

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 Mortgage Investment Fund (the “Fund”). 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 Description of Units - Unitholder Redemption Rights.

OFFERING MEMORANDUM

Offering

November 8, 2022



Up to \$500,000,000

**PRICE: Net Asset Value per
Unit**

Minimum Subscription: \$150,000
subject to compliance with applicable securities laws

The Fund is offering, on a private placement basis, Units at Net Asset Value per Unit for maximum total gross proceeds of \$500,000,000 (the “**Offering**”). Each Unit represents an undivided beneficial interest in the assets of the Fund, which will principally be comprised of indirect interests in Authorized Investments, primarily Mortgage Loans. See Fund.

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 Fund has engaged Romspen Investment Corporation (“**RIC**”), in its capacity as an exempt market dealer, to coordinate the sale of Units. See Offering.

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

The Fund is an unincorporated investment trust established under the laws of Ontario as of May 20, 2005, pursuant to a declaration of trust (as has been amended, modified or restated from time to time, the “**Declaration of Trust**”). The Fund commenced operations on January 16, 2006. The Fund is the sole limited partner in the Romspen Mortgage Limited Partnership (the “**Partnership**”). The net proceeds of the Offering will be used by the Fund to subscribe for units in the Partnership thus providing the Partnership with capital to acquire and hold whole, partial, direct or indirect

interests in Authorized Investments, primarily direct and indirect interests in Mortgage Loans. The objectives of the Partnership are to provide its limited partner (and ultimately the Unitholders) with stable and secure cash distributions from the Partnership's direct and indirect investments in 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 Partnership's investments in such market segments. The Partnership is a non-bank provider of real estate finance. The Fund makes monthly cash distributions to Unitholders from monies received from the Partnership and in the ordinary course distributes all of the Distributable Cash of the Fund calculated as described under 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 Fund is not a trust company and does not carry on business as a trust company and, accordingly, the Fund is not registered under applicable legislation governing trust companies in any jurisdiction. 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 Fund, 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 from time to time as determined by the Trustees. **Subscribers will have two 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.** See Subscription Procedures and 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 Trustees and the Fund. 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 Fund 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

Fund	Romspen Mortgage Investment Fund is an unincorporated investment trust created by the Declaration of Trust. The Fund commenced operations on January 16, 2006. The head office of the Fund is located at: 162 Cumberland Street, Suite 300, Toronto, Ontario, M5R 3N5.
Trustees	The Trustees of the Fund are Sheldon C. Esbin, Chairman of the Board of Trustees, Mark L. Hilson, Arthur E. Resnick and Wesley N. Roitman. Each Trustee is a resident of Ontario.
Partnership	Romspen Mortgage Limited Partnership is a limited partnership formed under the laws of Ontario as of May 20, 2005. The Partnership, the sole limited partner of which is the Fund, is a provider of real estate finance. In the ordinary course, the Fund makes monthly cash distributions to Unitholders from monies received from the Partnership.
General Partner	Romspen Fund GP Inc. (the “ General Partner ”), an Ontario corporation, is the general partner of the Partnership. All of the issued and outstanding shares of the General Partner are owned by RIC. Blake Cassidy, an individual resident in the Province of Ontario and an officer and director of RIC, is the President and the sole director of the General Partner. Joel Mickelson, an individual resident in the Province of Ontario and an employee of RIC, is the Secretary of the General Partner. The General Partner is responsible for management of the business of the Partnership.
RIC	Romspen Investment Corporation, an Ontario corporation, is the mortgage originator and administrator for the Partnership and the agent for the Fund. RIC is a registered mortgage brokerage and mortgage administrator in Ontario, a registered mortgage broker in British Columbia and a registered mortgage broker in Alberta. RIC, in its capacity as a mortgage broker, provides Mortgage Origination Services to the Partnership. RIC is also a registered exempt market dealer in each of the Offering Jurisdictions. RIC, in its capacity as an exempt market dealer, provides Capital Raising Services to the Fund.

See also “Significant Parties – Master Fund Structure”.

Offering

Offering	Units in the Fund.
Offering Size	The maximum offering size is \$500,000,000.
Price	Net Asset Value per Unit, calculated in Canadian dollars as of each Valuation Date.

- Attributes of Units** The Units represent the beneficial ownership interests of the holders thereof in the Fund. Each Unit carries one vote at meetings of Unitholders and a holder thereof is entitled to distributions as described under Distribution Policy.
- Use of Proceeds** All proceeds from the Offering (after deducting the costs of issue) will be used by the Partnership to acquire Authorized Investments.
- Subscription Procedure** Subscribers may subscribe for Units through RIC or through qualified Representatives. Representatives will process orders by electronic means through FundSERV using the code: RIC100. 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 subscribed for to the Fund by way of certified cheque, bank draft or other electronic transfer satisfactory to the Trustees (payment of the subscription price through a Representative will transact through FundSERV on the applicable monthly Closing); and (iii) deliver to RIC the Subscription Agreement with applicable schedules referenced above and any other forms, declarations and documents as may be required by RIC or the Subscriber's Representative, if applicable, to complete the subscription.

Strategy and Business of the Partnership

The Partnership invests in Authorized Investments in furtherance of its objectives of preserving capital and providing its sole limited partner, the Fund, with stable and secure cash distributions.

Investment and Operating Policies of the Partnership

Investment Policies

The Partnership Agreement establishes certain policies and restrictions on investments that the Partnership may make including:

- 100% of Partnership Capital may be invested in Authorized Investments;
- no more than 20% of Partnership Capital may be invested in direct or indirect interests in Subordinate Mortgage Loans;
- no more than 30% of Partnership Capital may be invested in direct or indirect interests in Commercial Mortgage Backed Securities (the Partnership has no present intention to invest any Partnership Capital in Commercial Mortgage Backed Securities);
- no more than 10% of Partnership Capital may be invested (i) in a direct or indirect interest in any single Mortgage Loan, or (ii) with any single borrower;
- when not invested in other Authorized Investments, Partnership Capital will be invested in Authorized Interim Investments;
- the Partnership may participate in Authorized Investments on a syndicated or participation basis with others, including Affiliates and Associates of RIC and their Affiliates and Associates (see Conflicts of Interest and Declaration of Trust – Conflict of Interest Restrictions and Provisions for Trustees); and
- notwithstanding any limits stated herein, for risk-management purposes only, the Partnership may increase a given investment to more than 10% of Partnership Capital, calculated as described above, in order to remedy the default by a borrower of its obligations in respect of a prior-ranking security or satisfy the indebtedness secured by a prior-ranking security, or for any other reason if such action is required to protect the

Partnership's investment and if such proposed increase in the Partnership's investment is approved by the General Partner.

In addition to the policies and restrictions on investment set out in the Partnership Agreement, the Partnership also adheres to the following guidelines regarding investments that the Partnership makes:

- investments in Authorized Investments which constitute direct or indirect investments in US Mortgage Loans or US Workout Investments are limited to not more than 50% of Partnership Capital; and
- Authorized Investments with direct or indirect exposure to U.S. dollars shall be reviewed on a regular basis for the purposes of determining and implementing prudent Canadian dollar hedging strategies. A minimum of two-thirds of the Fund's U.S. dollar-denominated exposure will be hedged at all times to mitigate the negative impact of foreign exchange fluctuations on Fund income. Generally, this has been accomplished historically through specific hedging provisions contained in loan agreements which transfer foreign exchange exposure to the borrower. Since the commencement of operations by the Master Fund, more conventional hedging strategies are used, such as forward contracts or swap arrangements with financial institutions.

The Fund will offer Units from time to time to the extent it is determined that the proceeds of such offerings can be used by the Partnership in a manner consistent with the investment policies summarized above in furtherance of the Partnership's investment objectives.

Operating Policies

The Partnership Agreement provides that the operations and affairs of the Partnership are required to be conducted in accordance with the following operating policies:

- the Partnership may borrow funds on commercially reasonable terms, subject to the limitation described in this Offering Memorandum, to (i) acquire or invest in Authorized Investments, and (ii) address ongoing cash flow management requirements;
- when making a direct investment in, or an acquisition of, a Mortgage Loan, the General Partner may, in its sole discretion, but will not be obliged to, obtain or review an independent appraisal from a Qualified Appraiser of, and/or an Environmental Audit on, the underlying Real Property which is the primary security for the Mortgage Loan, and may or may not obtain additional independent appraisals or audits of the underlying Real Property or any additional collateral and other properties securing the Mortgage Loan;
- in addition, in its sole discretion and in satisfaction of the requirements of the immediately preceding paragraph, the General Partner may rely upon an independent appraisal from a Qualified Appraiser and/or an Environmental Audit in respect of the subject Real Property that has been provided to the Partnership by the applicable borrower;
- all Authorized Investments must be approved in accordance with the Partnership Agreement;
- when deemed necessary by the General Partner, the Partnership will, where appropriate, establish and manage property tax escrow accounts in respect of a Real Property provided as security for the Partnership's direct Mortgage Loan investments; and
- the legal title to Authorized Investments may be held by and registered or recorded in the name of the General Partner or a corporation or other entity that is an Affiliate, Associate or subsidiary of the General Partner or its subsidiaries, Associates or Affiliates, or such other Person acceptable to the General Partner.

With respect to any indirect investments in Mortgage Loans through Authorized Investments, the General Partner shall satisfy itself that measures similar to the operating policies set out above are undertaken with respect to such investments in Mortgage Loans.

The Partnership maintains a revolving syndicated loan facility with a Schedule I Bank, as administrative agent, in the maximum amount of \$360 million, approximately \$125 million of which was available as at September 30, 2022. Select information regarding the facility is published in the Quarterly Report. The Partnership uses the facility to take investment positions in Authorized Investments at times when funds are not immediately available from other sources (such as subscription proceeds from the Fund), and to address other cash flow requirements.

See Investment and Operating Policies of the Partnership.

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 Partnership'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 Canada and the U.S., and are denominated in Canadian dollars and U.S. dollars, respectively; and
- Mortgage Loans are syndicated, or participations are sold in Mortgage Loans, when deemed appropriate.

Investments in US Mortgage Loans by the Master Fund are overseen by RIC US, an Affiliate of RIC. RIC US oversees the origination and underwriting of US Mortgage Loans for the Master Fund. RIC, in turn, provides mortgage origination and administration services to RIC US. Since June 2018, the Fund obtains its exposure to new US Mortgage Loans primarily through its indirect investment in the Master Fund. (see US Mortgage Loans).

As at September 30, 2022:

- the Mortgage Loan Portfolio consisted of 144 Mortgage Loans (inclusive of Workout Investments) with a combined balance of approximately \$2.5billion (approximately 45% attributable to Canadian Mortgage Loans and approximately 55% attributable to US Mortgage Loans);
- approximately 96% of the Mortgage Loan Portfolio consisted of First Mortgage Loans and approximately 4% of the Mortgage Loan Portfolio consisted of Subordinate Mortgage Loans;
- approximately 78% of the Mortgage Loan Portfolio matures within one year and the 98% matures within 2 years; and
- the weighted average interest rate of Mortgage Loans in the Mortgage Loan Portfolio was 9.3 %.

Select Mortgage Loan Portfolio statistics will be updated and published in the Quarterly Report (inclusive of the Partnership's indirect pro rata interest in US Mortgage Loans held by the Master Fund).

