preparing periodic reports and other information required to be sent to Unitholders and ensuring that all calculations and determinations of all allocations, designations and elections are made in connection with the income and capital gains of the Issuer for tax and accounting purposes; and

- administering, or engaging sub-administrators to administer, the payment of distributions from the Issuer and supervising the processing and registration of subscriptions for and redemption of Units.

Capital Raising Fees

In consideration of the performance of the Capital Raising Services, the Manager is entitled to a fee (the "**Capital Raising Fee**") in an amount equal to 0.250% per annum (or such lower percentage as may be designated by the Trustees and agreed to by the Manager in respect of a particular class or series of Units) of the value of the assets beneficially owned or held directly or indirectly by the Issuer, calculated daily, aggregated and paid in monthly installments on the last day of each month. The Capital Raising Fee for any partial month will be prorated based upon the number of days in such month in respect of which the Capital Raising Fee is being paid.

Liability and Indemnity

The Manager will only be liable to the Issuer for acts constituting bad faith, willful misconduct or gross negligence in respect of its duties. The Issuer will indemnify the Manager from liabilities in connection with Manager's actions or omissions under the Capital Raising Agreement, provided that such action or omission is taken, or not taken, in good faith and without willful misconduct or gross negligence or is taken pursuant to and is in compliance with the Capital Raising Agreement.

Term and Termination

The Capital Raising Agreement is terminable by the Issuer on 12 months' notice or at any time upon the occurrence of an Event of Termination on the part of the Manager as set out in the Capital Raising Agreement. The Capital Raising Agreement is terminable by the Manager with reference to Capital Raising Services provided to the Issuer, as the case may be, at any time upon the occurrence of an Event of Termination on the part of the Issuer, or upon 6 months' prior written notice to the Trustees.

Upon the termination of the Capital Raising Agreement by the Issuer (other than for cause or following the notice period set out in the agreement) or upon termination by the Manager upon the occurrence of an Event of Termination, the Issuer will generally pay the Manager a termination payment equal to 0.25% of the Issuer's assets in addition to any other amounts which are due and owing by the Issuer.

MATERIAL AGREEMENTS

The following is a list of the material agreements, other than contracts entered into in the ordinary course of business, entered into by or in respect of the Issuer:

- Declaration of Trust
- Capital Raising Agreement
- Intermediate LP Partnership Agreement

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering. This summary is applicable to a Unitholder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, acquires and holds the Units as capital property, deals at arm's length and is not affiliated with the Issuer, and is not exempt from tax under Part I of the Tax Act. Generally, Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Units and any other "Canadian security", as defined in the Tax Act, owned by such Unitholder in the taxation year in which the election is made and in all subsequent taxations years, deemed to be capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances. The Units are to be acquired by the acquisition of interim subscription receipts which will be automatically converted into Units once the Net Asset Value for the relevant Valuation Date is determined. The acquisition of Units on conversion of the interim subscription receipts should not be a disposition giving rise to a gain or loss. This summary therefore assumes that the Units are acquired in consideration for the subscription price of the interim subscription receipts.

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the "mark-to-market" rules; (ii) an interest in which is a "tax shelter" or "tax shelter investment"; (iii) that is a "specified financial institution"; or (iv) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules in the Tax Act; as each term is defined in the Tax Act. Any such Unitholder should consult its own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Units under this Offering, and assumes that no Unitholder has entered into or will enter into a "derivative forward agreement" (as that term is defined in the Tax Act) with respect to the Units.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, the Trustees' understanding of the current published administrative and assessing practices of CRA published in writing by CRA prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether

by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is based upon the assumption that the Issuer will, at all times, qualify as a "mutual fund trust" within the meaning of the Tax Act. Further, this summary is based on the assumption that the SIFT Rules (defined below) will not apply to the Issuer, Intermediate LP, or the Master Fund.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR UNITHOLDER, AND NO REPRESENTATIONS WITH RESPECT TO THE INCOME TAX CONSEQUENCES TO ANY PARTICULAR UNITHOLDER ARE MADE. THE INCOME AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF UNITS WILL VARY DEPENDING ON A UNITHOLDER'S PARTICULAR STATUS AND CIRCUMSTANCES, INCLUDING THE PROVINCE OR TERRITORY IN WHICH THE UNITHOLDER RESIDES OR CARRIES ON BUSINESS. ACCORDINGLY, PROSPECTIVE UNITHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Mutual Fund Trust Status

This summary is based on the assumption that the Issuer will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act.

To qualify as a mutual fund trust at any particular time, a trust must meet the following conditions:

(a) the trust must be a "unit trust" (as defined in the Tax Act) resident in Canada;

(b) the only undertaking of the trust must be limited to the investing of funds in property (other than real property or an interest in real property), or the acquiring, holding, maintaining, improving, leasing or managing of real property (or an interest in real property) that is capital property of the trust, or any combination of such activities; and

(c) the trust must comply with certain prescribed requirements including that the trust units be qualified for distribution to the public and that at all relevant times there must be no fewer than 150 beneficiaries of the trust, each of whom holds at least one block of trust units having an aggregate fair market value of not less than $500 (for these purposes, if the fair market value of a unit is less than $25, a block of units means 100 units).

Currently, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of non-resident persons. This summary assumes that the Issuer was not established and is not maintained primarily for the benefit of Non-Residents. The Trustees are of the view that this assumption is reasonable in light of the restrictions on ownership of Units by non-residents, which are contained in the Declaration of Trust. See Declaration of Trust – Limitation on Non-Resident Ownership for more information.

If the Issuer does not qualify or ceases to qualify as a "mutual fund trust", the income tax considerations of the acquisition, holding or disposition of Units would, in some respects, be materially and adversely different from those described below. See Risk Factors – Mutual Fund Trust Status.

SIFT Rules

The Tax Act contains rules (the "**SIFT Rules**") which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which tax certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation.

The SIFT Rules apply to any trust or partnership that is a "SIFT trust" or "SIFT partnership" (each defined in the Tax Act) and its investors. A SIFT trust includes a Canadian resident trust where investments in the trust are listed or traded on a stock exchange or other public market, and the trust holds one or more "non-portfolio properties" (as defined in the Tax Act). A SIFT partnership includes a Canadian resident partnership (as defined in the Tax Act), investments in which are listed or traded on a stock exchange or other public market, which holds one or more non-portfolio properties. "Non-portfolio properties" include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada.

Pursuant to the SIFT Rules, a SIFT trust cannot deduct any part of the amounts payable to unitholders in respect of (i) aggregate net income from businesses it carries on in Canada; (ii) aggregate net income (other than taxable dividends received by the SIFT trust) from its non-portfolio properties; and (iii) aggregate net taxable capital gains from its disposition of non-portfolio properties. Distributions which a SIFT trust is unable to deduct will be taxed in the SIFT trust at rates of tax designed to emulate the combined federal and provincial corporate tax rates. Generally, distributions that are paid as returns of capital will not attract this tax.

Distributions of a SIFT trust's income that are not deductible by the SIFT trust will be treated as dividends paid to unitholders by a taxable Canadian corporation. Such dividends deemed to be received by a unitholder who is an individual (other than certain trusts) will be included in computing the individual's income for tax purposes and will be subject to the enhanced gross-up and dividend tax credit rules normally applicable to "eligible dividends" (as defined in the Tax Act) received from taxable Canadian corporations. Such dividends deemed to be received by a unitholder that is a corporation generally will be deductible in computing the corporation's taxable income, and generally will qualify as eligible dividends for purposes of computing a Canadian resident corporation's "general rate income pool" or "low rate income pool" (each as defined in the Tax Act), subject to the application of subsection 55(2) in certain circumstances. Certain corporations, including "private corporations" or "subject corporations" (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act of 38 1⁄3% on dividends received or deemed to be received to the extent that such dividends are deductible in computing taxable income.

A trust or partnership will be a SIFT trust or a SIFT partnership, respectively, if, among other conditions, investments in the trust or partnership are listed or traded on a stock exchange or other public market. The SIFT Rules will not apply to the Issuer or Intermediate LP provided that no unit, security or other interest in the Issuer or Intermediate LP is listed or traded on a stock exchange or other public market. The Trustees do not intend to list Units of the Issuer, and the Intermediate General Partner does not intend to list any interest in Intermediate LP, on a stock exchange or other public market.

This summary assumes that the SIFT Rules will not apply to the Issuer, Intermediate LP or the Master Fund.

Taxation of the Issuer

The Issuer will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains and its allocated share of income of Intermediate LP for its fiscal period ending on or before the taxation year-end of the Issuer, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Issuer or if the Unitholder is entitled in that year to enforce payment of the amount.

The Issuer will generally not be subject to tax on any amounts received as distributions from Intermediate LP. Generally, distributions to the Issuer in excess of its allocated share of the income of Intermediate LP for a fiscal year of Intermediate LP will result in a reduction of the adjusted cost base of the Issuer's Class A limited partnership interests of the Intermediate LP by the amount of such excess. If, as a result, the Issuer's adjusted cost base of its partnership interest would otherwise be a negative amount, the Issuer would be deemed to realize a capital gain equal to the negative adjusted cost base at the end of the fiscal period and the Issuer's adjusted cost base of its partnership interest at the beginning of the next fiscal period would then be reset to zero. The adjusted cost base of the Issuer's Class A limited partnership interests of the Intermediate LP at any time will be increased by the Issuer's share of any income of Intermediate LP (and the non-taxable portion of any capital gains realized by Intermediate LP) for fiscal periods of Intermediate LP ending before that time.

In computing its income for purposes of the Tax Act, the Issuer may generally deduct reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income. Generally, the Issuer may also deduct, on a five-year straight-line basis (subject to pro-ration for short taxation years), reasonable expenses incurred by it in the course of issuing Units.

The tax treatment of gains and losses realized by the Issuer will depend on whether such gains or losses are treated as being on income or capital account. In general, gains and losses realized by the Issuer from derivative transactions will be on income account except where such derivatives are used to hedge assets held on capital account provided there is sufficient linkage. Gains or losses in respect of currency hedges will constitute capital gains and capital losses to the Issuer only if the assets of the Issuer are capital property to the Issuer and provided there is sufficient linkage, subject to the DFA Rules discussed below. Designations with respect to the Issuer's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing transactions are treated by the Issuer as being on capital account and subsequently redetermined not to be on capital account, the net income of the Issuer for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination may result in the Issuer being liable for unremitted withholding tax on prior distributions made to such Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution.

The Tax Act contains rules (the "**DFA Rules**") that target certain financial arrangements (referred to as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would otherwise have the character of ordinary income to a capital gain. The DFA rules generally do not apply to any derivative transactions that are treated as being on income account. The DFA Rules are broadly drafted and could apply to other agreements or transactions, including any derivative transactions that the Issuer treats as being on capital account. If the DFA Rules were to apply to derivatives used by the Issuer, returns realized in respect of any capital property underlying such derivatives would be treated as ordinary income or losses rather than capital gains and capital losses. The Tax Act exempts the application of the DFA Rules on currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

Generally, under the Declaration of Trust, the Issuer is required to distribute or make payable its net income for tax purposes for each taxation year of the Issuer to Unitholders to such an extent that the Issuer will not be liable in any taxation year for income tax under Part I of the Tax Act on such net income (after taking into account any applicable losses of the Issuer). Income of the Issuer payable to Unitholders, whether in cash or otherwise, will generally be deductible by the Issuer in computing its income.

Losses incurred by the Issuer (including losses allocated to the Issuer by Intermediate LP and capable of being deducted by the Issuer) cannot be allocated to Unitholders, but may be deducted by the Issuer in the year incurred or in future years in accordance with the detailed rules and limitations in the Tax Act.

The Issuer will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Issuer's tax liability for that taxation year arising in connection with the disposition or distribution of its property on the redemption of Units.