US Mortgage Loans

The Partnership invests in US Mortgage Loans primarily by making loans and capital contributions to Liberty LP (as its sole limited partner). Liberty LP, in turn, used the proceeds of the loans and capital contributions from the Partnership to acquire limited partnership interests in the Intermediate LP. The Intermediate LP uses the capital contributions from Liberty LP, in conjunction with capital contributions from the US Feeder Fund, the Canadian Feeder Fund, the Offshore Feeder Fund and such other feeder funds established from time to time, to make capital

contributions to the Master Fund, which uses such capital contributions to invest in US Mortgage Loans and other Authorized US Investments.

This Offering Memorandum contains disclosure regarding the Master Fund, its assets, operational practices (including its investment guidelines and operating policies) and governance because, as noted, the primary means by which the Partnership (and consequently the Fund) invests in US Mortgage Loan is through the Master Fund (indirectly through Liberty LP and the Intermediate LP). By virtue of (i) the General Partner and the Intermediate General Partner being wholly-owned subsidiaries of RIC and having certain common directors, officers and personnel, and (ii) Liberty LP's majority equity interest in the Intermediate LP, RIC has both legal control and de facto control of the Intermediate LP, and, indirectly, the Master Fund. This control ensures that the investment guidelines and operating policies of the Fund and the Master Fund are aligned. However, as noted above, the Intermediate LP does have other stakeholders, including (i) the US Feeder Fund, (ii) the Canadian Feeder Fund, and (iii) the Offshore Feeder Fund (each by way of its investment in the Intermediate LP). Such other stakeholders may, in the future, individually or collectively, represent the requisite majority of equity interests in the Intermediate LP required to, among other things, amend the investment guidelines and/or operating policies of the Master Fund in a manner that may not be aligned with the investment guidelines and/or operating policies of the Fund.

The Master Fund is a separate legal entity from the Fund and, as noted above, has indirect stakeholders other than the Fund. This Offering Memorandum has been prepared solely for the purposes of assisting prospective purchasers in making an investment decision with respect to Units in the Fund; this Offering Memorandum does not purport to provide detailed disclosure with respect to the Master Fund or the Intermediate LP, their assets, operational practices or governance except to the extent relevant to the Fund. Therefore, all disclosure in this Offering Memorandum regarding the Master Fund and the Intermediate LP is qualified, in its entirety, by the constating, management and other governance documents of the Master Fund and the Intermediate LP (as such documents may be amended from time to time).

US Mortgage Loans owned by the Partnership prior to the Master Fund's commencing operations will continue to be beneficially owned by the Partnership and administered by RIC until indefeasibly repaid or disposed of. The Partnership may extend, renew and/or modify such US Mortgage Loans. Alternatively, the Partnership (through the Intermediate LP) may assign certain US Mortgage Loans from time to time to the Master Fund in exchange for partnership interests in the Master Fund. It is anticipated that substantially all new US Mortgage Loan investments will be entered into by the Master Fund or its Affiliates, and RIC US will oversee the origination, underwriting and administration of US Mortgage Loan investments. It is anticipated that, as the Master Fund requires capital to invest in US Mortgage Loans, the Partnership will obtain exposure to US Mortgage Loans through Liberty Securities, which are Authorized Investments of the Partnership. In addition, from time to time, the Partnership may make available to the Master Fund a revolving secured credit facility on market standard terms, whereby the Master Fund may obtain short-term financing to enable it to invest in US Mortgage Loans. It is anticipated that any such borrowings will be repaid by the Master Fund within the year in which they were advanced or converted in whole or in part into limited partnership interests in the Master Fund (through the Intermediate LP).

The Trustees, RIC and the General Partner anticipate that obtaining exposure to US Mortgage Loans in this manner will provide Fund investors with geographic diversification, access to higher-quality sponsors and borrowers and increased US Mortgage Loan pricing power and will result in the same substantive economic benefits to the Partnership and to Unitholders as the Partnership's direct investments in US Mortgage Loans. See US Mortgage Loans and Risk Factors.

The Master Fund conducts US Mortgage Loan investment activities under contract with RIC US, an Affiliate of RIC. RIC US has the exclusive right to oversee the origination, arranging, underwriting, syndication and servicing of all US 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. RIC US has engaged RIC to provide certain of such services. The senior management of RIC are the senior management of RIC US. See Conflicts of Interest.

Significant Parties – Master Fund Structure

Liberty LP

Romspen Liberty LP (“**Liberty LP**”) is an Ontario limited partnership formed on December 16, 2016. Liberty LP indirectly makes indirect investments in the Master Fund. The Partnership is the sole limited partner of Liberty LP. Romspen Liberty GP Inc. (“**Liberty GP**”) an Ontario corporation incorporated on December 16, 2016, is the general partner of Liberty LP. All of the shares of Liberty GP are owned by RIC. Liberty GP is responsible for the management of the business of Liberty LP.

Master Fund

TIG Romspen US Master Mortgage LP (the “**Master Fund**”), an exempted limited partnership formed under the *Exempted Partnership Law* (as amended) 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 Liberty LP, the US Feeder Fund, the Canadian Feeder Fund, the Offshore Feeder Fund, and certain other Persons who will subscribe for limited partnership interests in the Intermediate LP from time to time. Romspen US Mortgage GP Inc. (the “**Intermediate General Partner**”), a Delaware limited liability company, 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 RIC. 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.

RIC US

Romspen Investment LP (“**RIC US**”), an Ontario limited partnership formed on December 16, 2016, provides overall management services to the Master Fund (and the Intermediate LP, the US Feeder Fund and the Offshore Feeder Fund). RIC is the only limited partner of RIC US. RILP GP Inc., an Ontario corporation incorporated on December 16, 2016, is the general partner of RIC US. All of the shares of RILP GP Inc. are owned by RIC.

See Conflicts of Interest.

Industry Overview

The Commercial Mortgage markets in Canada and the United States are segmented into tiers that reflect the desirability of Commercial Mortgages as tier-one, mid-tier or other by 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, predevelopment, infrastructure, construction, and finally the selling cycle. As a result, in North America’s 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 Partnerships 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.

Other Matters

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 Fund'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, and to review the risks identified with their professional advisors.**

Certain Income Tax Considerations

Canada

The Canadian income tax summary contained herein addresses the principal Canadian federal income tax considerations relevant to an investment in Units ("**Canadian Tax Commentary**"). Subscribers are cautioned that the Canadian Tax Commentary is a general summary only and does not constitute tax advice to any particular Subscriber. The Canadian Tax Commentary identifies 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.

U.S.

The U.S. income tax summary contained herein addresses the principal U.S. federal income tax considerations relevant to an investment in Units ("**U.S. Tax Commentary**"). Subscribers are cautioned that the U.S. Tax Commentary is a general summary only and does not constitute tax advice to any particular Subscriber. The U.S. Tax Commentary identifies 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 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 Partnership 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 Partnership nor the General Partner intends, 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 Partnership's anticipated interest therein are forward-looking statements.

DEFINITIONS

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

“**Affected Holders**” shall have the meaning ascribed to such term under the heading Description of Units – Limitation on Non-Resident Ownership.

“**Affiliate**” has the meaning ascribed thereto in the Ontario Act.

“**Annuitant**” means an annuitant under a Registered Plan of which a Unitholder acts as a trustee or carrier.

“**Associate**” has the meaning ascribed thereto in the Ontario Act.

“**Authorized Interim Investments**” means, among other things, investments guaranteed by the Government of Canada or of a province or territory of Canada, cash deposits in or receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued, endorsed or guaranteed by a Schedule I Bank or a Schedule II Bank and CMHC insured Residential Mortgages.

“**Authorized Interim US Investments**” means 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, among other things, Mortgages, Authorized Interim Investments, Related Investments, Workout Investments or the acquiring, holding, maintaining, improving, leasing or managing of any Real Property or an interest in Real Property where determined necessary or desirable, in the General Partner’s sole discretion, to preserve, protect or enhance the Partnership or its assets.

“**Authorized US Investments**” means authorized investments of the Master Fund as set out in the Master Fund Partnership Agreement, and includes US Mortgage Loans, Authorized Interim US Investments, Related US Investments, and Workout US Investments.

“**Board of Trustees**” means the board of Trustees of the Fund.

“**Business Day**” means a day other than a Saturday, Sunday or any day on which the Schedule I Banks located in Toronto, Ontario are not open for business during normal banking hours.

“**Canadian Feeder Fund**” means Romspen US Mortgage Investment Fund, an Ontario limited partnership.

“**Canadian Feeder Fund General Partner**” means Romspen US Fund GP Inc., an Ontario corporation.

“**Canadian Mortgage Loans**” means a Mortgage Loan secured by Real Property situated in Canada.

“**Capital Raising Services**” means the services provided to the Fund by RIC pursuant to the Mortgage Origination and Capital Raising Agreement.

“**Closing**” means each closing of the Offering.

“**CMHC**” means the Canada Mortgage and Housing Corporation, a Canadian federal crown corporation providing mortgage insurance and federal social housing funding, housing information and support for the export of Canadian housing products.

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

“Commercial Mortgage Backed Securities” means bonds or other financial obligations secured by a pool of Mortgages, no less than two thirds of which are Conventional First Mortgages at the time of the investment.

“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.

“Conventional First Mortgage Loans” means a First Mortgage Loan for which the principal amount, at the time of commitment, does not exceed the lower of 75% of the purchase price of the underlying Real Property securing the Mortgage and 75% of the value of the underlying Real Property securing the Mortgage Loan plus any collateral security.

“Conventional Mortgage Loan” means a Conventional First Mortgage Loan and/or a Conventional Second Mortgage Loan.

“Conventional Second Mortgage Loan” means a Second Mortgage Loan for which the principal amount, at the time of commitment, together with the principal balance outstanding on the First Mortgage Loan on the same Real Property secured by such Second Mortgage Loan, does not exceed the lower of 75% of the purchase price of the underlying Real Property securing the Mortgage Loan and 75% of the value of the underlying Real Property securing the Mortgage Loan.

“CRA” means Canada Revenue Agency.

“Declaration of Trust” means the declaration of trust governing the Fund.

“Distributable Cash” means the amount of available cash collected to be distributed by the Fund, calculated as set out under Distribution Policy.

“Distribution Date” means the date on or about the 15th day of each calendar month.

“Distribution Record Date” in respect of the Fund, means the last day of each calendar month, or such other date or dates as the Trustees may from time to time designate as a Distribution Record Date in accordance with the Declaration of Trust, provided that December 31 in each year will be a Distribution Record Date; and in respect of the Partnership means such date or dates as the General Partner may from time to time designate, provided that December 31 in each year will be a Distribution Record Date.

“DPSP” means a “deferred profit sharing plan” as defined in the Tax Act.

“Eligible Mortgage Loans” means those Mortgage Loans selected for investment and holding in the Mortgage Portfolio.

“Environmental Audit” means an evaluation of Real Property for purposes of environmental analysis.

“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.

“Fund” means Romspen Mortgage Investment Fund, an unincorporated investment trust established under the laws of Ontario pursuant to the Declaration of Trust.

“Fund General Security Agreement” means that general security agreement granted to RIC by the Fund in respect of the assets of the Fund as security for (i) the obligations of the Fund to RIC, and (ii) the Guarantee given by the Fund to RIC.

“Fund Income”, for any taxation year of the Fund, means the income for such year computed in accordance with the provisions of the Tax Act less, at the discretion of the Trustees, amounts of any non-capital losses of the Fund for the prior years that are deductible in computing the Fund’s taxable income for the year under the Tax Act; provided, however, that capital gains and capital losses will be excluded from the computation of Fund Income. In addition, in computing the Fund Income of the Fund for any taxation year of the Fund, the Trustees will have the sole discretion to utilize or not utilize such deductions, provisions and alternate calculations available under the Tax Act, including without limitation, discretion as to timing and amount, in respect of offering expenses, operating expenses and discretionary deductions.

“Fund Manager” means such person as may from time to time be appointed by the Trustees to manage the day to day operation of the Fund and its successors as fund manager of the Fund, together with any agents duly appointed by the Fund Manager.

“Fund Reserves” means the amounts from time to time which the Trustees, acting reasonably, but in their sole discretion, determine are necessary or desirable: (i) to meet the current and future expenses, liabilities, commitments and obligations of the Fund; and (ii) for such other purposes as may be determined by the Trustees to be necessary or desirable for the conduct, promotion and protection of the purposes and activities of the Fund, its assets and Unitholders.

“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.

“General Partner” means Romspen Fund GP Inc., a corporation incorporated under the laws of Ontario, and any successor as the general partner of the Partnership.

“Guarantee” means that guarantee of the obligations of the Partnership to RIC granted by the Fund.

“Insured Mortgages” means Mortgages, the principal repayment of which have been insured with CMHC or another commercially recognized mortgage insurer.

“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.

“Liberty GP” means Romspen Liberty GP Inc., an Ontario corporation, the general partner of Liberty LP.

“Liberty LP” means Romspen Liberty LP, an Ontario limited partnership.

“Liberty LP Loans” shall have the meaning ascribed to such term under the heading Certain U.S. Federal Income Tax Considerations – Debt and Deductions.

“Liberty Partnership Agreement” means the limited partnership agreement between Liberty GP and the Partnership.

“**Liberty Securities**” means (i) units of limited partnership interest in Liberty LP, (ii) instruments evidencing debt issued by Liberty LP, and (iii) any other securities representing an interest in, or an obligation of, Liberty LP.

“**Limited Partner**” means the holder of a Partnership Unit in the Partnership.

“**Master Fund**” means TIG Romspen US Master Mortgage LP, an exempted limited partnership formed under the *Exempted Partnership Law* (as amended) of the Cayman Islands on December 22, 2017.

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

“**Master Fund Services Agreement**” means the agreement between the Master Fund and RIC US, pursuant to which RIC US oversees the provision of mortgage origination and administration services to the Master Fund.

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

“**Master Fund Withdrawal Gate**” has 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.

“**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 evidences 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.

“**Mortgage Loan Portfolio**” means, at any time, collectively (i) the portfolio of Mortgage Loans held directly by or on behalf of the Partnership, and (ii) the portfolio of US Mortgage Loans held by or on behalf of the Master Fund.

“**Mortgage Origination and Capital Raising Agreement**” means the mortgage origination and capital raising agreement, dated as of July 1, 2013, between the Partnership, the Fund and RIC pursuant to which (i) RIC provides Mortgage Origination Services to the Partnership, and (ii) RIC provides Capital Raising Services to the Fund. See Mortgage Origination and Capital Raising Agreement.

“**Mortgage Origination Services**” means the services provided to the Partnership by RIC pursuant to the Mortgage Origination and Capital Raising Agreement.

“**Net Asset Value**” on any Valuation Date shall be equal to the market value, denominated in Canadian dollars, of the Trust Property as at the Valuation Date, less an amount equal to the total liabilities of the Fund as at the Valuation Date (as more particularly described in the Declaration of Trust).

“**Net Asset Value per Unit**” at a given time means the Net Asset Value divided by the number of Units outstanding at such time.

“**Net Capital Gains**”, for any taxation year, mean the amount, if any, by which the aggregate of the capital gains of the Fund in the year exceeds: (i) the aggregate of the capital losses of the Fund in the year; (ii) any capital gains which are realized by the Fund as a result of a redemption of Units; (iii) the amount determined by the Trustees in respect of any net capital losses for prior taxation years which the Fund is permitted by the Tax Act to deduct in computing the

taxable income of the Fund for the year; and (iv) any amount in respect of which the Fund is entitled to a capital gains refund under the Tax Act, as determined by the Trustees; provided that, at the discretion of the Trustees, the Net Capital Gains for the year may be calculated without subtracting the full amount of the net capital losses for the year and/or without subtracting the full amount of the net capital losses of the Fund carried forward from previous years.

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

“**NI 45-106**” means *National Instrument 45-106 - Prospectus 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 RIC, in its sole discretion, in the case of Mortgage Loans originated and administered by it, or RIC US, in its sole discretion, in the case of US Mortgage Loans over which it oversees origination and administration, and consequently for which accrual of interest is not included in the financial statements for the Partnership, the Master Fund, as applicable, or the Fund.

“**Non-Residents**” shall have the meaning ascribed to such term under the heading Description of Units – Limitation on Non-Resident Ownership.

“**Notice**” means the notice sent by a Unitholder to the Trustees requiring the Fund to redeem the Units so described in the Notice.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Offering**” means the offering on a private placement basis of Units for maximum gross proceeds of \$500,000,000 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 RIC from time to time is registered as an exempt market dealer, where a Representative is registered as a dealer or where the Fund or RIC engages a third party agent to distribute the Units.

“**Offering Memorandum**” means this offering memorandum.

“**Offshore Feeder Fund**” means TIG Romspen US Mortgage Offshore LP, an exempted limited partnership formed under the *Exempted Partnership Law* (as amended) of the Cayman Islands and registered on July 10, 2018.

“**Ontario Act**” means *Securities Act* (Ontario), and the regulations, rules, policies and other instruments promulgated thereunder.

“**Ordinary Resolution**” means a resolution passed by a simple majority of the votes cast by those Unitholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of Unitholders, or, subject to applicable laws, regulations and regulatory policies, a written resolution, in one or more counterparts, consented to in writing by Unitholders holding not less than 50% plus one of the votes attached to Units held by all Unitholders entitled to vote at that time.

“**Partnership**” means Romspen Mortgage Limited Partnership, a limited partnership created under the laws of Ontario and governed by the Partnership Agreement.

“**Partnerships**” means, collectively, the Partnership and the Master Fund.

“**Partnership Agreement**” means the limited partnership agreement governing the Partnership.

“**Partnership Capital**”, at any time, means all of the monies, interests, properties and assets of the Partnership, including, without limitation, all monies realized from the sale of assets of the Partnership or borrowing by the Partnership.

“Partnership General Security Agreement” means that general security agreement granted to RIC by the Partnership in respect of the assets of the Partnership as security for the obligations of the Partnership to RIC.

“Partnership Reserves” means the amounts from time to time which the General Partner, acting reasonably, but in its sole discretion, determines are necessary or desirable: (i) to meet the current and future expenses, liabilities, commitments and obligations of the Partnership; and (ii) for such other purposes as may be determined by the General Partner to be necessary or desirable for the conduct, promotion and protection of the business and activities of the Partnership, its assets and the Limited Partner.

“Partnership Units” means units of limited partnership interest in the Partnership.

“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.

“Quarterly Report” means, at any given time, the last quarterly or annual report released by the Fund.

“Realized Loss” means an actual loss of capital on a Mortgage Loan recorded as such in the financial statements of the Partnerships or the Fund based on a determination by RIC or RIC US, in its sole discretion, that full recovery of the principal value of the Mortgage Loan is not possible.

“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.

“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” means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs and TFSAAs.

“Related Investment” means bonds, debentures, notes or other evidence of indebtedness in, or shares, units or other evidence of ownership in any entity, including specifically Liberty LP, a joint venture or a mortgage investment corporation, 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.

“Related US Investments” 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 US Mortgage Loans, or the sole or principal purpose and activity of which is to invest in, hold and deal in US Mortgage Loans.

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

“RDSP” means “registered disability savings plan” as defined in the Tax Act.

“RESP” means “registered education savings plan” as defined in the Tax Act.

“**Residential Mortgage Loans**” means Mortgage Loans that are registered or recorded on or against completed single-family residences and multifamily residential properties.

“**RIC**” means Romspen Investment Corporation, a corporation incorporated under the laws of Ontario, and any successor of RIC under the Mortgage Origination and Capital Raising Agreement.

“**RIC US**” means Romspen Investment LP, an Ontario limited partnership.

“**RIC US GP**” means RILP GP Inc., an Ontario corporation, the general partner of RIC US.

“**RRIF**” means “registered retirement income fund” as defined in the Tax Act.

“**RRSP**” means “registered retirement savings plan” as defined in the Tax Act.

“**Run-Off Pool**” has the meaning ascribed to such term under the heading Description of Units – Unitholder Redemption Rights.

“**Run-Off Pool Units**” has the meaning ascribed to such term under the heading Description of Units – Unitholder Redemption Rights.

“**Schedule I Bank**” means a bank listed in Schedule I of the *Bank Act* (Canada).

“**Second Mortgage Loan**” means a Mortgage Loan having priority over all other Mortgage loan interests registered or recorded against the same Real Property other than a First Mortgage Loan on such Real Property.

“**SIFT Rules**” shall have the meaning ascribed to such term under the heading Certain Canadian Federal Income Tax Considerations – SIFT Rules.

“**Special Resolution**” means a resolution approved by not less than 66.67% of the votes cast by those Unitholders who, being entitled to do so, vote in person or by proxy at a duly convened meeting of Unitholders, or, subject to applicable laws, regulations and regulatory policies, a written resolution, in one or more counterparts, consented to in writing by Unitholders holding not less than 66.67% of the votes attached to Units held by all Unitholders entitled to vote at that time.

“**SS&C**” means SS&C Technologies, Inc., and/or SS&C Fund Services (Cayman) Ltd., and/or their affiliates from time to time.

“**Subordinate Mortgage Loan**” means a Mortgage Loan other than a First Mortgage Loan, including, without limitation a Second 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 Fund and Subscribers in furtherance of a subscription for Units under the Offering in such form as approved by the Trustees from time to time.

“**Subsidiary**” has the meaning ascribed thereto in the OBCA.

“**Syndication**” means the sharing of ownership a Mortgage Loan or other Authorized 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.

“**TFSA**” means “tax- free savings account” as defined in the Tax Act.

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

“**Trust Property**”, at any time, means: (i) all moneys, securities, property, assets and investments paid or transferred to an accepted by or in any manner acquired by the Trustees and held by the Trustees on behalf of the Fund; (ii) all income accumulated under the powers contained in the Declaration of Trust; and (iii) all moneys, securities, property, assets or investments substituted for or representing all or any part of the foregoing, including, without limitation, the initial contribution made by the settlor of the Fund and all monies realized from the sale of Units or borrowing by the Fund.

“**Trustees**” means the trustees of the Fund.

“**Unitholder**” means a holder of Units.

“**Unit**” means a unit of the Fund.

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

“**US Feeder Fund**” means TIG Romspen US Mortgage LP, a Delaware limited partnership.

“**US Mortgage Loan**” means a Mortgage Loan secured by Real Property situated in the United States.

“**US Mortgage Loan Portfolio**” means, at any time, the portfolio of US Mortgage Loans held directly by or on behalf of the Master Fund, and the Partnership.