Authorized Investments may include assets that are not denominated in Canadian dollars. Proceeds of disposition of such assets, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the "relevant spot rate" (as defined in the Tax Act) for the day the amount arose. The Issuer may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Issuer may derive income (including gains) from investments in countries other than Canada and, as a result, may be liable to pay income, withholding, or profits tax to such countries. To the extent that such foreign tax paid does not exceed 15% of such income and has not been deducted in computing the Issuer's income, the Issuer may designate a portion of its foreign source income in respect of a Unitholder so that such income, and a corresponding portion of the

foreign tax paid by the Issuer, may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Issuer exceeds 15% of the amount included in the Issuer's income from such investments, such excess may generally be deducted by the Issuer in computing its income for the purposes of the Tax Act. The Tax Act contains anti-avoidance rules designed to address certain transactions specifically designed to generate foreign tax credits (the "**FTC Generator Rules**"). Under the FTC Generator Rules, the foreign "business income tax" or "non-business income tax" eligible for a foreign tax credit for a Unitholder for any taxation year may be limited in certain circumstances, including where such Unitholder's direct or indirect share of the income of one or more partnerships under the income tax laws of a country other than Canada (e.g., the U.S.) under whose laws the income of such partnership is subject to taxation, is less than such Unitholder's share of such income for purposes of the Tax Act. Although the FTC Generator Rules are not expected to apply to the Issuer or to its Unitholders in respect of the Issuer, no assurances can be given in this regard. See Certain U.S. Federal Income Tax Consequences.

Taxation of the Income of Intermediate LP

Generally, each partner of Intermediate LP, including the Issuer, is required to include in computing the partner's income, the partner's share of the income (or loss) of Intermediate LP for Intermediate LP's fiscal year ending in, or coincidentally with, the partner's taxation year end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of Intermediate LP will be computed for each fiscal year as if Intermediate LP was a separate person resident in Canada. In computing the income or loss of Intermediate LP, deductions may generally be claimed in respect of its administrative and other expenses (including interest in respect of the debt of Intermediate LP, if any) incurred for the purpose of earning income from business or property to the extent the outlays are not capital in nature and do not exceed a reasonable amount.

The income or loss of Intermediate LP for a fiscal year will be allocated to the partners of Intermediate LP, including the Issuer, on the basis of their respective share of such income or loss as provided in Intermediate LP Partnership Agreement, subject to the detailed rules in the Tax Act. If Intermediate LP realizes a loss, the portion of such loss that is allocated to the Issuer will be deductible by the Issuer in computing its income only to the extent of the Issuer's "at-risk amount" (as defined in the Tax Act) in respect of Intermediate LP.

Intermediate LP is the sole limited partner of the Master Fund. For purposes of computing the income of the Issuer from Intermediate LP, the income of each of the Master Fund and the Intermediate LP must be computed in accordance with the rules in the Tax Act, as if each such partnership was a separate person resident in Canada. The income (or loss) of the Intermediate LP and the Master Fund so computed generally would be included in the income (or loss) of its partners based on their *pro rata* share thereof. Accordingly, in computing the Issuer's income, it generally will be required to include its share of the income of the Intermediate LP and the Master Fund, without duplication.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a particular taxation year the portion of the net income for tax purposes of the Issuer for a taxation year, including net realized taxable capital gains, that is paid or payable to the Unitholder in the particular taxation year (and that the Issuer deducts in computing its income), whether such portion is received in cash or otherwise. Any loss of the Issuer for purposes of the Tax Act cannot be allocated to, or be treated as a loss of, the Unitholder.

Provided that appropriate designations are made by the Issuer, such portion of the net taxable capital gains, the foreign source income of the Issuer and taxable dividends received or deemed to be received on shares of taxable Canadian corporations as are paid or payable, or deemed to be paid or payable, to a Unitholder, will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as having been paid to Unitholders out of the net taxable capital gains of the Issuer, such designated amounts will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains. See the discussion in Taxation of Capital Gains and Capital Losses below. To the extent that amounts are designated as having been paid to Unitholders out of taxable dividends received or deemed to be received on shares of taxable Canadian corporations, the normal (or in the case of eligible dividends, the enhanced) gross-up and dividend tax credit rules generally will apply to individuals, the deduction in computing taxable income generally should be available to corporations, and the refundable tax under

Part IV of the Tax Act generally will be payable by Unitholders that are "private corporations" or "subject corporations" (as such terms are defined in the Tax Act). However, Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

The non-taxable portion of any net realized capital gains of the Issuer, the taxable portion of which was designated in respect of a Unitholder, that is paid or payable to the Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and will not reduce the adjusted cost base to the Unitholder of Units. Any other amount in excess of the net income and net taxable capital gains of the Issuer that is paid or payable, or deemed to be paid or payable, by the Issuer to a Unitholder in a taxation year will generally not be included in the Unitholder's income for that year. However, where such an amount is paid or payable to a Unitholder (other than as proceeds of disposition or deemed disposition of Units or any part thereof), the Unitholder generally will be required to reduce the adjusted cost base of the Unitholder's Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Unit to the Unitholder will immediately thereafter be nil. See the discussion of Taxation of Capital Gains and Capital Losses below.

Purchasers of Units

Since the net income of the Issuer will be distributed on an ongoing basis, a purchaser of a Unit may become taxable on a portion of the net income or capital gains of the Issuer accrued or realized by the Issuer in a period before the time the Unit was purchased but which was not paid or made payable to Unitholders until after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of income or capital gains accrued or realized by the Issuer in a year before the time the Unit was purchased but which is paid or made payable to Unitholders at year end and after the time the Unit was purchased.

Disposition of Units

In general, a disposition or deemed disposition of a Unit, whether on a redemption or otherwise, will give rise to the realization of a capital gain (or a capital loss) equal to the amount by which the Unitholder's proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit to the Unitholder and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Issuer that is otherwise required to be included in the Unitholder's income. See the discussion of Taxation of Capital Gains and Capital Losses below.

The adjusted cost base of a Unit to a Holder will include all amounts paid by the Unitholder for the Unit, subject to certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (together with the applicable non-taxable portion of the net capital gains) distributed by the issue of those respective Units. For the purpose of determining the adjusted cost base to a Unitholder, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before the acquisition to determine the Unitholder's adjusted cost base per Unit.

The consolidation of Units of the Issuer will not result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all of the Unitholder's Units will not change as a result of a consolidation of Units; however, the adjusted cost base per Unit will increase.

Taxation of Capital Gains and Capital Losses

One-half of the amount of any capital gain (a "taxable capital gain") realized by a Unitholder on a disposition of a Unit and the amount of any net taxable capital gains designated by the Issuer in respect of a Unitholder will generally be included in the Unitholder's income for the year. One-half of the amount of any capital loss (an "allowable capital loss") sustained by the Unitholder on the disposition of a Unit must generally be deducted by such Unitholder against taxable capital gains for the year. Any excess allowable capital losses over taxable capital gains of the Unitholder for that year generally may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, subject to the detailed provisions of the Tax Act.

The amount of any capital loss otherwise realized by a Unitholder that is a corporation or a trust (other than a mutual fund trust) on the disposition of a Unit may be reduced by the amount of dividends received by the Issuer and previously designated by the Issuer to the Unitholder except to the extent that a loss on a previous disposition of a Unit has been reduced by such amounts. Similar rules may apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units. Unitholders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax

In general terms, income of the Issuer that is paid or becomes payable to a Unitholder who is an individual (other than certain trusts) that is designated as net taxable capital gains, and any taxable capital gains realized on the disposition of Units by such Unitholder, may increase the Unitholder's liability for alternative minimum tax.

Special Tax on Certain Corporations

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax in respect of its "aggregate investment income" (as defined in the Tax Act), including taxable capital gains and income paid or payable to the Unitholder by the Issuer (other than distributions designated as dividends from taxable Canadian corporations). Unitholders that are private corporations should consult their own tax advisors with respect to the application of these rules.

Eligibility for Investment

Based on the current provisions of the Tax Act, provided that the Issuer qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans.

Notwithstanding that the Units may be qualified investments for a Registered Plan, the annuitant (or holder in the case of a TFSA) will be subject to a penalty tax if the Units are a "prohibited investment" for the Registered Plan. A Unit will generally be a "prohibited investment" if the annuitant or holder of the Registered Plan: (i) does not deal at arm's length with the Issuer for purposes of the Tax Act; or (ii) has a "significant interest" (as defined for this purpose in the Tax Act) in the Issuer. In addition, the Units will generally not be a "prohibited investment" if the Units are "excluded property" (as defined in the Tax Act). Annuitants and holders of Registered Plans should consult with their own tax advisors with regard to the application of these rules in their particular circumstances.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following is a summary of certain material U.S. federal income tax considerations applicable to the Issuer, the Intermediate LP and the Master Fund. This summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. U.S. alternative minimum tax, and state, local, non-U.S. and U.S. federal non-income tax matters, are not discussed herein. No legal or U.S. tax opinion is being given, nor will any rulings be sought from the Internal Revenue Service ("**IRS**"), with respect to any U.S. federal income tax issue. As a result, there can be no assurance that the IRS will not assert positions contrary to the U.S. federal income tax treatment described herein. U.S. federal income tax consequences that are different from those described in this summary, as a result of a successful challenge by the IRS, could negatively impact the cash available for distribution to the Unitholders and the value of the Units.

This summary does not address all possible U.S. federal income tax considerations applicable to the Issuer, the Intermediate LP, or the Master Fund. Further, this summary does not address any U.S. federal tax considerations applicable to Unitholders. This summary is based on the U.S. Internal Revenue Code of 1986, as amended ("**Code**"), and the Treasury Regulations promulgated thereunder, IRS rulings and official pronouncements, judicial decisions, and the Convention between the United States of America and Canada with Respect to Taxes on Income and Capital, signed September 26, 1980, as amended, including the Fifth Protocol signed September 21, 2007, amending same

("**Treaty**"), all as in effect on the date of this Offering Memorandum and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the analysis set forth below.

In general, a non-U.S. corporation engaged in a U.S. trade or business generally is subject to U.S. federal income tax on income that is "effectively connected" with such U.S. trade or business ("**ECI**") and, if applicable, under an applicable income tax treaty (e.g., the Treaty), is attributable to a permanent establishment maintained by the non-U.S. corporation in the United States. A non-U.S. corporation that is a partner in a partnership engaged in a U.S. trade or business will itself generally be deemed to be engaged in a U.S. trade or business through a permanent establishment if the partnership itself has an office or other fixed place of business in the U.S. (with certain exceptions), or if such business is carried out by agents in the U.S. who regularly have the authority to conclude contracts on its behalf and habitually exercise such authority. Income earned from business activities in the U.S. by a partnership engaged in such business through a U.S. permanent establishment generally will be ECI with respect to a non-U.S. corporation.

Under the Code's entity classification (i.e. "check-the-box") regulations, the Master Fund is treated as an entity that is disregarded as separate from the Intermediate LP because the Intermediate LP is the sole member of the Master Fund for U.S. federal income tax purposes. As a result, the Intermediate LP is treated as owning all of the assets and liabilities of the Master Fund and all the activities of the Master Fund are attributed to the Intermediate LP for U.S. federal income tax purposes. References in this commentary to the "Master Fund" should be understood in this context.

The Issuer has made a protective election under the applicable Treasury Regulations to be classified as a corporation for U.S. federal tax purposes. In respect of Mortgage Loans made by the Master Fund, the Issuer does not intend to be engaged in a U.S. trade or business, nor does it expect to be a direct member of a partnership or disregarded entity that is engaged in a U.S. trade or business through a permanent establishment. Therefore, in respect of Mortgage Loans made by the Master Fund, the Issuer does not expect to have any ECI that would be subject to U.S. federal income tax.