“**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 calendar 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 General Partner, in the General Partner’s sole discretion, on behalf of the Partnership, to preserve or protect the Partnership or its assets, provided that such investments do not, directly or indirectly, cause the Fund to cease to be considered a “unit trust” (as such term is defined under the Tax Act).

“**Workout US 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.

FUND

The Fund is an unincorporated investment trust established under the laws of Ontario pursuant to the Declaration of Trust that is intended to qualify as a “unit trust” and as a “mutual fund trust” under the provisions of the Tax Act. See Declaration of Trust, Description of Units and Canadian Federal Income Tax Considerations. The head office of the Fund is located at 162 Cumberland Street, Suite 300 Toronto, Ontario M5R 3N5. The Trustees are responsible for the general control and direction of the Fund. See Trustees of the Fund.

The Fund is the sole limited partner of the Partnership, a limited partnership established under the laws of Ontario pursuant to the Partnership Agreement. The Fund intends to contribute the net proceeds of the Offering to the Partnership in exchange for Partnership Units to allow the Partnership to acquire and hold whole or partial, direct or indirect interests in Authorized Investments.

The Fund was established for the principal purpose of issuing Units and investing its Trust Property, directly or indirectly, in Authorized Investments, with the objective of providing its Unitholders with stable distributions while preserving capital. The Fund intends to continue to finance its activities by selling Units and investing the Trust Property in Partnership Units to enable the investment by the Partnership, directly and indirectly, in Authorized Investments, primarily Mortgage Loans secured by Real Property situated in Canada and the United States. The Fund derives its income from its investment as the sole limited partner in the Partnership. See Declaration of Trust and Description of Units. The Fund’s long-term objective is to provide Unitholders with stable and secure cash distributions from its indirect investments in Mortgage Loans in its target market segments, with the goal of obtaining favourable yields and maximizing distributions and Unit value through the efficient sourcing and management of a geographically diverse portfolio.

The Partnership conducts its Mortgage Loan investment activities under contract with RIC, a registered mortgage brokerage and mortgage administrator in Ontario, a registered mortgage broker in British Columbia and a registered mortgage broker in Alberta. RIC has the exclusive right to originate, arrange, underwrite, syndicate and service all investments on behalf of the Partnership in accordance with specific investment and operating policies established by the Partnership from time to time. RIC manages what is believed to be one of Canada’s largest private mortgage funds. See RIC, Mortgage Origination and Capital Raising Agreement and Investment and Operating Policies of the Partnership.

The objective of the Partnership is to generate income from its Authorized Investments. The Fund will receive its income from the Partnership as cash distributions on the Partnership Units that it owns. From this income, the Trustees calculate, allocate and pay the Fund’s Distributable Cash to the Fund’s Unitholders on a monthly or other scheduled basis as determined by the Trustees from time to time in accordance with the Declaration of Trust. Currently, the Trustees intend to allocate, distribute and make payments of all of the income of the Fund, a sufficient amount of the net realized capital gains of the Fund and any other applicable amounts, to Unitholders so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year. To achieve these objectives, the Partnership will benefit from the experience of RIC’s principals, employees and agents in originating, underwriting, syndicating and servicing Mortgage Loan investments. Mortgage Loan investments are subject to specific investment policies, and the operation of the Partnership are subject to specific operating policies. These policies are based on the historical practices of RIC, whose original principals successfully operated in the mortgage investment industry for almost 50 years. See Investment Strategy and Investment and Operating Policies of the Fund.

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

The Fund was established, essentially, for an indefinite term. Pursuant to the Declaration of Trust, termination of the Fund (other than by reason that no property of the Fund remains held by the Trustees) or the sale or transfer of all or substantially all of the Fund’s assets (other than as part of an internal reorganization of the assets of the Fund as approved by the Trustees) requires approval by Special Resolution. See Description of Trust Units.

INDUSTRY OVERVIEW

The Commercial Mortgage Loan markets in Canada and the United States are 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 Canada's and 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 Partnership 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.

Each of the Partnership and the Master Fund intends to focus on the following market segments:

Pre-Development Mortgage Loans

Land acquisition, pre-development and infrastructure Mortgage Loans are placed at an early stage in a project's development and are often characterized as Pre-Development Mortgage Loans because of the use of funds to finance the acquisition of land, pre-development costs and installation and construction of roads, drainage, sewage, utilities, and similar improvements on such lands. Current interest rate pricing for tier-one borrowers and projects range 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 12-18 months in duration. The Partnership and 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 ratio on average.

Construction Mortgage Loans

Construction Mortgage Loans follow Pre-Development Mortgage Loans as projects move through the development cycle. Construction Mortgage Loans finance the construction of multi-family residential or commercial developments. Current interest pricing for tier-one borrowers and projects range 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 Partnership and Master Fund will continue to focus on the shoulder and mid-tier markets with Construction Mortgage Loans underwritten to approximately a 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, are a relatively small segment of the total Canadian and US real estate lending markets.

Term Mortgage Loans

Term Mortgage Loans enable an owner of a completed or substantially completed income-producing Real Property to defer arranging longer-term financing until conditions warrant more favorable financing terms. Interest rates vary depending on the borrower, Real Property location, Real Property type and loan-to-value ratio. These Mortgage Loans are usually short to mid-term as the borrower's need for funding is driven by a specific opportunity for use of the funds on an interim basis or as a method of bridging financing until the Real Property qualifies for long-term, low cost

institutional lender programs. Mortgage Loans in this segment are expected to average 24 months in duration and will be 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-term Mortgages Loans.

INVESTMENT STRATEGY

The investment goal of the Partnership is primarily to make direct and indirect investments in Conventional First Mortgage Loans that provide financing for Real Property situated in Canada and the United States. The Partnership may also make direct and indirect investments in Subordinate Mortgage Loans, subject to the limitation that no more than 20% of the fair market value of the Partnership's assets is invested, directly or indirectly, in Subordinate Mortgage Loans. Additionally, from time to time, indirect investments in Real Property may be acquired as a consequence of enforcement proceedings in respect of Mortgage Loans, or conveyed by a borrower or guarantor in full or partial satisfaction of indebtedness. RIC, on behalf of the Partnership, diligently reviews and selects Authorized Investment opportunities to present to the Partnership and, with respect to direct investments in Mortgage Loans, originates, manages and services such Mortgage Loans. In making its investment selections to present to the Partnership, RIC adheres to the investment and operating policies of the Partnership. As part of such approval process, RIC provides the General Partner with a full credit underwriting report, consisting, among other things, of a thorough assessment of the prospective borrower and its business plans, the sponsors and guarantors, an in-depth evaluation of the proposed Real Property collateral and the additional security to be provided, an analysis of the applicable market, anticipated exit strategies, and, when considered necessary, an appraisal prepared by a Qualified Appraiser and an Environmental Audit. See Investment Policies and Operating Policies of the Partnership. With respect to any indirect investments in Mortgage Loans through an Authorized Investment, the General Partner shall satisfy itself, contractually or through ownership/control of such Authorized Investment, that measures similar to the investment and operating policies set out above are undertaken with respect to such investments in Mortgage Loans.

The investment strategy of the Partnership is to invest, directly and indirectly, in Conventional First Mortgage Loans and Subordinate Mortgage Loans in the shoulder and mid-tier markets where sponsors' financing needs are not being met by the larger financial institutions. To maintain a stable interest yield on the Mortgage Loan Portfolio, the Partnership manages risk through diversification, conservative underwriting and diligent and proactive servicing. As a result of the Partnership's intended strategy of initiating lending relationships in the early stages of a development, and the restricted competition in the markets in which the Partnership invests, the Partnership anticipates that it will continue to have substantial influence over interest rate pricing and investment security exposure on its investments.

The Fund will offer Units from time to time to the extent it is determined that the proceeds of such offerings can be used by the Partnership in a manner consistent with the Partnership's investment strategy and objectives and with the investment and operating policies of the Partnership. See Investment Strategy – Risk Management.

As part of its growth strategy, the Partnership may develop and execute, or cause to be developed and executed, a strategy for consolidation within its target markets, which strategy may involve the purchase of direct or indirect interests in existing Mortgage Loans or Mortgage Loan portfolios from lenders currently competing in these markets. As well, the Partnership will actively seek to optimize the risk/return relationship with various investments by overweighting attractive segments/geographic regions and underweighting others, while always ensuring adequate Mortgage Loan Portfolio diversification. The Partnership may also make other Authorized Investments depending on market conditions, available funds and the attractiveness of then available yields.

Geography

One of the keys to successful mortgage underwriting is knowing and understanding the real estate markets in which Real Properties are located. The Partnership has extensive lending experience in urban and secondary Canadian markets in most provinces. Geographic diversification stabilizes Mortgage Loan Portfolio returns by giving the Partnership maximum investment flexibility among varying economic conditions across regions. The Partnership has continued to focus on the Canadian market while continuing to increase its exposure to the U.S. market.

As at September 30, 2022, U.S. Mortgage Loans comprise approximately 55% of, and complement and diversify, the overall Mortgage Loan Portfolio. The U.S. Commercial Mortgage Loan market shares many of the same

characteristics with the Canadian market, as outlined in this Offering Memorandum, with the principal difference being the presence of more sources of alternate financing, and, therefore, a traditionally more competitive lending marketplace.

RIC continues to see a large universe of attractive opportunities to lend in diverse markets in the U.S. While in recent years there has been increased competition for the type of loans in which RIC specializes, the sheer size of the U.S. market, along with RIC's now established reputation in the space, continues to provide compelling and ample opportunities across project types and regional markets.

U.S. market investment opportunities give the Mortgage Loan Portfolio increased flexibility, by allowing it to be underweight pricier real estate markets and overweight more attractive regions, thereby improving diversification, further stabilizing performance and reducing risk. This is of particular importance at present, as the U.S. market continues to offer good quality borrowing opportunities while the price competition among lenders in the Canadian market remains quite strong. On a comparative basis, US Mortgage Loan investments have offered risk/return profiles as good as or better than those that are available in the Canadian market. It is anticipated that this trend will continue in the near term.

Fund's Method of Obtaining Exposure to the US Mortgage Loan Market

US Mortgage Loans are primarily made by the Master Fund, and the Partnership obtains most its exposure to US Mortgage Loans by way of its indirect investment in the Master Fund by way of Liberty Securities. Interests in some US Mortgage Loans originated by the Partnership were conveyed to the Master Fund. Other US Mortgage Loans originated by the Partnership may also be conveyed to the Master Fund (through the Intermediate LP) from time to time. US Mortgage Loans originated by the Partnership and not so assigned will continue to be beneficially owned by the Partnership and administered by RIC until indefeasibly repaid or disposed of. RIC US, an affiliate of RIC, oversees the origination and servicing of most new US Mortgage Loans on behalf of the Master Fund. These changes are discussed in more detail below. See US Mortgage Loans.

Borrowing Strategy and Contingent Strategies

The Partnership and/or the Fund may from time-to-time borrow funds from arm's length entities to manage their day-to-day cash-flow requirements. It is not the Trustees' or the General Partner's intention to use borrowed funds to enhance the Fund's or the Partnership's returns. The Partnership uses its credit facilities primarily to take direct or indirect investment positions in Eligible Mortgage Loans acquired by the Partnership directly or by participating beneficial interests at times when funds are not immediately available from other sources (such as subscription proceeds from the Fund). The Partnership also uses the facility to address ongoing cash flow management requirements.