It is likely that the activities of the Master Fund could cause it to be treated as being engaged in a U.S. trade or business for U.S. federal income tax purposes, and there can be no assurance that its activities will not cause it to be so treated. The Master Fund, which is classified as a disregarded entity for U.S. federal income tax purposes, will not itself be subject to U.S. federal income tax, but rather will "flow through" its income, gains, deductions, losses, and credits to its partners. However, none of the Issuer, Intermediate LP, Intermediate General Partner, Master Fund, the Master Fund General Partner, or the Master Fund Manager will maintain an office or other fixed place of business in the U.S. In addition, the mind, management and control of the Master Fund's activities will be in Canada. To the extent that the Master Fund Manager engages entities or individuals in the U.S. to perform services in connection with the Master Fund's activities in the U.S., for instance, to identify potential Mortgage Loans and manage relationships with potential and actual U.S. borrowers, such services will generally be of an auxiliary and preparatory nature, and such entities or individuals will not have the ability or the authority to conclude contracts on behalf of, or otherwise bind, the Master Fund Manager, the Master Fund General Partner, the Master Fund, the Intermediate General Partner or the Issuer with respect to activities in the U.S. As a result, even if the Master Fund is treated as engaged in a U.S. trade or business and earns ECI, the Issuer's allocable share of such ECI should not be attributable to a U.S. permanent establishment and so the Issuer should not be subject to U.S. federal income tax on such income, if any.

A non-U.S. corporation is also subject to a 30% U.S. withholding tax on certain types of U.S. source income which are not ECI, unless the non-U.S. corporation otherwise establishes an exemption from, or a reduced rate of, withholding under an applicable income tax treaty. These types of income generally include passive income such as dividends, rents (that are not otherwise ECI), interest and royalties, and other "fixed or determinable annual or periodic" ("**FDAP**") income. Unless an exception applies, a non-U.S. corporation will be subject to U.S. withholding tax on the gross amount of any FDAP income, and will not be entitled to deductions for any expenses to the extent allocable to FDAP income. To the extent that the Issuer is the beneficial owner of FDAP income eligible for a reduced rate of withholding under the Treaty, it is anticipated that the Issuer will qualify for the zero percent rate of U.S. withholding tax on interest income under the Treaty, provided that the Issuer is eligible for benefits under the Treaty.

A non-U.S. corporation that owns "United States Real Property Interests" ("**USRPI**"), including an interest in a partnership that owns U.S. real property as its primary assets, is subject to U.S. federal income tax on gains arising on the sale of such real property or on the sale of such partnership interest, at the rate applicable to corporations under the Foreign Investment in Real Property Tax Act of 1980 ("**FIRPTA**") rules under Section 897 of the Code. Presently,

there is no preferential U.S. federal capital gains tax rate for a non-U.S. corporation on the gain derived on disposition of a USRPI (such as an interest in a partnership owning U.S. real property), or the gain allocated to such foreign corporation on the disposition of U.S. real property by the partnership. Pursuant to the FIRPTA rules, withholding on gains from the disposition of a USRPI is required under Section 1445 of the Code; although if withholding is made under the Section 1446 rules applicable to income allocable to non-U.S. partners of a partnership engaged in a U.S. trade or business, the FIRPTA withholding rules generally will also be satisfied. The Code provides that a USRPI does not include an interest in U.S. real property solely as a creditor. However, loans that give the lender the right to share in the appreciation of value of real property or in the gross or net proceeds of the profits generated by real property will generally be treated as a USRPI. Therefore, for Mortgage Loans that do not have such shared appreciation/profit sharing characteristics, it is not anticipated that such Mortgage Loans will constitute USRPI, and the FIRPTA rules will not apply to such Mortgage Loans owned by the Master Fund or interests in the Master Fund held indirectly by the Issuer. However, in the event that the Master Fund or an Affiliate forecloses on a Real Property securing a Mortgage Loan, then there is a risk that any gain recognized from a subsequent disposition of such Real Property and allocable to the Issuer could be treated as a disposition of a USRPI by the Issuer and cause the Issuer to be subject to U.S. federal income tax under the FIRPTA rules.

U.S. Federal Estate Tax

Generally, a non-resident of the U.S. who dies while owning U.S. real property or other "U.S. situs assets" is subject to U.S. federal estate tax. As the Issuer will elect to be treated as a non-U.S. corporation for U.S. tax purposes, neither the Units, nor any of the assets of the Issuer, should be treated as U.S. situs assets of Unitholders in the Issuer who are otherwise non-residents of the U.S., and no U.S. federal estate tax should be exigible.

This summary is of a general nature only and is not intended to be and should not be taken as legal, tax or business advice to any particular potential Unitholder. Consequently, potential Unitholders should seek independent professional advice regarding the income tax and other U.S. federal or state tax consequences of investing in Units, based upon their own particular circumstances.

OFFERING

The Issuer has engaged the Manager, in its capacity as an exempt market dealer, as its lead agent for the Offering. See Licensing and Legislative Regime – Securities Activities.

Offering

The Offering is for Units at Net Asset Value per Unit as at the immediately preceding Valuation Date. Each Unit represents an undivided beneficial interest in the assets of the Issuer. All subscriptions for Units will be made through the purchase of interim subscription receipts at Closing at a fixed price of $10.00 per interim subscription receipt. Following the calculation of the Net Asset Value of the Issuer as at a Valuation Date, the interim subscription receipts will be automatically converted, without any further action on the part of the Subscriber, into the appropriate number of Units. The number of Units issued will be the net subscription proceeds divided by the applicable Net Asset Value per Unit as at the Valuation Date immediately preceding the month in which the subscription was accepted. The number of interim subscription receipts will be different from the final number of Units so purchased. The interim subscription receipts are not redeemable and do not carry any voting rights.

The Units are being offered in reliance on certain exemptions from the prospectus requirements available under the securities laws of the Offering Jurisdictions.

The proceeds of the Offering may not be sufficient to accomplish all of the Issuer's proposed objectives. In addition to alternate financing sources, the Issuer may conduct future offerings of Units in order to raise additional funds, which will result in a dilution of the interests of Unitholders in the Issuer. There is no assurance that the required financing will be available on terms acceptable to the Issuer or at all.

All subscriptions are subject to acceptance by the Issuer. See Subscription Procedure. The Issuer will generally not accept any subscription for Class A Units of less than $50,000, or for Class I Units of less than $5,000,000. The Issuer

will not accept any subscription unless the sale of Units to the Subscriber would qualify as an exempt distribution under applicable securities laws. See Subscription Qualification.

Additional Information

Prospective Subscribers should address any questions regarding the business and financial condition of the Issuer and the terms of this Offering to representatives of the Manager or to their Representative, and request such information necessary for the prospective Subscriber to make an informed investment decision. Upon written request, the Manager will provide copies of documents referred to in this Offering Memorandum.

Use of Proceeds

The expenses of this Offering are estimated at approximately $30,000, including advertising, legal and accounting costs and printing. The Issuer intends to use the net proceeds of the Offering to subscribe for limited partnership interests of the Intermediate LP, which will use those proceeds to subscribe for Master Fund Units, thereby providing the Master Fund with capital to make future Authorized Investments which are consistent with the Master Fund's investment and operating policies and guidelines. See Investment and Operating Policies of the Master Fund.

Subscription Qualification

The Issuer is currently offering the Units in reliance on prospectus exemptions available under the securities laws of the Offering Jurisdictions. Such exemptions relieve the Issuer from the provisions under such legislation requiring the Issuer to file a prospectus. Accordingly, Subscribers will not receive the benefits associated with purchasing the Units pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions.

Eligible Subscribers For the Units

Generally, any individual, corporation, partnership or other entity resident in the Offering Jurisdictions may subscribe for the Units. See Offering - Ineligible Subscribers For Units below. Each Subscriber will be required to execute a Subscription Agreement, which includes certain representations and warranties of the Subscriber, which the Trustees will be relying upon if it accepts the subscription. Potential Subscribers are encouraged to familiarize themselves with the representations and warranties contained in the Subscription Agreement.

Ineligible Subscribers For the Units

No Person listed in the first paragraph of "Declaration of Trust - Prohibited Unitholders" may subscribe for Units.

Plan of Distribution

Subscriptions received are subject to rejection or allotment by the Trustees in whole or in part. The Trustees reserve the right to close the subscription books at any time without notice. If any subscription is not accepted, all applicable Subscription Agreements and subscription proceeds will be returned to the potential Subscribers, without interest or deduction.

There is no market through which the Units may be sold. At the time the Issuer was constituted, the Trustees determined the subscription price ($10.00) for interim subscription receipts arbitrarily.

The Issuer will not generally accept any subscription for Class A Units of less than $50,000, or for Class I Units of less than $5,000,000. The Trustees reserves the right to waive the minimum amount, provided that it is in compliance with applicable securities laws.

Unless relying on an alternate exemption from the prospectus requirements, Subscribers resident in or otherwise subject to the securities laws of the Offering Jurisdictions are required to fall within the definition of "accredited investor" set out under applicable securities laws or be a non-individual purchasing Units for aggregate consideration

in excess of $150,000 (or such other amount as applicable securities laws may provide for from time to time) in order to purchase the Units.

The Units are currently being offered in the Offering Jurisdictions under various exemptions to the prospectus requirements set out in NI 45-106 (or the complementary exemptions set out in the securities act or securities regulations of certain Offering Jurisdictions).

Rights of Action

Securities laws in certain jurisdictions of Canada provide Subscribers with rights of action for rescission or damages where an offering memorandum, such as this Offering Memorandum, any amendment to it, any record incorporated by reference into it, or advertising and sales literature used in connection therewith, contains a misrepresentation. However, these rights must be exercised by the Subscriber within the time limits prescribed by applicable securities laws. See Schedule A - Rights of Action for Damages or Rescission.

Connected Issuer

The Issuer is a "connected issuer" of Manager as such term is defined in *National Instrument 33-105 - Underwriting Conflicts* (for clarity, Manager is not acting as an "underwriter" in the distribution of Units as such term is defined in NI 33-105). The Issuer has determined that it is a connected issuer of Manager based on the following factors:

(a) certain directors and officers of the Manager are Trustees; and

(b) under the Capital Raising Agreement, the Manager is responsible for capital raising activities for the Issuer as well as incidental capital raising administrative functions. The Manager is compensated for the services provided to Issuer based on the assets of the Issuer. For further particulars of the fees payable by the Issuer to the Manager, see Capital Raising Agreement – Capital Raising Fees.

For additional disclosure on the relationship between the Issuer, Manager and their Affiliates, please see the heading Conflicts of Interest.

The Trustees, in such capacity, determined the terms of the Offering. The role of the Manager in capital raising activities is only to implement the decisions made by the Trustees. The Manager, in its capacity as an exempt market dealer, charges the Issuer the Capital Raising Fee for, among other things, services related to the distribution of Units.

SUBSCRIPTION PROCEDURE

Subscribers may subscribe for Units through Manager or through qualified Representatives. Qualified Representatives may, upon Fundserv activation, process orders by electronic means through Fundserv using the code: RIC 300 (for Class A Units) or RIC 310 (for Class I Units). Each Subscriber must:

(a) complete and sign a Subscription Agreement, including the applicable schedules thereto;

(b) deliver payment of the subscription price for the Units subscribed for to the Issuer by way of electronic transfer satisfactory to the Trustees or the administrator (payment of the subscription price through a Representative will transact through Fundserv one (1) Business Day after the applicable monthly Closing); and

(c) deliver to Manager the Subscription Agreement with applicable schedules referenced above and any other forms, declarations and documents as may be required by Manager or the Subscriber's Representative, if applicable, to complete the subscription.