Such borrowings are subject to the restriction that the total indebtedness may not exceed 35% of the book value of the Canadian Mortgage Loans held by the Partnership as at the date of drawdown of the borrowed funds. See Investment and Operating Policies of the Partnership and Risk Factors.

The Partnership, supported by the Fund pledging all of its interests in the Partnership, maintains a revolving syndicated loan facility with a Schedule I Bank, as administrative agent, in the maximum amount of \$360 million, approximately \$15 million of which was available as at September 30, 2022. Select information about the facility is disclosed in the Quarterly Report.

From time to time, the Fund and the Partnership have provided guarantees or indemnities in respect of borrowings or other obligations of Affiliates. The borrowings and obligations guaranteed are related to the activities and undertakings of the Affiliates related to Workout Investments, and typically to a financial institution providing financing or other financial accommodations, such as bonding, to the Affiliate, to allow it to prepare a Real Property for ultimate disposition. Details of such financial accommodations provided by the Fund and the Partnership are disclosed in the Quarterly Report from time to time.

Syndication and Participation Strategy

To manage and diversify risk, RIC may syndicate Mortgage Loan investments in which the Partnership participates with one or more lenders or participants, and the Partnership may grant participations in Mortgage Loan investments. All such Mortgage Loans may initially be funded by the Partnership with borrowers at a specified interest rate and a portion of the Mortgage Loan may then be syndicated (or a participation granted in the Mortgage Loan) to a financial institution or other lenders sourced by RIC. Syndication and participation arrangements may be on a *pari passu* basis or on a senior/subordinated basis. Syndicating and granting participations in Mortgage Loans reduce the Partnerships' exposure in respect of any single Mortgage Loan investment. The Master Fund may also employ a similar syndication and participation strategy from time to time.

Risk Management

The Partnership takes a multi-faceted approach to risk management. In addition to the Partnership's default management plan (see Investment and Operating Policies of the Partnership - Collection Activities and Investment Strategy – Defaults and Workouts), risk management is implicit in the Partnership'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 Partnership), (ii) its syndication and participation strategy, (iii) restriction on use of financial leverage, and (iv) its retention of experienced management through RIC.

Development and Maintenance of the Mortgage Loan Portfolio

In RIC's view, the three keys to developing and maintaining a successful Mortgage Loan Portfolio are: (i) prudent underwriting; (ii) the ability to source a broad range of investment opportunities, thereby allowing the General Partner to be selective in its investment choices; and (iii) disciplined monitoring, servicing, collection and enforcement practices. The General Partner believes that, because of RIC's experience, the Partnership will continue to be able to source, originate and fund Mortgage Loan investments which satisfy the Fund's and the Partnership's investment and operating policies and guidelines because of: (i) the specialized lending structures offered to borrowers; (ii) the reputation, experience and marketing ability of RIC's principals and key employees; (iii) the timely credit analysis and decision-making processes followed by RIC and the Partnership; and (iv) a lack of significant lenders in the market segments in which the Partnership invests relative to credit demand in these segments.

The Master Fund employs a similar strategy with respect to the development and maintenance of its portion of the Mortgage Loan Portfolio.

Mortgage Loan Investment Opportunity Sources and Proven Industry Experience

RIC currently manages and services over \$3.2 billion of Mortgage Loans on behalf of the Partnership, RIC US and the Master Fund and various other investors, and it sources Mortgage Loans either directly or through market intermediaries such as mortgage brokerages, financial institutions and other industry professionals. RIC'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 Partnership for consideration. In addition, the principals of RIC 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 Partnership and the Master Fund take advantage of this experience and thereby maintain access to a source of Mortgage Loan investments for which there is limited competition with traditional bank lenders.

Defaults and Workouts

RIC, RIC US, the Partnership and the Master Fund minimize risks associated with defaulted Mortgage Loans through diligent monitoring of the Mortgage Loan Portfolio, active communication with borrowers and sponsors and the institution of effective enforcement procedures. RIC has substantial experience in servicing Mortgage Loans, including the institution of enforcement proceedings, and has a history of very low losses on Mortgage Loans which

it has underwritten and serviced. RIC also has extensive experience in servicing high-yield Mortgage Loan portfolios as a result of purchasing and restructuring distressed Mortgage Loan debt.

RIC has implemented a default management and recovery program for the benefit of the Partnership and Master Fund which includes the following:

- commencement of enforcement proceedings following a Mortgage Loan default;
- performance of a property inspection following a Mortgage Loan default, and, if necessary, taking possession of the Real Property or establishing a property management program; and
- strict adherence to the Partnership's and Master Fund's investment and operating policies.

The Partnership and the Master Fund, through RIC, RIC US or otherwise, employ the services of, and may enter into joint ventures and/or consulting arrangements with, a broad range of professionals (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 have provided for and 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 are a normal, ongoing part of the business of Mortgage Loan lending and investing. In general, Mortgage Loan pricing takes into account the fact that a certain percentage of Mortgage Loans may have a period of non-performance. While the goal is to collect all indebtedness owing on Mortgage Loans, there are instances where borrowers encounter unforeseen circumstances or are in distressed situations, and the collection and/or timing of principal repayments and interest payments becomes unclear. For these Non-Performing Mortgage Loans, interest accrued into the Partnership's and Master Fund's revenue is eliminated, thereby resulting 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. Actual historical loss experience has been low (0.6% on \$8.9 billion of total invested capital ending as of December 31, 2021).

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. RIC's business model, lending approach and practices are specifically designed to address these circumstances and manage them to successful outcomes. As such, RIC is 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. Most often, Non-Performing Mortgage Loans result in extended repayment terms, foregone interest and increased administration, but typically do not involve losses of principal beyond those provided for.

As of September 30, 2022, the net amount of Non-Performing Mortgage Loans totals \$1.08 billion. Non-Performing Mortgage Loans have defined plans for resolution, although the timing of final resolution is often difficult to predict. The expected potential unrealized losses from these Non-Performing Mortgage Loans are reflected by way of reserves in the quarterly unaudited and annual audited financial statements of the Partnership, the Master Fund and/or the Fund.

Of the Non-Performing Mortgage Loans, \$645 million, or 59% of the total, relates to 29 Mortgage Loans where the Partnership or the Master Fund has decided to indirectly take control of, hold and develop the Real Properties instead of disposing of them at values significantly below optimal market prices. RIC continues to use this strategy in order to maximize potential recoveries. As noted in Investment Strategy – Loss History below, RIC has historically managed the Mortgage Loan Portfolio such that almost 100% recovery of principal and accrued interest is achieved on Non-Performing Mortgage Loans. Select information regarding Non-Performing Mortgage Loans will be published in the Quarterly Report from time to time.

Loss History

RIC uses diligent efforts to recover all principal and interest owed on Mortgage Loans. These efforts have resulted in the Partnership and the Master Fund having Realized Losses of only \$65 million since 2008, which represents an approximately 0.6% of the total Mortgage Loan Portfolio invested over such period. The absence of any permanent financial leverage in the capital structure of the Fund allows the Partnership and the Master Fund to employ prudent longer-term strategies to maximize recovery on Non-Performing Mortgage Loans by maximizing Real Property values. As of September 30, 2022, the Partnership and the Master Fund have set aside \$138 million (or 4.6% of the cost of the Mortgage Loan Portfolio) as a loan loss provision against future losses from existing Non-Performing Mortgage Loans.

<i>(in \$million)</i>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Portfolio (\$)	301.6	427.8	500.8	485.7	522.8	758.6	1,007.1	1,169.8	1,350.2	1,557.0	1,755.6	2,094.5	2,656.4	3,045.5	3,057.6	2,846.6
Realized Losses (\$)	-	-	1.3	0.5	5.9	0.3	1.1	1.3	3.2	3.0	4.7	2.0	5.0	7.2	4.3	16.1
%	0.0%	0.0%	0.3%	0.1%	1.1%	0.0%	0.1%	0.1%	0.2%	0.2%	0.3%	0.1%	0.2%	0.2%	0.1%	0.6%

As at December 31, 2021, Realized Losses were \$16.1 million, for the majority of which provision had been made. Select information regarding loss history will be updated and published in the Quarterly Report.

See RIC – Past Performance for loss history information related to RIC generally.

Mortgage Loan Portfolio

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

- a majority of Mortgage Loan investments are less than \$50 million, with a larger concentration of Mortgage Loan investments being between \$5 million and \$40 million;
- payments consist primarily of interest only;
- Mortgage Loans generally have terms of two years or less;
- Mortgage Loan investments are secured by Real Property located in Canada and in the U.S., and are denominated in Canadian dollars and U.S. dollars respectively; and
- Mortgage Loans are syndicated, or participations are granted in Mortgage Loans, where it is deemed appropriate.

See Investment Strategy and Investment and Operating Policies of the Partnership.

The Mortgage Loan Portfolio is originated and underwritten by RIC. RIC US, an Affiliate of RIC, oversees the origination and underwriting of US Mortgage Loans for the Master Fund.

Aggregated statistics for the Mortgage Loan Portfolio are set out below as at September 30, 2022, and this and other select information is updated and published in the Quarterly Report (inclusive of the Partnership's indirect pro rata interest in US Mortgage Loans held by the Master Fund). As at September 30, 2022, 76.2% of the Master Fund's US Mortgage Loan Portfolio is attributable to the Fund's indirect interest in the Master Fund.

Highlights

Number of Mortgage Loans (inclusive of Workout Investments)	144
Dollar Value of Advanced Mortgage Loans	\$2,988
Weighted Average Face Interest Rate	9.2%

Rank

First Mortgage Loans	96%
Subordinate Mortgage Loans	4%

Geographical

Ontario	20%
British Columbia	13%
Alberta	5%
Other Canadian jurisdictions	7%
United States ¹	55%

Type

Construction	47%
Pre-development	30%
Term	23%

Amount

Under \$20 million	26%
\$20 to \$40 million	27%
\$40 to \$60 million	11%
\$60 to \$80 million	18%
Over \$80 million	18%

Term to Maturity

12 months or less	82%
12 to 24 months	16%
Over 24 months	2%

¹ U.S. dollar-denominated loans are weighted in the portfolio based on an exchange rate of 1.3829:1 CAD/USD.

ORIGINATION AND SERVICING OF THE MORTGAGE LOAN PORTFOLIO

RIC originates, arranges, underwrites, and administers the Partnership's Mortgage Loan investments pursuant to the Mortgage Origination and Capital Raising Agreement. RIC US oversees the origination, arrangement, underwriting and administration of the Master Fund's Mortgage Loan Investments, and engages RIC to provide services. See RIC and Mortgage Origination and Capital Raising Agreement.