The Issuer will hold subscription funds in trust until midnight on the second Business Day after the day on which it received a signed Subscription Agreement. After this, the Issuer will hold the subscription funds in trust pending a Closing under this Offering. See Schedule A - Rights of Action for Damages or Rescission.

The Manager, on behalf of the Issuer, may collect, use and disclose individual personal information in accordance with the privacy policy of the Manager and will obtain consent to such collection, use and disclosure from time to time as required by its policy and the law. A copy of its current privacy policy will be provided with the Subscription Agreement.

The Issuer anticipates that there will monthly Closings. The Issuer may close any part of the Offering on any date as the Trustees may determine in its sole business judgment. The Issuer reserves the right to accept or reject in whole or in part any subscription for Units and the right to close the subscription books at any time without notice. Any funds tendered in respect of a subscription that is not accepted will be promptly returned by the Issuer. At a Closing of the Offering, the Issuer will deliver to Subscribers or their Representative, if applicable, a confirmation of the issuance of the Units, provided the subscription price has been paid in full. Unit certificates will not be issued.

Subscribers should carefully review the terms of the Subscription Agreement and Declaration of Trust accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of Subscribers and the Issuer. Execution and delivery of a Subscription Agreement will bind Subscribers to the terms thereof, whether executed by Subscribers or by an agent on their behalf. Subscribers should consult with their own professional advisors. See Risk Factors.

RESALE RESTRICTIONS

The Issuer has not filed a prospectus in connection with the issuance of the Units. As a consequence of the Issuer offering the Units in reliance upon exemptions from the prospectus requirements under the laws of the Offering Jurisdictions, persons will be unable to sell, transfer or otherwise deal with the Units offered hereby without the appropriate registration/prospectus-filing with securities commissions of the relevant jurisdictions or pursuant to available prospectus and, if applicable, registration exemptions.

Subscribers are advised to consult with their legal advisors concerning restrictions on the disposition of their Units and are advised against disposing of any Units until they ascertain that such disposition is in compliance with the requirements of the applicable legislation.

REGISTRAR AND TRANSFER AGENT

The Trustees has engaged SS&C to provide registrar and transfer agent services and to perform certain other administrative services for the Issuer. The Trustees has engaged Prometa Fund Support Services Inc., 220 – 155 Carlton Street, Winnipeg, MN R3C 3H8, as the registrar and transfer agent and performs certain other administrative services for the Issuer in respect of Unitholders who have subscribed through Fundserv.

RISK FACTORS

In addition to factors set forth elsewhere in this Offering Memorandum and the applicable factors set forth in the offering memorandum for the Master Fund, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Units. The following is a summary only of the risk factors involved in an investment in the Units. Prospective Subscribers should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Units.

Market and Investment Risks

Investment Risks

An investment in the Issuer involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Issuer's investment program will be successful or that the Issuer will achieve its objective. The Master Fund Manager will invest substantially all of the Master Fund's assets in Authorized Investments, some of which may be particularly sensitive to economic, market, industry and other variable

conditions. The markets in which the Master Fund expects to invest may experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Master Fund, and, consequently, the Issuer.

Currency Risk

The Issuer indirectly invests in Mortgage Loans denominated in US dollars and receives distributions from the Intermediate LP in US dollars notwithstanding that the functional currency of the Issuer is Canadian dollars. Consequently, the Issuer's performance may be affected, positively or negatively, by fluctuations in the US dollar/Canadian dollar exchange rate. Among the factors that may impact relative currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Issuer may, but is not obligated to, seek to offset some of the risks associated with the currency exchange transactions it will be required to periodically engage in through the implementation of certain hedging strategies to the extent it is practicable to do so. Hedging will not alleviate all currency risk and the Issuer will incur costs both in connection with currency exchange transactions and the implementation of hedging strategies. Currency exchange transactions are undertaken either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies. To the extent the Issuer enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the direction of currency exchange rates or exposure size is not accurately predicted. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by a forward contract counterparty may result in a loss to the Issuer for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. There can be no guarantee that instruments suitable for hedging currency exchange-rate risks will be available at the time the Manager and Issuer wish to use them or will be able to be liquidated when they wish to do so. In addition, the Issuer may choose not to enter into hedging transactions with respect to some or all of its currency exchange risk exposure. See The Issuer.

Nature of the Investments

Investments in Mortgage Loans 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 Mortgage Loans are relatively illiquid. This will tend to limit the Master Fund's ability to vary the Mortgage Loan Portfolio promptly in response to changing economic or investment conditions. Mortgage Loans will be secured by Real Property. All Real Property investments are subject to elements of risk. While independent appraisals may be obtained before Mortgage Loan investments are made, the appraised values provided therein are not necessarily reflective of the market values 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. 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.

The Issuer's income and funds available for distribution to Unitholders would be adversely affected if a significant number of borrowers were unable to pay their Mortgage Loan obligations or if the Master Fund was unable to invest its funds in Mortgage Loans on economically favourable terms. On default by a borrower, delays may occur in enforcing rights in respect of Mortgage Loans, and substantial costs may be incurred in protecting Mortgage Loan investments.

Availability of Investments

Because the source of all of the Master Fund's (and therefore, indirectly, the Issuer's) investments is through the Manager and the Master Fund Manager, the Master Fund, and therefore indirectly the Issuer, is exposed to adverse developments in the business and affairs of the Manager and the Master Fund Manager, to their management and financial strength, to their ability to operate their businesses profitably and to their ability to retain any applicable licenses issued under applicable legislation. The ability of the Master Fund 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 Mortgage Loans currently invested in will be representative of yields to be obtained on future Mortgage Loans.

The Manager must render its services under the Capital Raising Agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities in a conscientious, reasonable and competent manner. However, the services of the Manager and the directors and officers of Manager are not exclusive to the Issuer. The Manager, its directors and officers, its Affiliates and members of its credit committee may, at any time, engage in promoting or managing other entities or their investments including those that may compete directly or indirectly with the Issuer.

The Master Fund Manager must render its services under the Services Agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Services Agreement in a conscientious, reasonable and competent manner. However, the services of the Master Fund Manager and its management are not exclusive to the Master Fund. The Master Fund Manager, its management and its 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 Master Fund, and the Master Fund Manager has sole discretion in overseeing the determination of which Mortgage Loans and other Authorized Investments it will make available to the Master Fund for investment. The Master Fund Manager is obligated to give the Master Fund the first opportunity to invest in Mortgage Loans identified and reviewed by it. See Conflicts of Interest.

Renewal of Mortgage Loans

There can be no assurances that any of the Mortgage Loans comprising the Mortgage Loan Portfolio 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 Loan comprising the Mortgage Loan Portfolio, it is possible that the Mortgage Loan will not be renewed or extended. In addition, if the Mortgage Loans in the Mortgage Loan Portfolio are renewed, the principal balance of such renewals, the interest rates and the other terms and conditions will be subject to negotiations at the time of renewal.

Composition of the Mortgage Loan Portfolio

The composition of the Mortgage Loan Portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the Mortgage Loan Portfolio being less diversified than anticipated. A lack of diversification may result in the Master Fund being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography.

Failure to Meet Commitments

The Master Fund may commit to making future Mortgage Loan investments in anticipation of repayment of principal outstanding under existing Mortgage Loan investments. In the event that such repayments of principal are not made in contravention of the borrowers' obligations, the Master Fund 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.

Non-Performing Mortgage Loans

One or more borrowers could fail to make payments according to the terms of their Mortgage Loans, and the Master Fund could therefore be forced to commence enforcement proceedings. The recovery of a portion of the Master Funds' assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Master Funds' rights. Legal fees and expenses and other costs incurred by the Master Fund in enforcing their rights against a defaulting borrower are usually recoverable from the borrower directly or from enforcement realization proceeds, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne by the Master Fund.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of Real Property regardless of whether the property is producing income or whether payments are being

made. The Master Fund may therefore be required to incur such expenditures to protect its investment, even if the borrower is not honouring its contractual obligations.

Subordinated Mortgage Loans

Some of the Mortgage Loans in which the Master Fund invests, directly or indirectly, may be considered to be riskier than First Mortgage Loans because the Master Fund will not have a first-ranking lien on the underlying Real Property. When a lien on a Real Property is not first-ranking, it is possible for the holder of a senior-ranking lien, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the Real Property to recover the loan. Certain enforcement proceedings may deprive subordinate lienholders of their interest in the Real Property. If a Real Property is sold and sufficient proceeds are not realized from such sale to pay off creditors who have prior liens, the holder of a subsequent lien may lose its investment or part thereof to the extent of such deficiency unless the holder can otherwise recover such deficiency from other collateral.

Litigation Risk

The Master Fund may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation, the Master Fund may not be receiving Mortgage Loan payments, thereby impacting Issuer cash flow. The unfavourable resolution of any legal proceedings could have an adverse effect on the Master Fund, and thereby on the Issuer and its financial position and results of operations that could be material.

Competition

The Master Fund will be competing for Mortgage Loans with Persons who are seeking similar investments. Many of these investors will have greater financial resources than the Master Fund, or operate without the investment or operating restrictions of the Master Fund or according to more flexible conditions. An increase in the availability of investment funds and an increase in interest in Mortgage Loan investments may increase competition, potentially reducing the yield on such investments. While the Master Fund General Partner does not anticipate a significant increase in competition in the markets in which it intends to continue to invest, changing market conditions may increase the level of competition for profitable Mortgage Loan investments and thus may reduce the number of suitable investment opportunities for the Master Fund.

Use of Leverage

The Master Fund expects to borrow funds under a revolving loan facility from one or more third-party lenders in order to increase the amount of capital available from time to time. Such borrowings are used primarily for cash-flow management purposes, when there is a temporary mismatch between current cash requirements and repayments from maturing Mortgage Loans. The Master Fund does not intend to borrow more than 35% of the value of the Mortgage Portfolio at any time. The purpose of such borrowings is not to enhance Master Fund returns. However, although such borrowings may increase returns to the limited partners if the Master Fund earns a greater return on any incremental investments purchased with borrowed funds than it pays for such funds, the use of such borrowings may decrease returns to the limited partners if the Master Fund fails to earn as much on such incremental investments as it pays for such funds. When the Master Fund borrows funds, the level of interest rates generally, and the rates at which the Master Fund can borrow in particular, will be an expense of the Master Fund and therefore affect the operating results of the Master Fund. The lender(s) under the loan facility will have a security interest over the assets of the Master Fund which rank ahead of the interest of the Unitholders. If for some reason such loan facility is in default, the assets of the Master Fund will used to repay the loan facility which may prejudice the day-to-day operation of the Master Fund and consequently the Issuer.

Money Market Instruments

The Master Fund may invest as Authorized Interim Investments, on an interim basis, all or a portion of the Master Fund's assets in high quality fixed-income securities, money-market instruments, and money-market mutual funds, or hold cash or cash equivalents in such amounts as the Master Fund Manager deems appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, certificates of deposit and

bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation. However, there can be no assurances that such investments will not be subject to significant risks.