INVESTMENT AND OPERATING POLICIES OF THE PARTNERSHIP

Investment Policies

The Partnership Agreement establishes certain policies and restrictions on investments that the Partnership may make including:

- 100% of the Partnership Capital may be invested in Authorized Investments including, among other things, Mortgage Loans, Liberty Securities and Related Investments;
- no more than 20% of the Partnership Capital may be invested in Subordinate Mortgage Loans; interests in collateral subordinated mortgages will not be included in determining the Partnership's allowable investments in Subordinate Mortgage Loans; the Partnership may assign all or a portion of a Mortgage Loan (the "**Assigned Portion**") to one or more arm's length third-party lenders or investors (the "**Assignee Lender(s)**") for value provided that: (i) if a portion of such Mortgage Loan (the "**Retained Portion**") is retained by the Partnership, the Partnership may enter into an agreement with the Assignee Lender(s) as to relative ranking of the Assigned Portion and the Retained Portion; and (ii) if the Retained Portion is subordinate to the Assigned Portion, the Retained Portion will be considered a Subordinate Mortgage Loan and therefore subject to the 20% threshold referenced above;
- no more than 30% of Partnership Capital may be invested in Commercial Mortgage Backed Securities (the Partnership has no present intention to invest any of the Partnership Capital in Commercial Mortgage Backed Securities);
- no more than 10% of the Partnership Capital may be invested in any single Mortgage Loan or Commercial Mortgage Backed Securities pool class; also, the Partnership may not make an investment in, or acquisition of, a Mortgage Loan with a borrower, if the aggregate of the book value of such investment and the book value of the Partnership's direct or indirect interests in Mortgage Loans involving such borrower would exceed 10% of the Partnership Capital;
- when not invested in Authorized Investments the Partnership Capital will be invested in Authorized Interim Investments;
- the Partnership may participate in Authorized Investments on a syndicated or participation basis with others, including Affiliates and Associates of RIC and their Affiliates and Associates (see Declaration of Trust – Conflict of Interest Restrictions and Provisions for Trustees), subject to the approvals otherwise required in connection with its investments; and
- notwithstanding any limits referenced above, for risk management purposes only, the Partnership may increase a given investment to more than 10% of the Partnership Capital calculated as described above in order to remedy the default by a borrower of its obligations in respect of a prior ranking security or satisfy the indebtedness secured by a prior ranking security, or for any other reason, if such action is required to protect the Partnership's investment and if such proposed increase in the Partnership's investment is approved by the General Partner.

In addition to the policies and restrictions on investment set out in the Partnership Agreement, the Partnership also adheres to the following guidelines regarding investments that the Partnership makes:

- investment in Authorized Investments which constitute direct or indirect investments in US Mortgage Loans or US Workout Investments are limited to not more than 50% of Partnership Capital; and
- Authorized Investments with direct or indirect exposure to U.S. dollars shall be reviewed on a regular basis for the purposes of determining and implementing prudent Canadian dollar hedging strategies. A minimum of two-thirds of the Fund's U.S. dollar-denominated exposure will be hedged at all times to mitigate the negative impact of foreign exchange fluctuations on Fund income. Generally, this has been accomplished historically through specific hedging provisions contained in loan agreements which transfer foreign exchange exposure to the borrower. Since the commencement of operations by the Master Fund, more conventional hedging strategies are used, such as forward contracts or swap arrangements with financial institutions.

The Fund will offer Units from time to time to the extent it is determined that the proceeds of such offerings can be used by the Partnership in a manner consistent with the investment policies summarized above in furtherance of the Partnership's investment objectives.

Operating Policies

The Partnership Agreement provides that the operations and affairs of the Partnership are required to be conducted in accordance with the following operating policies:

- the Partnership may borrow funds on commercially reasonable terms, subject to the limitation described in this Offering Memorandum, to (i) acquire or invest in Authorized Investments, and (ii) address ongoing cash flow management requirements;
- when making a direct investment in, or an acquisition of, a Mortgage Loan, the General Partner may, in its sole discretion, but will not be obliged to, obtain or review an independent appraisal from a Qualified Appraiser of, and/or an Environmental Audit on, the underlying Real Property which is the primary security for the Mortgage Loan, and may or may not obtain additional independent appraisals or audits of the underlying Real Property or any additional collateral and other properties securing the Mortgage Loan. The appraised value relied upon for purposes of making a Mortgage Loan investment need not be on an "as is" basis and may be based on stated conditions, including without limitation, completion, rehabilitation, sale or lease-up of improvements located on the Real Property.
- in addition, in its sole discretion and in satisfaction of the requirements of the immediately preceding paragraph, the General Partner may rely upon an independent appraisal from a Qualified Appraiser and/or an Environmental Audit in respect of the subject Real Property that has been provided to the Partnership by the applicable borrower;
- all Authorized Investments must be approved in accordance with the Partnership Agreement;
- when deemed necessary by the General Partner, the Partnership will, where appropriate, establish and manage property tax escrow accounts in respect of a Real Property provided as security for the Partnership's direct Mortgage Loan investments;
- the legal title to Authorized Investments may be held by and registered or recorded in the name of the General Partner or a corporation or other entity that is an Affiliate, Associate or subsidiary of the General Partner or its subsidiaries, Associates or Affiliates, or such other Person acceptable to the General Partner. Where the Partnership's interest is held in trust, the trust arrangements must be approved by the General Partner. Where the legal title to an Authorized Investment is held by and registered or recorded in the name of an entity wholly owned by, or Affiliated or Associated with, the General Partner, or other Person acceptable to the General Partner, or in the name of a person or persons in trust for the Partnership, such entity may hold legal title to such Authorized Investment on behalf of other beneficial owners of such Authorized Investment.

With respect to any indirect investments in Mortgage Loans through an Authorized Investment, the General Partner shall satisfy itself that measures similar to the operating policies set out above are undertaken with respect to such investments in Mortgage Loans.

Amendments to Investment and Operating Policies

The investment and/or operating policies of the Partnership set out above may be amended, supplemented or replaced from time to time by the General Partner in its sole discretion without the consent, approval or ratification of the Fund, as the Partnership's sole limited partner, or any other person. In the alternative, the 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 Fund for approval by Ordinary Resolution upon which approval, such amendments, supplements or replacements will be immediately effective without the approval, unanimous or otherwise, of the General Partner. Where the investment and/or operating policies of the Partnership are amended, supplemented or replaced by the General Partner, in its sole discretion, without the consent, approval or ratification of the Fund, the Fund 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 Partnership Agreement, if at any time a government or regulatory authority having jurisdiction over the Partnership or any property of the Partnership will enact any law, regulation or requirement which is in conflict with any investment or operating policy of the Partnership then in force, such policy in conflict will, if the 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 General Partner will not require the prior approval of Fund or any other person.

Notwithstanding the foregoing, no investment and/or operating policies of the Partnership will be amended, supplemented or replaced to allow for the fundamental departure from the Partnership's business of originating and investing in Mortgage Loans in furtherance of its objectives of preserving capital and providing its sole limited partner, the Fund, with stable and secure cash distributions.

Collection Activities

RIC monitors the performance of the Mortgage Loan Portfolio, including tracking the status of outstanding payments due, grace periods and due dates, and the calculation and assessment of other applicable charges. The Mortgage Origination and Capital Raising Agreement requires RIC 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 loan documents relating thereto, and to follow established collection procedures. RIC is required to monitor 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 Real Property, initiate corrective action and take such other actions as are consistent with established collection procedures. See Mortgage Origination and Capital Raising Agreement.

The time within which RIC may make the initial determination of appropriate action, evaluate the appropriate corrective action, if any, develop additional initiatives, or institute enforcement proceedings on behalf of the Partnership may vary considerably depending on the particular Mortgage Loan, the Real Property, the borrower, the borrower's circumstances and the presence of an acceptable party to assume the Mortgage Loan. If a borrower or other Person initiates proceedings under insolvency and bankruptcy legislation, RIC may be delayed, stayed, or prevented from accelerating the maturity of the related Mortgage Loan or initiating or continuing enforcement proceedings for a considerable period of time.

RIC US oversees similar collection activities for the Master Fund.

US MORTGAGE LOANS

Master Fund Relationship with Fund

This Offering Memorandum contains disclosure regarding the Master Fund, its assets, operational practices (including its investment guidelines and operating policies) and governance because, as noted, the primary means by which the Partnership (and consequently the Fund) invests in US Mortgage Loan is through the Master Fund (indirectly through Liberty LP and the Intermediate LP). By virtue of (i) the General Partner and the Intermediate LP General Partner being wholly-owned subsidiaries of RIC and having certain common directors, officers and personnel, and (ii) Liberty LP's majority indirect equity interest in the Master Fund, RIC has both legal control and de facto control of the Intermediate LP, and, indirectly, the Master Fund. This control ensures that the investment guidelines and operating policies of the Fund and the Master Fund are aligned. However, as noted above, the Intermediate LP does have other stakeholders, including (i) the US Feeder Fund, (ii) the Canadian Feeder Fund, and (iii) the Offshore Feeder Fund. Such other stakeholders may, in the future, individually or collectively, represent the requisite majority of equity interests in the Intermediate LP required to, among other things, amend the investment guidelines and/or operating policies of the Master Fund in a manner that may not be aligned with the investment guidelines and/or operating policies of the Fund.

The Master Fund is a separate legal entity from the Fund and, as noted above, has indirect stakeholders other than the Fund. This Offering Memorandum has been prepared solely for the purposes of assisting prospective purchasers in making an investment decision with respect to Units in the Fund; this Offering Memorandum does not purport to provide detailed disclosure with respect to the Master Fund or the Intermediate LP, their assets, operational practices or its governance except to the extent relevant to the Fund. Therefore, all disclosure in this Offering Memorandum regarding the Master Fund and the Intermediate LP is qualified, in its entirety, by the constating, management and other governance documents of the Master Fund and the Intermediate LP (as such documents may be amended from time to time).

RIC US oversees new US Mortgage Loan sourcing and origination activity for the Master Fund. The Partnership continues to hold existing US Mortgage Loan investments, but as these US Mortgage Loans are repaid or otherwise disposed of, new US Mortgage Loan investments will primarily be made by the Master Fund.

Exposure to US Mortgage Loan Market

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 the following limited partners holding a single class of limited partnership interests (Class A interests): Liberty LP, the US Feeder Fund, the Canadian Feeder Fund, and the Offshore Feeder Fund. In the future, it is contemplated that additional and feeder funds may 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.

RIC US, an Affiliate of RIC, oversees the origination and servicing of new US Mortgage Loans for the Master Fund. New US Mortgage Loan investment opportunities are identified by RIC and RIC US, 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. To the extent that Liberty LP is required to make capital contributions from time to time to the Master Fund (via the Intermediate LP) in order to fund US Mortgage Loans, it will obtain such funding from the Partnership. It is anticipated that the Partnership will provide such funding by purchasing Liberty Securities. It is anticipated that the Partnership will purchase Liberty Securities on the basis of a 60:40 ratio (debt obligations:limited partnership interests). The debt obligation portion of the investment in Liberty Securities will bear interest at a market interest rate similar to that charged on loans of comparable credit metrics.

In addition, from time to time, the Partnership may make available to the Master Fund a revolving secured credit facility on market standard terms, whereby the Master Fund may obtain short-term financing to enable it to invest in US Mortgage Loans. It is anticipated that any such borrowings will be repaid by the Master Fund within the year in

which they were advanced or converted in whole or in part into indirect limited partnership interests in the Master Fund (through the Intermediate LP).

The Master Fund is seeking a revolving credit facility with a US financial institution or institutions for purposes similar to those of the Partnership in respect of its credit facility in Canada.

Investment Objectives of the Master Fund

In accordance with the Master Fund Partnership Agreement, the Master Fund's long-term objectives are to (a) provide its limited partners with stable and secure cash distributions from its investments in US 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 through the efficient sourcing and management of a geographically diverse portfolio of US Mortgage Loan investments in the United States.

The Master Fund will seek to achieve its investment objective by investing, directly or indirectly, in Authorized US 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 of the Master General Partner to facilitate such investments.