General Economic and Market Conditions

The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the value and liquidity of the Master Fund's investments and the availability of certain investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The financing available to the Master Fund from its lenders on favourable terms will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Master Fund. Market disruptions may from time to time cause dramatic losses for the Master Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Market Disruptions; COVID-19; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act

The global financial markets have in recent years gone through pervasive and fundamental disruptions that have led to extensive governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, certain of these interventions have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. The COVID-19 pandemic has contributed to nearly unprecedented volatility and uncertainty in global markets, including U.S. real estate and financial services. While vaccine distribution has accelerated in certain regions, including the U.S, many populations are experiencing further waves driven by more contagious and dangerous variants of the COVID-19 virus, which continues to adversely impact commercial activity and contribute to heightened volatility and uncertainty in many of the markets in which the Master Fund, borrowers, sponsors and other key participants operate. While economic activity in certain market sectors and regions in which the Master Fund operates has improved since the height of the pandemic, prospective Subscribers should be aware that it is more likely than not that pandemic-related effects will continue to present material uncertainty and risk with respect the Master Fund's and the Issuer's performance, recent financial results for the Master Fund and Issuer were affected, and future financial results may be materially and adversely affected.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which aims to reform various aspects of the U.S. financial markets, covers a broad range of market participants including Persons (registered and unregistered) such as the Master Fund Manager. The Dodd-Frank Act may directly affect the Master Fund Manager by mandating additional new reporting requirements, including, but not limited to, position information, use of leverage and counterparty and credit risk exposure. Until the SEC implements all of the new reporting requirements, the full burden of such reporting obligations will not be known.

The Dodd-Frank Act may also affect the Master Fund in a number of other ways. Pursuant to the Dodd-Frank Act, banks and other financial firms (like the Master Fund and the Master Fund Manager) may be designated as "Systemically Important Financial Institutions" or SIFIs. Any bank or financial firm so designated will be subject to regulation by the Federal Reserve Board. Although the Master Fund General Partner and the Master Fund Manager believe they are unlikely to be classified as SIFIs and are not subject to the requirements for "major swap participants," the consequences of being so classified could be substantial and adverse. In addition, the cost of certain transactions may substantially increase as result of the Dodd-Frank Act as additional margin, capital and collateral obligations are implemented.

Mortgage Loans Not Insured
Generally speaking, Mortgage Loans are not insured or guaranteed, in whole or in part, by any government or governmental entity, underwriter or any other person, except in circumstances where recourse to the borrower and its financial strength is negotiated as part of a particular underwriting. In these cases, the ability of any borrower (or guarantor) to satisfy its recourse obligations will be limited by the extent of their respective available assets. No representation is made as to the adequacy of assets of any borrower or guarantor available to satisfy their respective recourse obligations with respect to any Mortgage Loans.

Environmental and Other Regulatory Matters
Although an evaluation of an Environmental Audit will generally be obtained on underlying Real Property, and environmental indemnities will be obtained from borrowers and others, environmental legislation and policies have become an increasingly important feature of Real Property ownership and management in recent years. Under various laws, the Master Fund 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. The Master Fund follows the environmental programs of the Manager and the Master Fund Manager, which include policies and procedures to review and monitor environmental matters. These environmental policies usually include an Environmental Audit when warranted, conducted by an independent and experienced environmental consultant, before making a Mortgage Loan investment.

Risks Associated with the Issuer and/or the Master Fund

Limited Operating History and Dependence on Key Personnel
Although the Manager has substantial investment experience and a relatively long operating history, the Master Fund, the Master Fund General Partner and the Master Fund Manager and the Issuer have a relatively limited history upon which a prospective investor may base its investment decision. The past performance of the strategies and products managed by the Manager or the Master Fund Manager is no guarantee of future performance.

No Market for the Units
As there is no developed market for the Units and the Units are subject to overall restrictions under securities laws and the Declaration of Trust, and as there are redemption limitations on Units, a Unitholder will not be able to liquidate its investment or withdraw its capital at will. Other than in accordance with the redemption rights attached to the Units, a Unitholder may never be able to sell its Units and recover any part of its investment. Similar characteristics attach to the Master Fund Units owned, indirectly, by the Issuer. Accordingly, an investment in Units should only be considered by investors who do not require liquidity. A subscription for Units should be considered only by sophisticated investors financially able to maintain their investment and who can afford to lose all or a substantial part of such investment.

The Units Are Not Insured
The Issuer is not a member institution of the Canada Deposit Insurance Corporation and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Units are redeemable at the option of the Unitholder, but only under certain circumstances. See Rights and Characteristics of the Units.

"Mutual Fund Trust" Status
It is intended that the Issuer qualify as a "mutual fund trust" for the purposes of the Tax Act. However, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the treatment of "mutual fund trusts" and "unit trusts" will not be changed in a manner which adversely affects the holders of Units. See Certain Canadian Income Tax Considerations – "Mutual Fund Trust" Status. **If the Issuer fails to meet one or more conditions to qualify as a "mutual fund trust", the income tax considerations described under "Certain Canadian Income Tax Considerations" would, in some respects, be materially different.**

If the Issuer never qualifies, or ceases to qualify, as a "mutual fund trust", the Units will never be, or cease to be, qualified investments for trusts governed by Registered Plans. Where, at any time in a calendar year, property held by a trust governed by a Registered Plan becomes a non-qualified investment for the trust, the trust must, in respect of

such calendar year, pay a tax equal to 50% of the fair market value of the property at the time that the property became a non-qualified investment for the trust. Where, at the end of a month, a trust governed by a DPSP holds property that is not a qualified investment for the trust, the trust is required, in respect of that month, to pay a tax equal to 1% of the fair market value of the property at the time it was acquired by the trust. In addition, trusts governed by a TFSA, RRSP or a RRIF may be subject to tax on the income attributable to the holding of non-qualified investments including tax on 100% of the capital gains, if any, realized on the disposition of the non-qualified investment.

Additionally, if the Issuer never qualifies or ceases to qualify as a "mutual fund trust", the Fund may be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Fund may have adverse income tax consequences for certain Unitholders, including non-resident persons and Registered Plans that acquire an interest in the Units directly or indirectly from another Unitholder.

Unitholder Liability

The Declaration of Trust limits the liability of Unitholders in respect of the Issuer and states that the assets of the Issuer only are intended to be liable and subject to levy or execution for satisfaction of Issuer liabilities and that no resort is to be had to, nor recourse or satisfaction sought from, the private property of any Unitholder in respect of such liabilities. The Issuer will be an indirect limited partner of the Master Fund (via the Intermediate LP), with the goal of providing enhanced liability protection for Unitholders. As a result of this structure, no business operation will be conducted by the Issuer and the liability of the Issuer is intended to be limited to its capital contribution as a limited partner in the Intermediate LP.

Notwithstanding the above, to the extent that claims are not satisfied by the Issuer, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of the Issuer where the liability is not disclaimed in the contracts or arrangements entered into by the Issuer with third parties. Personal liability may also arise in respect of claims against the Issuer that do not arise under contracts, including claims in tort, claims for taxes and certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered by the Issuer's management to be remote due to the nature of the Issuer's activities as beneficiary and creditor. In the event that payment of an Issuer obligation is required to be made by a Unitholder, such Unitholder is entitled to reimbursement from the available assets of the Issuer.

Tax Treatment and Possible Changes in Tax Laws

There can be no assurance that income tax laws and the treatment of a "mutual fund trust" will not be changed in a manner which adversely affects Unitholders. See Certain Canadian Federal Income Tax Considerations and Certain U.S. Income Tax Considerations.

Prospective Unitholders should consult with their tax advisors for advice with respect to the tax consequences to them having regard to their own particular circumstances.

Issuer's Interest in Master Fund

The Issuer will obtain an economic interest in Mortgage Loans by virtue of its indirect investment in the Master Fund, via the Intermediate LP. The Issuer will be only one of several indirect investors in the Master Fund, via the Intermediate LP.

Dilution

The number of Units the Issuer is authorized to issue is essentially unlimited and the Trustees have the sole discretion to issue additional Units. The proceeds of the Offering may not be sufficient to accomplish all of the Issuer's proposed objectives. In addition to alternate financing sources, the Issuer may conduct future offerings of Units in order to raise the funds required which will result in a dilution of the interests of the Unitholders in the Issuer.

Reliance on Trustees

In assessing the risks and rewards of an investment in Units, potential investors should appreciate that they are relying on the good faith and judgment of the Trustees in administering and managing the Issuer. Although approval of the Unitholders is required for certain matters, Unitholders have no right to take part in the management of the Issuer, and the Issuer will be bound by the decisions of the Trustees as provided in the Declaration of Trust. It would be inappropriate for investors who are unwilling to rely on the Trustees to this extent to subscribe for Units. There is no

certainty that the persons who are currently Trustees will continue to be available to the Issuer for the entire period during which it requires the provision of their services.

In assessing the risk of an investment in Units, potential investors should be aware that they will be relying on the good faith, experience and judgment of management of the Manager, the Master Fund Manager, the Trustees and the Master Fund General Partner and those advisors appointed by them to assess the acquisition and disposition of the Master Fund's Authorized Investments. Although the Master Fund's Mortgage Loans and other Authorized Investments will be carefully chosen, there can be no assurance that such investments will earn a positive return in the short or long term or that losses may not be suffered by the Master Fund from such investments.

No Guaranteed Return

There is no guarantee that an investment in Units will earn any positive return in the short or long term. Moreover, the interest rates being charged on Mortgage Loans reflect the general level of interest rates and, as interest rates fluctuate, management of the Issuer expects that the aggregate yield on Mortgage Loan investments, and therefore, the level of distributions to the Issuer from the Master Fund, may also change.

Significant Redemptions of Units

Units are redeemable by the Unitholder as described under Declaration of Trust – Redemption of Units. The Issuer has the right to defer a redemption payment if the aggregate number of Units tendered for redemption on a particular Redemption Date exceeds the Master Fund Withdrawal Gate (or the Issuer's pro rata portion thereof).

Although limited partners of the Master Fund have withdrawal limitations, substantial withdrawals by one or more limited partners of the Master Fund within a short period of time could require the Master Fund to liquidate positions more rapidly than would otherwise be desirable, possibly reducing the value of the Master Fund's assets and/or disrupting the Master Fund's investment strategy. Reduction in the size of the Master Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Master Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Master Fund Withdrawal Gate; Designated Investments

Subject to the Master Fund Withdrawal Gate, a limited partner of the Master Fund or the Intermediate LP generally will not be permitted to withdraw all or any portion of its capital account balances from the Issuer except as of the applicable withdrawal date. In addition, such limited partners will not be permitted to make any withdrawals corresponding to amounts attributable to their "Designated Investment" account until after the particular "Designated Investment" is sold or the Master Trustees otherwise determines that it should not be treated as a "Designated Investment". Due to such withdrawal limitations, a limited partner's investment in the Master Fund or the Intermediate LP may be adversely affected by the performance of the Master Fund before a limited partner can fully withdraw. The Master Fund General Partner may suspend withdrawal rights (including the payment of withdrawal proceeds and the calculation of the net asset value of the Master Fund), in whole or in part, during any period when there exists, in the reasonable good faith opinion of the Master Fund General Partner, a state of affairs where the disposal of the Master Fund's assets, or the determination of the value of the limited partners' capital accounts, would not be reasonably practicable or would be seriously prejudicial to the non-withdrawing limited partners or if required under any applicable anti-money laundering laws or regulations.

Distributions and Allocations

If the Issuer has income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the Unitholders in accordance with the provisions of the Declaration of Trust and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to them. Allocations for tax purposes to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

Redemption at the Option of the Trustees

The Trustees may require a Unitholder to redeem all or any of its Units for any reason, at any time on 5 days' prior written notice to the Unitholder Such mandatory withdrawal may create adverse tax and/or economic consequences to the Unitholder depending on the timing thereof in respect of the Issuer and/or the Unitholder.

Valuation

Valuations of the Issuer's and the Master Fund's investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset values could be adversely affected. Such investments will not be listed on established exchanges, which may make a determination of the fair market value difficult to accurately determine. Third party pricing information may at times not be available. Valuation determinations made by the Trustees and/or the Master Fund General Partner, which will be conclusive and binding, may affect the amount of the services fee under the Services Agreement and the Capital Raising Fee.

Conflicts of Interest

As described in "Conflicts of Interest," there are certain actual and potential conflicts of interest that should be considered by prospective Subscribers before subscribing for Units.