Key Provisions of the Master Fund Partnership Agreement

The rights and obligations of the limited partners of the Master Fund and the Intermediate LP are governed by the Master Fund Partnership Agreement and the Intermediate LP Partnership Agreement, respectively. The following is a brief summary of certain provisions of those agreements, and does not purport to be complete, and is qualified in their entirety by reference to the agreements themselves.

Term and Master Fund General Partner

The Master Partnership 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 of the management of the Master Fund's assets to RIC US 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, the Intermediate LP, is not liable for the Master Fund's obligations except to the extent of its capital account and not in excess thereof. The limited partner of the Master Fund does not participate in the management or control of the Master Fund's business or affairs. The Master Fund General Partner may resign on notice to the 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, which in turn will establish a capital account for each of its limited partners, including Liberty LP. Capital accounts will initially consist of a limited partner's initial capital contribution, and 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. Limited partners are not obligated to make additional capital contributions to the Master Fund or the Intermediate LP. Net profits and net losses of each partnership will be allocated to its partners in proportion to each partner's capital account balance for the applicable valuation period, which is typically a calendar quarter. For accounting purposes, limited partnership interests will be divided into "units".

Distribution Policy

The Master Fund intends to distribute 100% of available cash collected on an ongoing basis (reduced by reserves for contingencies and estimated accrued expenses and liabilities). In turn, the Intermediate LP will distribute such

distributable cash received from the Master Fund to its limited partners in proportion to their capital accounts. Distributable cash will be distributed to limited partners within approximately 15 days following a 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 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 will be determined by RIC US's valuation committee in accordance with US GAAP and RIC US's 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 by Limited Partners

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 withdrawal 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 LP 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 general 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 or Intermediate LP 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. It is anticipated that Liberty LP will hold a majority of capital account balances in the Intermediate LP for the foreseeable future.

Services Agreement

The Master Fund has entered into the Services Agreement with RIC US for the provision by RIC US of oversight of Mortgage Loan origination, and the provision of other services to the Master Fund. RIC US has 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. RIC US 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, RIC US will be paid a services fee of 1.0% per annum of the outstanding principal balance of the U.S. Mortgage Loan portfolio, plus 1.0% per annum of other non-U.S. Mortgage Loan investments beneficially owned, directly or indirectly, by the Master Fund, in each case, calculated daily and paid monthly. RIC US may waive, reduce or rebate such fee for certain limited partners of the Master Fund. RIC US 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. RIC US will engage RIC to provide certain of the services under the Services Agreement.

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 LP General Partner. Certain costs and expenses of the Master Fund may be borne by the Master Fund General Partner, RIC US 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 RIC US, the Master Fund General Partner or their 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 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 Master Fund General Partner has engaged SS&C to provide certain loan administration, transfer agency and accounting services to the Master Fund. The administrator fees will be paid by the Master Fund.

RIC US Option to Purchase

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

Investment and Operating Policies

Subject to an initial period during which the Master Fund will be establishing and normalizing its operations, RIC US, the Master Fund General Partner and the Master Fund will adhere to the following investment policies and guidelines established by the Master Fund Partnership Agreement when investing Master Fund Capital:

- Master Fund Capital may be invested in Authorized US Investments, including by way of participations and co-lending arrangements with third parties or with Affiliates and their principals;
- when not invested in Authorized US Investments, Master Fund Capital will be invested in Authorized Interim US Investments;
- at least 80% of Master Fund Capital will be invested in US Mortgage Loans secured by first liens on the applicable Real Property or first-ranking participations or co-lending arrangements;
- the target loan-to-value ratio for US Mortgage Loans will be between 60-70%;
- absent special circumstances, all US Mortgage Loans will be title insured by a reputable title insurance company;
- 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;

- in addition to being secured primarily by liens on Real Property, US 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 US Mortgage Loan being made; and
- 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 US Mortgage Loan, or with any single borrower/sponsor.

RIC US, the Master Fund General Partner and the Master Fund will also adhere to the following operating policies when investing Master Fund Capital:

- the Master Fund may borrow funds on commercially reasonable terms, not to exceed 35% of the US Mortgage Portfolio cost;
- Authorized US Investments must be approved by the Master Fund General Partner and RIC US in accordance with the Master Fund Partnership Agreement and the Master Fund Services Agreement; and
- legal title to Authorized US 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.

These policies and guidelines may be amended, supplemented or replaced from time to time by the Master Fund General Partner without the approval of the limited partners of the Master Fund or the Intermediate LP, including Liberty LP.

Partnership's Exposure to US Mortgage Loans

The Partnership's exposure to US Mortgage Loans by way of its indirect investment in the Master Fund will impact Unitholders in a number of ways, including those set out below. See also Master Fund Relationship with Fund.

Currency Hedging

The Partnership currently hedges its exposure to fluctuations in the rate of exchange between the U.S. dollar and the Canadian dollar primarily through specific hedging provisions contained in loan agreements which transfer foreign exchange exposure to the borrower. Since the commencement of operations by the Master Fund, more conventional hedging strategies are used, such as forward contracts or swap arrangements with financial institutions.

Income Tax

The new method of exposure to the Master Fund's US Mortgage Loans may result in certain changes to the tax treatment of income generated by US Mortgage Loans in the hands of the Partnership, the Fund and consequently the Unitholders. See Certain U.S. Income Tax Considerations, Risk Factors -- Liability for U.S. Federal Income Tax, and Risk Factors – Liability for U.S. State Taxes.

Fees

Pursuant to the Mortgage Origination and Capital Raising Agreement, (i) the Partnership pays RIC a fee for Mortgage Origination Services, and (ii) the Fund pays RIC a fee for Capital Raising Services, which fees together are equal to an aggregate of 1% per annum multiplied by sum of the outstanding principal balance of the Mortgage Loan Portfolio and the fair value of other Authorized Investments. RIC US, pursuant to the Master Fund Services Agreement, will be entitled to such fee from the Master Fund on account of its US Mortgage Loan Portfolio. As the Mortgage Loan Portfolio includes the US Mortgage Loan Portfolio, the 1% fee would be charged twice in respect of the sum of the

outstanding principal balance of the Mortgage Loan Portfolio and the fair value of other Authorized Investments. To avoid any such double counting of the 1% fee, the Mortgage Origination and Capital Raising Agreement provides that the fees for Mortgage Origination Services and Capital Raising Services are calculated without reference to the sum of the outstanding principal balance of the US Mortgage Loan Portfolio and the fair value of other Authorized US Investments as periodically reported by the Master Fund.

Governance

The Fund is the sole limited partner of the Partnership, and, by virtue of the Partnership Agreement, the Fund has certain fundamental rights with respect to the governance of the Partnership. The Partnership, indirectly through its investments in Liberty Securities, will be one of a number of limited partners in the Intermediate LP. It is anticipated that the Partnership, through its investment in Liberty Securities, will control a majority capital account balance in the Intermediate LP for the foreseeable future, giving it similar rights with respect to the governance of the Partnership as enjoyed by the Fund as the sole limited partner of the Partnership. However, it is possible that at some point in the future, the Partnership's indirect interest in the Intermediate LP will represent less than a majority of the capital account balances in the Intermediate LP, giving rise to the possibility that a matter subject to the approval of the limited partners of the Intermediate LP may not be resolved according to the wishes of the Partnership. The Partnership's interests will be protected by RIC's control of the Intermediate LP General Partner, and by RIC's control of RIC US, both such positions allowing the principals of RIC and the General Partner to exercise significant influence over the affairs of the Master Fund. See Conflicts of Interest, US Mortgage Loans and Master Fund Relationship with Fund.

Distributions/Redemptions

The Master Fund's and Intermediate LP's distributions and withdrawal mechanisms as set out in their partnership agreements do not mirror the Partnership's distribution mechanism or the Fund's redemption mechanism. There are differences with respect to timing for both distributions and redemptions and the Master Fund's and Intermediate LP's redemption mechanisms are more restrictive than the Fund's redemption mechanism. It is the view of the Trustees, RIC and the General Partner that such differences will not have a material impact on the operations of the Partnership or the Fund owing mostly to the availability of the Partnership's credit facility and the likely availability of a credit facility for the Master Fund in the near future, both of which will provide cash management flexibility.

LICENSING AND LEGISLATIVE REGIME

Mortgage Lending/Brokerage/Administration

In Ontario, the MBLAA requires all individuals and businesses who conduct mortgage brokering, lending and administration activities to be licensed with the Financial Services Commission of Ontario, the government agency responsible for overseeing the mortgage brokerage industry in Ontario.

In British Columbia, the *Mortgage Brokers Act* (British Columbia) requires persons carrying on the business of a mortgage broker to be registered as a mortgage broker with the Financial Institutions Commissions (British Columbia), the government agency responsible for overseeing the mortgage brokerage industry in British Columbia.

In Alberta, the *Real Estate Act* (Alberta) requires any person who deals in mortgage to hold an authorization with the Real Estate Council of Alberta, the non-government agency responsible for governing mortgage brokers in Alberta.

As neither the Fund nor the Partnership is or will be licensed under the MBLAA, the *Mortgage Brokers Act* (British Columbia), or the *Real Estate Act* (Alberta), neither the Fund nor the Partnership can engage directly in the business of dealing in mortgages in Ontario, British Columbia or Alberta and must therefore conduct its Mortgage Loan investment activities under contract with RIC, a licensed mortgage brokerage and mortgage administrator in Ontario and a licensed mortgage broker in British Columbia and Alberta.

In California, mortgage lending activity is carried out through Romspen California Mortgage Limited Partnership, an Affiliate of the Partnership.

Mortgage lending, brokerage and administration activities are regulated by province and state, and as such the licensing and registration requirements vary by jurisdiction. RIC has taken all necessary steps to ensure compliance with all relevant licensing and registration requirements in all jurisdictions where it conducts business.

Securities Activities

RIC 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 RIC maintain the required proficiency requirements and RIC meets the stipulated working capital and insurance requirements for exempt market dealers. RIC, in its capacity as an exempt market dealer, performs dealer and ongoing administrative services for the Fund pursuant to the Mortgage Origination and Capital Raising Agreement. See Conflicts of Interest.

The Partnership, on behalf of the 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 Fund, the Partnership on behalf of the Fund and the Master Fund on behalf of the Partnership, it has been determined that the Fund is a Pooled MIE (as such term is defined in the Staff Notice) and therefore not an investment fund. Consequently, RIC has not sought registration as an investment fund manager or as an advisor in connection with the services it provides to the Fund, the Partnership and the Master Fund.

MANAGEMENT OF THE PARTNERSHIP

The Partnership is under the general control and direction of the General Partner, including the day-to-day operations of the Partnership, but the origination of the Partnership’s investments in Mortgage Loans is carried out by RIC pursuant to the Mortgage Origination and Capital Raising Agreement. The General Partner may appoint an advisory board from time to time to advise the Partnership in respect of its business and investments. See General Partner and Romspen Investment Corporation. Blake Cassidy, an individual resident in the Province of Ontario and an employee of RIC, is the President and the sole director of the General Partner. Joel Mickelson, an individual resident in the Province of Ontario and an employee of RIC, is the Secretary of the General Partner.