Retention of Key Staff

The performance of the Master Fund, and therefore the Issuer, is largely dependent on the talents and efforts of highly skilled individuals retained by the Master Fund Manager, the Manager or their Affiliates. The success of the Master Fund depends on the ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented professionals and other staff. A period of sustained loss could hamper the Master Fund Manager's and Manager's ability to attract and retain talented investment professionals and other staff. There can be no assurance that the Manager's professionals will continue to be associated with the Manager throughout the life of the Issuer, and the failure to attract or retain such professionals could have a material adverse effect on the Master Fund and its limited partners, including, for example, by limiting the Master Fund Manager's and Manager's ability to pursue particular investment strategies discussed herein. There is no guarantee that the talents of such professionals could be replaced.

Liability for U.S. Federal Income Tax

As discussed above in "Certain U.S. Federal Income Tax Considerations", although the affairs and activities of the Issuer, the Intermediate LP and the Master Fund in the U.S. will be structured, managed and conducted so that they will not be carried on through a permanent establishment in the U.S., no assurance can be given that this position will be accepted by the IRS and others. If any of these entities were treated as having a permanent establishment in the U.S., the Issuer would possibly be subject to U.S. federal income tax on its taxable ECI at the regular U.S. federal rate of tax of 21% for corporations, and the federal branch profits tax of 5% of effectively connected earnings and profits in excess of $500,000 (Canadian), provided that the Issuer is eligible for the reduced branch profits tax rate. Any U.S. federal income tax paid by the Issuer would be mitigated by the ability of Canadian taxable Unitholders to claim a foreign tax credit on their Canadian income tax return to the extent there is adequate U.S. source income to use such foreign tax credit and the Issuer makes the appropriate designations. Any federal income tax payable would have an adverse effect on the cash flow of the Issuer available for distribution to Unitholders. In addition, any FDAP income would be subject to 30% withholding by the Intermediate LP, potentially reduced if the Issuer is eligible for a reduced withholding tax rate under the Treaty, and if certain documentation is provided by the Issuer.

The Master Fund has not requested a ruling from the IRS or an opinion of legal counsel as to any tax matters, including whether the Intermediate LP will be treated as a partnership (and not as an association taxable as a corporation) for U.S. federal income tax purposes. If the Intermediate LP were to be treated as a corporation rather than as a partnership for U.S. federal income tax purposes, then the Intermediate LP itself would be taxed on its taxable income at corporate income tax rates, and items of Intermediate LP income, gain, loss and deduction would not flow through to its limited partners, including the Issuer, and distributions from the Intermediate LP (other than certain withdrawal distributions) would be treated as dividends to the extent of the current and accumulated earnings and profits of the Intermediate LP, and would be subject to U.S. withholding tax of 30%. Under current U.S. law, the Intermediate LP believes that it will be classified and treated as a partnership for U.S. federal income tax purposes, and not as an association taxable as a corporation.

Assuming that the Intermediate LP is treated as a partnership, each limited partner that has a U.S. permanent establishment, including the Issuer, must include in its own income, its allocable share of Intermediate LP taxable income, whether or not any cash is distributed. As a result of various limitations imposed by U.S. tax laws, a limited partner may be unable to currently deduct its allocable share of the services fee under the Services Agreement, other Intermediate LP expenses and capital losses, if any. A limited partner's tax liability with respect to its share of the Intermediate LP's taxable income may exceed the cash distributions, if any, to such limited partner in a particular year.

Liability for U.S. State Taxes

Even if there is no permanent establishment under the Treaty, many U.S. states establish their own rules for subjecting a non-U.S. entity to various types of state taxes. As a result, there is a risk that the affairs and activities of the Issuer and the Master Fund in such states could create a sufficient nexus to such states to be subject to state taxes. Although the Issuer and the Master Fund intend that the affairs and activities of these entities will be managed and conducted to avoid being treated as having sufficient nexus for state tax purposes, no assurance can be given that the taxation authority of a state will not find sufficient nexus to subject such entities to state tax. If the Issuer or the Master Fund is treated as having sufficient nexus to a state, such entities would then be subject to state taxation in a manner similar to the taxation of a U.S. person having nexus to such state. Any U.S. state income, franchise or net worth tax paid by the Issuer would be mitigated by the ability of Canadian taxable Unitholders to claim a foreign tax credit on their Canadian income tax return to the extent there is adequate U.S. source income to use such foreign tax credit and the Issuer makes the appropriate designations. Any state tax payable would have an adverse effect on the cash flow of the Issuer available for distribution to Unitholders.

FATCA Withholding Tax and OECD Common Reporting Standard

Under U.S. withholding tax and reporting requirements, contained in U.S. legislation commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), the Issuer and Manager are "foreign financial institutions" and are required to collect information from Unitholders and directly or indirectly provide that information to the IRS in order to avoid a 30% U.S. withholding tax on the receipt of certain payments of : (1) U.S. source income (such as interest, dividends and other passive income) and (2) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. To achieve the U.S. objectives of FATCA in a manner that is consistent with Canada's privacy and other laws, Canada enacted Part XVIII of the Tax Act ("**Part XVIII**") and signed an Intergovernmental Agreement with the U.S. for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention (the "**Canada-U.S. IGA**") and accordingly, the Issuer and the Manager are generally required to conduct due diligence regarding Unitholders and (where applicable) their beneficial owners, and to annually report to the CRA certain information regarding U.S. Unitholders, including information regarding their name, address, and U.S. taxpayer identification number. Under the Canada-U.S. IGA, the CRA has agreed to provide this information to the IRS. A Canadian financial institution that registers with the IRS and complies with the requisite due diligence and reporting requirements of the Canada-U.S. IGA will generally be relieved from certain provisions that would otherwise have been applicable under FATCA, such as entering into an agreement with the IRS in order to be exempt from the 30% withholding tax, and the obligation to withhold payments to or close accounts of investors who do not provide the required information, provided certain conditions are met.

In addition, Canada has signed the Organisation for Economic Co-operation and Development Multilateral Competent Authority Agreement and Common Reporting Standard ("**CRS**"). The CRS is a global model for the automatic exchange of information on certain financial accounts that is similar in many ways to FATCA. More than 95 countries, including Canada, have agreed to implement the CRS (referred to as "**CRS participating countries**"). Canada has enacted legislation under Part XIX of the Tax Act ("**Part XIX**"), which received royal assent on December 15, 2016, effective as of July 1, 2017, that will require the annual reporting of information to the CRA beginning in May 2018. In addition, the CRA will then proceed to exchange information with those CRS participating countries with which Canada has a tax exchange agreement. Generally, the CRS will require the Issuer and the Manager to identify the tax residency status of, and other information relating to, Unitholders who are resident for tax purposes in any country other than Canada or the U.S.

If a Unitholder does not provide the information required to comply with these obligations under Part XVIII and/or Part XIX, as the case may be, the Unitholder's Units may be redeemed at the sole discretion of the Trustees. Notwithstanding the foregoing, the Issuer's and the Manager's due diligence and reporting obligations under FATCA and CRS will not apply with respect to Registered Plans. If the Manager or the Issuer fails to meet its obligations under Part XVIII and/or Part XIX, as the case may be, it may be subject to the enforcement under the Tax Act.

In order to avoid adverse consequences, the Issuer and the Manager, and any Affiliates to whom FATCA or CRS may apply, intend to comply with FATCA and CRS. The administrative costs arising from compliance with FATCA and CRS may cause an increase in the operating expenses of the Issuer, directly or indirectly, thereby potentially reducing returns to Unitholders. Investors should consult their own tax advisors regarding the possible implications of FATCA,

Part XVIII, the Canada-U.S. IGA, CRS and Part XIX on their investment and the entities through which they hold their Units.

Systems and Operational Risks

The Master Fund and the Issuer depend on the Manager and the Master Fund Manager to develop and implement appropriate systems for the Issuer's and the Master Fund's activities. The Issuer and the Master Fund rely heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions and to evaluate investments, to monitor their portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Issuer's and Master Fund's activities. In addition, the Issuer and Master Fund rely on information systems to store sensitive information. Certain of the Issuer's, the Master Fund's, the Master Fund Manager and the Manager's activities will be dependent upon systems operated by third parties, including the administrators, market counterparties and other service providers, and the Manager or Master Fund Manager may not be in a position to adequately verify the risks or reliability of such third-party systems. Failures in the systems employed by the Manager and the Master Fund Manager, administrators, counterparties, clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Issuer's and the Master Fund's operations or breach of the Issuer's or Master Fund's information systems may cause them to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory penalties or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Issuer or the Master Fund and their limited partners.

Compliance

The Issuer and the Master Fund must comply with various legal requirements, including requirements imposed by the securities laws, tax laws, lending laws, mortgage brokerage and mortgage banking laws, and pension laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Issuer and its Unitholders and the Master Fund and its partners may be subject could differ materially from such requirements as at the date hereof.

Reserves

Under certain circumstances, the Master Fund may find it necessary to establish a reserve for contingent liabilities or impaired Mortgage Loans, or withhold a portion of a limited partner's proceeds at the time of withdrawal. If the reserve is subsequently determined to have been excessive, such excess amount shall be returned to the net assets of the Master Fund, but the amount paid upon a prior withdrawal will not be adjusted. Conversely, if the reserve is subsequently determined to have been insufficient, the net assets of the Master Fund will be used to pay such amounts and the Master Fund may be limited in its right to recover any excess withdrawal proceeds from a limited partner. As the establishment of a reserve impacts the determination of the Master Fund's net asset value, an incorrect reserve will impact the subscription prices for Master Fund Units purchased by the Issuer.

Electronic Delivery of Information

Issuer information and information with respect to a Unitholder's investment in the Issuer may be delivered to such Unitholder electronically. There are risks associated with such electronic delivery including, but not limited to, that e-mail messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient.

Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Issuer is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Manager's and other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to value investments, impediments to trading, the inability of Unitholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs,

or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Issuer invests, counterparties with which the Issuer engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Unitholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Issuer's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Issuer cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Issuer or Unitholders. The Issuer and its Unitholders could be negatively impacted as a result.

No Independent Counsel

No independent legal counsel has been retained to represent the interests of the Unitholders. The Declaration of Trust has not been reviewed by any lawyer on behalf of the Unitholders. Each prospective investor is therefore urged to consult its own counsel as to the terms and provisions of the Declaration of Trust and with regard to all other related documents. Legal counsel to the Trustees and the Manager does not represent any Unitholder in the Issuer.

CONFLICTS OF INTEREST

See also: Offering – Connected Issuer.

Various potential conflicts of interest exist between the Issuer, the Intermediate LP and/or the Master Fund, on the one hand, and the Trustees, the Master Fund General Partner, the Intermediate General Partner, the Master Fund Manager, and the Manager, on the other. These potential conflicts of interest may arise as a result of common ownership/control and certain common directors, officers and personnel and, accordingly, will not be resolved through arm's length negotiations but through the exercise of judgement consistent with fiduciary responsibilities to the Issuer, the Intermediate LP and the Master Fund and their respective unitholders and partners generally. Additionally, the Master Fund Partnership Agreement requires the approval of the Independent Advisory Committee, which has a majority of independent members, for material transactions involving a material potential conflict of interest between the Master Fund General Partner or its Affiliates, on the one hand, and the Master Fund, on the other, except for conflicts that have been previously disclosed in the offering documents of the feeder funds (including the Issuer).

Each of the Master Fund Manager and the Intermediate General Partner are subsidiaries of the Manager. Three of the four directors of the Manager hold significant indirect equity interests in, or exercise control and direction over, the Manager. The directors of the Manager exercise control and direction over the Manager. The Manager is the sole limited partner of Master Fund Manager.

The Issuer relies upon the Manager to manage the business of the Issuer and on the Master Fund Manager to oversee the management of the business of the Master Fund and to provide managerial skill. The directors and officers of the Manager and the general partner of the Master Fund Manager may have a conflict of interest in allocating their time between the respective businesses and interests of the Issuer and the Master Fund and other businesses or projects in which they may become involved. Whenever a conflict of interest arises between the Issuer, on the one hand, and the Manager on the other hand, or between the Master Fund, on the one hand, and the Master Fund 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.

The Manager and the Master Fund Manager, their officers, directors, employees, agents or shareholders and their Affiliates and Associates are not necessarily limited or affected (except as noted below in the context of their relationship with TIG Advisors, LLC ("**TIG**")) in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Issuer and the Master Fund. Such other business activities may involve transactions which conflict with the interests of the Issuer and the Master Fund. None of the Issuer or the Master Fund has entered into any non-competition agreements with any Person. Similarly, the Manager and the Master

Fund Manager do not have any non-competition agreements with their directors, officers, agents and employees (except as noted in the context of their relationship with TIG). Accordingly, any one or more of the Manager or the Master Fund Manager and their directors, officers, agents and employees may compete with or otherwise have a conflict of interest in carrying out their obligations to the Issuer or the Master Fund.

The Master Fund Manager is entitled to earn a services fee under the Services Agreement and the lender/broker fees in connection with its provision of services to the Master Fund.

As noted under Offering – Connected Issuer, the Manager is a registered exempt market dealer providing Capital Raising Services, including coordinating the distribution of Units in the Offering Jurisdictions, to the Issuer for a fee pursuant to the Capital Raising Agreement calculated with reference to the value of the Issuer's assets. The Manager is registered as an exempt market dealer with the securities commissions in each of the Offering Jurisdictions and will be participating in the distribution of Units pursuant to the Offering. Other than the fee referenced above, thew Manager does not receive commissions in respect of the issuance of Units under the Offering. See Capital Raising Agreement.

TIG, through an affiliated entity, acquired a minority interest in the Manager. TIG has entered into services agreements with the Manager and with the Master Fund Manager pursuant to which TIG earns fees commensurate with the magnitude of its minority interest in the Manager. TIG is registered with the SEC as an investment adviser and currently manages three distinct investment strategies, including a real estate bridge lending strategy. Such business may involve transactions which conflict with the interests of the Issuer or the Master Fund. TIG and the members of the senior management team of the Manager which own, indirectly, the balance of equity interest in the Manager, have entered into certain limited restrictive covenants (non-competition, non-solicitation, non-diversion of business) which address, in part, such potential conflicts of interest.

CERTIFICATE

This Offering Memorandum does not contain a misrepresentation.

DATED as of July 29, 2022.

ROMSPEN US MORTGAGE INVESTMENT TRUST

(SIGNED) WESLEY ROITMAN
Trustee

(SIGNED) BLAKE CASSIDY
Trustee

(SIGNED) RICHARD WELDON
Trustee

SCHEDULE "A"

RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities laws in certain jurisdictions of Canada provide Subscribers, in addition to any other rights they may have at law, with rights of action for damages or rescission if an offering memorandum, such as this Offering Memorandum, or any amendment to it and, in certain cases, advertising and sales literature used in connection therewith, contains a misrepresentation. However, these rights must be exercised by the Subscriber within the time limits prescribed by the applicable securities laws. Each prospective Subscriber should refer to the provisions of the applicable securities laws for a complete text of these rights and/or consult with a legal advisor.

The following is a summary of the statutory rights of action for damages or rescission available to Subscribers resident in certain provinces and territories. These summaries are subject to the express provisions of the applicable securities laws of such jurisdictions and the regulations, rules and policy statements thereunder, and reference is made thereto for the complete texts of such provisions. The rights of action described below are in addition to, and without derogation from, any other right or remedy that a Subscriber may have under applicable laws.

Statutory Rights of Action

Subscribers Resident in Alberta in Reliance on the Minimum Amount Investment Exemption

Alberta Securities Commission Rule 45-511 Local Prospectus Exemptions and Related Requirements provides that the following statutory rights of action apply to information contained in an offering memorandum, such as this Offering Memorandum, that is provided to a Subscriber of securities in respect of a distribution made in reliance only on the "minimum amount investment" exemption in section 2.10 of NI 45-106.

The rights of action for damages or rescission described herein is conferred by section 204 of the *Securities Act* (Alberta) (the "**ASA**") and the time limits specified by section 211 of the ASA in which an action to enforce a right under section 204 must be commenced. If this Offering Memorandum, or any amendment to it, provided in connection with a distribution made in reliance on the "minimum amount investment" exemption contains a misrepresentation, a Subscriber resident in Alberta who purchases under such exemption a security offered by this Offering Memorandum: (a) is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and, in addition to any other rights the Subscriber may have at law, (b) has a right of action for damages against (i) the Issuer, and (ii) each person who signed this Offering Memorandum (each a "**Signatory**" and collectively, the "**Signatories**"). If a Subscriber elects to exercise a right of rescission against the Issuer, the Subscriber will have no right of action for damages against the Issuer or the Signatories.

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

No action may be commenced to enforce either right of action unless the right is exercised:

(a) in the case of an action for rescission, on notice given to the Issuer not later than 180 days from the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action for damages, on notice given to the Issuer not later than the earlier of (i) 180 days from the date the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three years from the date of the transaction that gave rise to the cause of action,

and also provided that:

(a) the Issuer or a Signatory will not be held liable under this paragraph if the Signatory or the Issuer proves the defendant purchased the Units with knowledge of the misrepresentation;

(b) in an action for damages, the Issuer or the Signatory will not be liable for all or any portion of those damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable under this paragraph exceed the price at which the Units were sold to the Subscriber.

Subscribers Resident in Manitoba

In the event that this Offering Memorandum, or any amendment hereto, contains a misrepresentation and it is a misrepresentation at the time of purchase, the Subscriber shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights the Subscriber may have at law: (a) a right of action for damages against (i) the Issuer, (ii) the Trustees at the date of the Offering Memorandum (each a "**Trustee**" and collectively, the "**Trustees**"), and (iii) every Signatory; and (b) a right of rescission against the Issuer. If a Subscriber elects to exercise a right of rescission against the Issuer, the Subscriber will have no right of action for damages against the Issuer, the Trustees or the Signatories.

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

The Issuer, the Trustees and the Signatories will not be liable if they prove that the Subscriber purchased the Units with knowledge of the misrepresentation.

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

(a) if they prove the Offering Memorandum was sent to the Subscriber without their knowledge or consent and, after becoming aware that it was sent, promptly gave reasonable notice to the Issuer that it was delivered without their knowledge and consent;

(b) if they prove that, after becoming aware of a misrepresentation in the Offering Memorandum they withdrew their consent to the Offering Memorandum and gave reasonable notice to the Issuer of their withdrawal and the reasons therefor;

(c) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("**Expert Opinion**"), if they prove they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of the Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or

(d) with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Trustee or Signatory (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.

A person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that this Offering Memorandum contained, proximate to that information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection, and the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, the Issuer, the Trustees and the Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation. The amount recoverable under the right of action shall not exceed the price at which the Units were offered under this Offering Memorandum.

A Subscriber of Units to whom the Offering Memorandum was required to be sent in compliance with the regulations respecting an offering memorandum but was not sent within the time prescribed for sending the Offering Memorandum by those regulations, has a right of action for rescission or damages against the Issuer or any dealer who did not comply with the requirement.

A Subscriber to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Issuer not later than midnight on the second day, excluding Saturdays and holidays, after the Subscriber signs the Subscription Agreement to purchase the Units.

Unless otherwise provided under applicable securities laws, no action shall be commenced to enforce a right of action unless the right is exercised:

(a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the Subscriber first had knowledge of the facts giving rise to the cause of action; and (ii) two years from the day of the transaction that gave rise to the cause of action.

Subscribers Resident in New Brunswick

New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action for rescission or damages referred to in section 150 ("**Section 150**") of the *Securities Act* (New Brunswick) (the "**NBSA**") apply to information relating to an offering memorandum, such as this Offering Memorandum, that is provided to a Subscriber of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in section 2.3 of NI 45-106. Section 150 provides Subscribers who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the NBSA with a statutory right of action against the issuer of securities for rescission or damages in the event that an offering memorandum provided to the Subscriber contains a "misrepresentation". In New Brunswick, "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 a statement not misleading in the light of the circumstances in which it was made.

Where this Offering Memorandum is delivered to a prospective Subscriber of Units in connection with a trade made in reliance on section 2.3 of NI 45-106, and this Offering Memorandum contains a misrepresentation, a Subscriber who purchases Units will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Units, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages, provided that the right of action for rescission will be exercisable by the Subscriber only if the Subscriber commences an action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

The Issuer shall not be liable where it is not receiving any proceeds from the distribution of the Units being distributed and the misrepresentation was not based on information provided by the Issuer unless the misrepresentation (i) was based on information that was previously publicly disclosed by the Issuer, (ii) was a misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Issuer before the completion of the distribution of the Units being distributed.
In addition, if advertising or sales literature is relied upon by a Subscriber in connection with a purchase of Units and such advertising or sales literature contains a misrepresentation, the Subscriber shall also have a right of action for

damages or rescission against every promoter or Trustee at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective Subscriber that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the Subscriber shall be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

(a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or

(b) prior to the purchase of Units by the Subscriber, that individual notified the Subscriber that the individual's statement contained a misrepresentation.

Neither the Issuer nor any other person referred to above will be liable, whether for misrepresentations in this Offering Memorandum, any advertising or sales literature or in a verbal statement:

(a) if the Issuer or such other person proves that the Subscriber purchased the Units with knowledge of the misrepresentation; or

(b) in an action for damages, for all or any portion of the damages that the Issuer or such other person proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

No person, other than the Issuer, is liable for misrepresentations in any advertising or sales literature if the person proves:

(a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,

(b) that, after the dissemination of the advertising or sales literature and before the purchase of the Units by the Subscriber, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or

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

No person, other than the Issuer, is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

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

(b) believed there had been a misrepresentation.

Any person who, at the time the advertising or sales literature was disseminated, sells Units on behalf of the Issuer with respect to which the advertising or sales literature was disseminated is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature was disseminated or contained a misrepresentation.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Units were offered.

This summary is subject to the express provisions of the NBSA and the regulations and rules made under it, and prospective Subscribers should refer to the complete text of those provisions.

Subscribers Resident in Newfoundland and Labrador

The right of action for damages or rescission described herein is conferred by section 130.1 of the *Securities Act* (Newfoundland and Labrador) (the "**NL Act**"). The NL Act provides, in the relevant part, that where an offering memorandum, such as this Offering Memorandum, contains a misrepresentation, as defined in the NL Act, a Subscriber who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the Subscriber relied upon the misrepresentation, (a) a statutory right of action for damages against (i) the Issuer, (ii) every Trustee at the date of the offering memorandum, and (iii) every person or the Issuer who signed the offering memorandum; and (b) for rescission against the Issuer.

The NL Act provides a number of limitations and defences in respect of such rights. Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for damages or rescission:

(a) where the person or company proves that the Subscriber purchased the Units with knowledge of the misrepresentation;

(b) where the person or company proves that the offering memorandum was sent to the Subscriber 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 Issuer that it was sent without the knowledge and consent of the person or company;

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

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

  (i) there had been a misrepresentation; or

  (ii) the relevant part of the offering memorandum:

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

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

(e) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

  (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

  (ii) believed there had been a misrepresentation;

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

(g) in no case will the amount recoverable in any action exceed the price at which the Units were offered under the offering memorandum.

Section 138 of the NL Act provides that no action shall be commenced to enforce these rights more than:

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

(b) in the case of an action for damages, the earlier of:

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

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

This summary is subject to the express provisions of the NL Act and the regulations and rules made under it, and prospective Subscriber should refer to the complete text of those provisions.

Subscribers Resident in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the "**NSSA**"). Section 138 provides, in the relevant part, that in the event that an offering memorandum, such as this Offering Memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the NSSA) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (in Nova Scotia, a "misrepresentation"), a Subscriber of securities is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer offering such securities, the Trustees at the date of the offering memorandum and the persons who have signed the offering memorandum or, alternatively, while still the owner of such securities, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the Subscriber will have no right of action for damages against the Issuer, the Trustees at the date of the offering memorandum or the persons who have signed the offering memorandum, provided that, among other limitations:

(a) no action shall be commenced to enforce the right of action for rescission or damages by a Subscriber resident in Nova Scotia later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

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

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities; and

(d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the Subscriber.

In addition, no person or company (other than the issuer if it is the Issuer) will be liable if such person or company proves that:

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

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

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

(i) to be made on the authority of an expert, or

(ii) 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

(A) there had been a misrepresentation, or

(B) the relevant part of the offering memorandum or amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company (other than the issuer if it is the Issuer) will be liable under section 138 of the NSSA with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting:

(a) to be made on the authority of an expert; or

(b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company;

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

(ii) believed that there had been a misrepresentation.

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

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

This summary is subject to the express provisions of the NSSA and the regulations and rules made under it, and prospective Subscribers should refer to the complete text of those provisions.

Subscribers Resident in Ontario

Securities laws of Ontario provide that, subject to the following paragraph, a Subscriber resident in Ontario shall have, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Issuer and a selling security holder on whose behalf the distribution is made if an offering memorandum, such as this Offering Memorandum, contains a "misrepresentation" (for the purposes of this section, as defined in the *Securities Act* (Ontario)) (the "OSA"), without regard to whether the Subscriber relied on the misrepresentation. Subscribers should refer to the applicable provisions of the Ontario securities laws for particulars of these rights or consult with a lawyer.

OSC Rule 45-501 Ontario Prospectus and Registration Exemptions provides that, when an offering memorandum is delivered to a prospective Subscriber in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in section 2.3 of NI 45-106, the rights of action referred to in section 130.1 of the OSA ("Section 130.1") will apply in respect of the offering memorandum unless the prospective Subscriber is:

(a) a Canadian financial institution, meaning either:

  (i) 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; or

  (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, 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;

(b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada);

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

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

Subject to the foregoing, Section 130.1 of the OSA provides a Subscriber who purchases Units offered by this Offering Memorandum during the period of distribution with a statutory right of action for damages or rescission against the Issuer and a selling security holder on whose behalf the distribution is made in the event that the Offering Memorandum or any amendment to it contains a "misrepresentation", without regard to whether the Subscriber relied on the misrepresentation. A "misrepresentation" is defined in the OSA as an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made. A "material fact", when used in relation to securities issued or proposed to be issued, is defined in the OSA as a fact that would be reasonably expected to have a significant effect on the market price or value of the securities. In the event that this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber of Units and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time of purchase of the Units, the Subscriber will have statutory right of action for damages against the Issuer and a selling security holder on whose behalf the distribution is made or, while still the owner of the Units, for rescission against the Issuer and a selling security holder on whose behalf the distribution is made, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Issuer and a selling security holder on whose behalf the distribution is made, provided that:

(a) no action shall be commenced more than, 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, in the case of any action other than an action for rescission, the earlier of (i) 180 days after the Subscriber first had knowledge of the

facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;

(b) no person or company will be liable if he, she or it proves that the Subscriber purchased the Units with knowledge of the misrepresentation;

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

(d) no person or company will be liable for a misrepresentation in "forward-looking information" (as defined in the OSA) if he, she or it proves that:

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

it had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information;

(e) in no case will the amount recoverable exceed the price at which the Units were offered to the Subscriber; and

(f) the right of action for damages or rescission is in addition to, and does not derogate from, any other right or remedy the Subscriber may have at law.

Subscribers Resident in Prince Edward Island

The right of action for rescission or damages described herein is conferred by section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**"). Section 112 provides, that in the event that an offering memorandum, such as this Offering Memorandum, contains a "misrepresentation", a Subscriber who purchased securities during the period of distribution, without regard to whether the Subscriber relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution is made, every Trustee at the date of the offering memorandum, and every person who signed the offering memorandum. Alternatively, the Subscriber while still the owner of Units may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. Under the PEI Act, "misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the PEI Act, or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a Subscriber are subject to the following limitations:

(a) no action shall be commenced to enforce the right of action for rescission by a Subscriber resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

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

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

(ii) three years after the date of the transaction giving rise to the cause of action or whichever period expires first;

(c) no person will be liable if the person proves that the Subscriber purchased the Units with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that

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

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

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

(A) there had been a misrepresentation; or

(B) the relevant part of the offering memorandum:

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

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

If the Subscriber elects to exercise a right of action for rescission, the Subscriber will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Units were offered to the Subscriber.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

This summary is subject to the express conditions of the PEI Act and the regulations and rules made under it, and prospective Subscribers should refer to the complete text of those provisions.

Subscribers Resident in Saskatchewan

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

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

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

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

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

(e) every person who or company that sells Units on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

(a) if the Subscriber elects its right of rescission against the Issuer or selling security holder, it shall have no right of action for damages against that party;

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

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

(d) in no case shall the amount recoverable exceed the price at which the Units were offered; and

(e) no person or company is liable in action for rescission or damages if that person or company proves that the Subscriber purchased the Units with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable in an action pursuant to section 138 of the SSA if the person or company proves that:

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

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

In addition, no person or company will be liable in an action pursuant to section 138 of the SSA if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the SSA), such person or company proves that with respect to the document containing the forward looking information, approximate to that information, there is contained reasonable cautionary language identifying the forward looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information; and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and the person or company had a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward looking information.

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

Subsection 138.2(1) of the SSA also provides that where an individual makes a verbal statement to a prospective Subscriber that contains a misrepresentation relating to the security purchased and the verbal statement is made either

before or contemporaneously with the purchase of the security, the Subscriber has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Subsection 141(1) of the SSA provides a Subscriber with the right to void the Subscription Agreement and to recover all money and other consideration paid by the Subscriber for the securities if the securities are sold by a vendor who is trading in Saskatchewan in contravention of the SSA, the regulations to the SSA or a decision of the Saskatchewan Financial Services Commission.

Subsection 141(2) of the SSA also provides a right of action for rescission or damages to a Subscriber of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the Subscriber enters into an agreement to purchase the securities, as required by section 80.1 of the SSA.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the SSA for a complete listing.

Section 147 of the SSA provides that no action shall be commenced to enforce any of the foregoing rights more than:

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

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

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

(ii) six years after the date of the transaction that gave rise to the cause of action. Section 80.1 of the SSA also provides a Subscriber who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the SSA with a right to withdraw from the agreement to purchase Units by delivering a notice to the person who or company that is selling the Units, indicating the Subscriber's intention not to be bound by the Subscription Agreement, provided such notice is delivered by the Subscriber within two business days of receiving the amended offering memorandum.

Subscribers Resident in Northwest Territories, Nunavut or the Yukon

If this Offering Memorandum, or any amendments thereto, delivered to a Subscriber of Units resident in the Northwest Territories, Nunavut or the Yukon contains a misrepresentation, a Subscriber in such jurisdictions who purchases the Units during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a statutory right of action for damages against (i) the Issuer, (ii) the selling security holder on whose behalf the distribution was made, (iii) every Trustee at the date of the Offering Memorandum, and (iv) every person who signed the Offering Memorandum. Alternatively, the Subscriber may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution was made, in which case, the Subscriber shall have no right of action for damages against the Issuer, the selling security holder, the Trustees and persons who signed the Offering Memorandum. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, or any amendments thereto, the misrepresentation is deemed to be contained in the Offering Memorandum, or any amendments thereto, as the case may be.

All or any one or more of the persons who are found to be liable, or who accept liability, for a misrepresentation will be jointly and severally liable; provided, however, that the Issuer, and every Trustee at the date of the Offering Memorandum who is not a selling security holder, will not be liable if the Issuer does not receive any proceeds from the distribution of the Units and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation was:

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

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

(c) not subsequently publicly corrected or superseded by the Issuer before completion of the distribution of the Units.

Any person, including the Issuer and the selling security holder, will not be liable for a misrepresentation:

(a) if the person proves that the Subscriber purchased the Units with knowledge of the misrepresentation; or

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

(c) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the Subscriber.

A person, other than the Issuer and the selling security holder, will not be liable in an action for damages for a misrepresentation:

(a) if the person proves that the Offering Memorandum, or any amendments thereto, was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Issuer that it was sent without the knowledge and consent of the person;

(b) if the person proves that the person, on becoming aware of the misrepresentation in the Offering Memorandum, or any amendments thereto, withdrew the person's consent to the Offering Memorandum, or any amendments thereto, and gave reasonable notice to the Issuer of the withdrawal and the reason for it; or

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

(i) there had been a misrepresentation, or

(ii) the relevant part of the Offering Memorandum, or any amendments thereto, (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

In addition, a person, other than the Issuer and the selling security holder, will not be liable in an action for damages for a misrepresentation with respect to any part of an Offering Memorandum, or any amendments 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, statement or opinion of an expert, unless the person:

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

(b) believed that there had been a misrepresentation.

Any person, including the Issuer and the selling security holder, will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) or the *Securities Act* (Yukon)) if the person proves that:

(a) the Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and (B) identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information,

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

(c) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;

provided, however, that the foregoing does not relieve a person of liability with respect to forward-looking information in a financial statement required to be filed under the securities laws of the Northwest Territories, Nunavut or the Yukon.

No action shall be commenced to enforce a right of action more than,

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

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

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

three years after the date of the transaction that gave rise to the cause of action.

Other Rescission Rights

In certain provinces a Subscriber of Units may, where the amount of the purchase does not exceed the sum of $50,000, rescind the purchase by written notice given to the registered dealer from whom the purchase was made (i) within 48 hours after receipt of the confirmation for a lump sum purchase, or (ii) within 60 days after receipt of the confirmation for the initial payment under a contractual plan. Subject to the registered dealer's reimbursement of sales charges and fees to the Subscriber as described below, the amount a Subscriber is entitled to recover on exercise of this right to rescind shall not exceed the net asset value of the Units purchased, at the time the right is exercised. The right to rescind a purchase made under a contractual plan may be exercised only with respect to payments scheduled to be made within the time specified above for rescinding a purchase made under a contractual plan. Every registered dealer from whom the purchase was made must reimburse the Subscriber who has exercised this right of rescission for the amount of sales charges and fees relevant to the investment of the Subscriber in the Issuer in respect of the Units for which the written notice of the exercise of the right of rescission was given.

Subscribers must exercise these rights within the prescribed time limits under applicable securities legislation. Subscribers should refer to the applicable provisions of the securities legislation in their province of residence to determine whether they have similar rescission rights or consult with their legal advisor for more details.

Contractual Rights of Action

Subscribers Resident in British Columbia or Québec or Subscribers Resident in Alberta in Reliance on the "Accredited Investor" Exemption

If this Offering Memorandum, or any amendments thereto, contains a misrepresentation, a Subscriber resident in British Columbia or Québec who purchased Units under this Offering Memorandum, or a Subscriber resident in Alberta who purchased Units under this Offering Memorandum in reliance on the "accredited investor" exemption under NI 45-106, will not be entitled to the statutory rights of action described above. However, in consideration of purchasing Units under this Offering Memorandum and upon acceptance by the Trustees of the Subscriber's subscription in respect thereof, Subscribers in those jurisdictions are hereby granted a contractual right of action for damages or rescission that is the same as the statutory rights of action described above provided to Subscribers resident in Ontario under the OSA.