RIC has entered into the Mortgage Origination and Capital Raising Agreement with the Partnership and is entitled to earn a fee for providing Mortgage Origination Services to the Partnership. RIC must render its services under the Mortgage Origination and Capital Raising Agreement honestly, diligently and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Mortgage Origination and Capital Raising Agreement. While RIC, its directors and officer have committed a significant amount of their time and attention to the business of the Partnership, RIC, 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 Partnership. See Mortgage Origination and Capital Raising Agreement and Conflicts of Interest. RIC gives the Partnership first opportunity to invest in Mortgage Loan investment opportunities identified and reviewed by it.

Although none of the directors or officers of the General Partner or RIC will devote all of his or her full time to the business and affairs of the General Partner and the Partnership, 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 Partnership and its business, or in the case of RIC, to provide the services contemplated under the Mortgage Origination and Capital Raising Agreement. Whenever a conflict of interest arises between the Partnership, on the one hand, and RIC 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 Partnership Agreement contains conflicts of interest provisions requiring the General Partner to disclose material interests in material contracts and transactions. See Conflicts of Interest.

General Partner

The General Partner acts as the General Partner of the Partnership in accordance with the Partnership Agreement (see Partnership Agreement) and performs the day-to-day management of the Partnership's business.

The Partnership reimburses the General Partner for all costs incurred by the General Partner in the performance of its duties as General Partner under the Partnership Agreement including, but not limited to, the costs of formation, organization and maintenance of the Partnership, fees and disbursements relating to the business of the Partnership, taxes, interest and all other costs or amounts, if any, incurred with respect to borrowing or the security provided therefore, and all other direct costs of the Partnership, excluding expenses of any action, suit or other proceeding in which or in relation to which the General Partner is adjudged to be in breach of any duty or responsibility imposed on it under the Partnership Agreement. The General Partner, at the expense of the Partnership, retains third parties, including related third parties, to provide assistance to it in providing its services to the Partnership. The General Partner may appoint an advisory board from time to time to advise the Partnership in respect of its business and investments. The sole shareholder of the General Partner is RIC.

DECLARATION OF TRUST

The Declaration of Trust provides that the assets and operations of the Fund are subject to the control and direction of a minimum of three and a maximum of five Trustees. The current number of Trustees is four. The number of Trustees within such range may be fixed by Ordinary Resolution of the Unitholders from time to time. Notwithstanding the foregoing, between annual meetings of Unitholders, the Trustees may appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, but the number of additional Trustees will not at any time exceed 100% of the number of Trustees who held office at the expiration of the last annual meeting of Unitholders. The Trustees may also fill any vacancies that occur during the year as set out in the Declaration of Trust. Provided that RIC remains the mortgage originator for the Partnership pursuant to the Mortgage Origination and Capital Raising Agreement, RIC shall have the right to appoint three Trustees. Any additional Trustees shall be appointed in the ordinary course by the Unitholders.

The Declaration of Trust provides that at least 2/3rds of the Trustees, or if a Trustee is a corporation or other non-individual, 2/3rds of the directors, officers or persons performing equivalent functions of the corporation or other non-individual, must have at least five years of relevant experience in the real estate, mortgage, banking, legal or investment industries relevant to the principal purpose of the Fund. Subject only to the specific limitations contained in the Declaration of Trust, the Trustees have, without further or other action or authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Fund and over the operations of the Fund to the same extent as if the Trustees were the sole and absolute beneficial owners of such assets 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 Fund or for conducting the operation of the Fund. To the maximum extent permitted by law, the Trustees, in carrying out investment activities, are not, and will 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 the Trustees. For further clarification, the Trustees are not, and will not, be required to have regard to the criteria for investment for prudent trustees prescribed by the laws pertaining to trustees in any jurisdiction. In addition to the broad powers to manage the operations of the Fund solely in their discretion as described above, the Trustees have the authority to allow a Fund Manager, committee or other persons to administer and regulate the operation of the Fund, to act as agents for the Fund, to execute documents on behalf of the Fund and the Trustees and to make executive decisions which conform to the general policies and principles and the investment and operating policies established by the Trustees.

The Trustees also have the power to delegate to a committee or committees, which may be comprised of all or less than all of the Trustees or persons who are not Trustees, a Fund Manager or other advisors any of the powers of the Trustees, including the responsibility for administering the Fund on a day to day basis, performing the record keeping and reporting functions of the Fund and managing the investments of the Fund, subject to the overriding authority of the Trustees and the requirement for each Trustee to exercise the powers and discharge the duties of his or her office honestly, in good faith and with a view to the best interests of the Fund and the Unitholders. For greater certainty, to the extent that the Trustees contract or delegate the performance of all or a portion of their activities to a Fund Manager,

a Trustee or other advisor, they are deemed to have satisfied the aforesaid standard of care. The paragraphs above set out generally the powers of the Trustees to administer the Fund. The Declaration of Trust contains a list of specific powers granted to the Trustees, which specific powers in no way limit the general powers and authority described above. Please refer to the Declaration of Trust for the specific powers granted to the Trustees.

Unless otherwise required by law, the Trustees will not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations under the Declaration of Trust, nor will the Trustees be required to devote their entire time to the investments, purpose or affairs of the Fund. The Declaration of Trust limits the liability of the Trustees to the Fund and the Unitholders, restricting liability to gross negligence, willful misconduct or actual fraud by a Trustee. The Declaration of Trust further provides an indemnity for each Trustee and officer of the Fund by the Fund and states that, in the exercise of the powers, authorities or discretion conferred upon the Trustees by the Declaration of Trust or any other agreement, the Trustees are conclusively deemed to be acting as trustees of the assets of the Fund and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges, damages, penalties or expenses against or with respect to the Fund or the assets or property of the Fund and, without limiting the generality of the foregoing, the Fund will be solely liable therefore and resort will be had solely to the Fund assets for payment or performance thereof.

Trustees are entitled to receive such reasonable compensation, if any, as the Trustees may determine from time to time for their services as Trustees, including compensation for attending board or committee meetings. Trustees are also entitled to reimbursement of their reasonable out-of-pocket expenses incurred in acting as a Trustee and to receive remuneration, as determined by the Trustees, for services rendered to the Fund in any other capacity, either directly or indirectly. Such services may include, without limitation, services as an officer of the Fund, legal, accounting or other professional services or services as a broker, whether performed by a Trustee or any person Affiliated or Associated with a Trustee.

Under the provisions of the Mortgage Origination and Capital Raising Agreement, a Trustee who is also a director, officer or employee of RIC will be paid such compensation, if any, by RIC. Currently all of the Trustees except for Arthur Resnick are directors and officers of RIC. See Declaration of Trust - Trustees and Romspen Investment Corporation.

Conflict of Interest Restrictions and Provisions for Trustees

The Declaration of Trust contains conflict of interest provisions that are intended to protect Unitholders without creating unreasonable limitations on the Fund. Given that the Trustees are engaged in a wide range of activities, the Declaration of Trust contains provisions that require each Trustee of the Fund to disclose to the Fund any material interest in a material contract or transaction or proposed material contract or transaction with the Fund or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund and, unless the result would be that no Trustee is available to vote on the contract or transaction, to refrain from voting thereon. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. If all of the Trustees have a material interest in a material contract or transaction or proposed material contract or transaction, then, provided the required disclosure has been made by each of the Trustees, the Trustees may proceed to consider and vote on any resolution to approve the contract or transaction or proposed contract or transaction which is the subject of the Declaration of Trust if they in good faith determine that it is commercially reasonable to do so. A Trustee complying with the conflicts of interest provisions set out in the Declaration of Trust will not be subject to any liability to the Fund, the Trustees or the Unitholders with respect to such contract, transaction or proposed contract or transaction as aforesaid.

In the event that a meeting of Unitholders is called to confirm or approve a contract or transaction or proposed contract or transaction in which a Trustee is interested as aforesaid, the extent of the interest in the contract or transaction or proposed contract or transaction of the Trustee will be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular to be provided in respect thereof.

Where a material contract is made or a material transaction is entered into between the Fund and a Trustee, or between the Fund and another person of which a Trustee is a director or officer or in which he has a material interest and such person disclosed his interest in accordance with the Declaration of Trust, and the contract or transaction was approved

in good faith, then such person is not accountable to the Fund or to the Unitholders for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting or voted at the meeting that authorized the contract or transaction.

Subject to the paragraph immediately above, and except in respect of the material agreements entered into in connection with the establishment of the Fund, where a Trustee fails to disclose his interest in a material agreement or transaction in accordance with the Declaration of Trust or otherwise fails to comply with those provisions, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such person account to the Fund for any profit or gain realized therefrom. It is specifically acknowledged in the Declaration of Trust that the Fund or the Partnership have or will in the future enter into agreements or transactions with RIC or its Affiliates or Associates for the provision of products or services by RIC or its Affiliates or Associates to or for the Fund or the Partnership, that the Trustees are all directors or officers of RIC and that any amounts charged to the Fund or the Partnership for such products or services will be determined in a commercially reasonable manner. See Management of the Fund and Risk Factors.

Trustees

The name and municipality of residence, office held with the Fund and the principal occupation of each Trustee of the Fund are as follows:

Name and Municipality of Residence	Position with the Fund	Principal Occupation
Sheldon C. Esbin Toronto, Ontario	Chairman and Trustee	Retired Managing General Partner of RIC
Mark L. Hilson Toronto, Ontario	Vice President and Trustee	Retired Managing General Partner of RIC
Arthur E. Resnick Toronto, Ontario	Vice President and Trustee	Retired Managing Partner of RIC
Wesley N. Roitman Toronto, Ontario	Vice President and Trustee	Managing General Partner of RIC

The Trustees, in the aggregate, exercise control and direction, directly or indirectly, over Units representing approximately 2.5% of the outstanding Units as at May 10, 2022.

The following are brief biographies of the Trustees and officers of the Fund, including the nature and extent of their experience in the mortgage and real estate industries and their principal occupations during the last five years.

Mark L. Hilson

Mr. Hilson is a director and former Managing General Partner of RIC where he was employed from 2008 to the end of 2021 and oversaw the Fund's overall operation and performance.

Previously, he worked at Onex Corporation for 22 years where he was a Managing Director. Prior to joining Onex, he was an Associate in the Mergers and Acquisitions Group at Merrill Lynch and a Brand Manager at Procter & Gamble. Mr. Hilson has an MBA (George F. Baker Scholar) from the Harvard Graduate School of Business Administration and an Honours Bachelor of Business Administration (Gold Medalist) from Wilfrid Laurier University.

Wesley N. Roitman

Mr. Roitman is a Managing General Partner of RIC where he has been employed since 2004 and oversees the Fund'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.

Sheldon C. Esbin

Mr. Esbin is the retired Managing General Partner of RIC where he was employed between 1992 and October 2018. Mr. Esbin, together with Arthur Resnick, co-founded Romspen in the early 1960s.

Prior to founding Romspen, Mr. Esbin practiced law for 26 years at Spencer Romberg during which time he also lectured, served on professional boards and authored numerous legal articles. Mr. Esbin graduated from Osgoode Hall Law School in 1964 and was called to the Ontario Bar in 1966, with Honours (Law Society prize).

Mr. Esbin is an active collector of Toronto archival material and is an avid supporter of many organizations involved in the preservation of Toronto's historical past.

Arthur E. Resnick

Mr. Resnick is a retired Managing Partner of RIC where he was employed from 1992 to 2014. Mr. Resnick was a co-founder of Romspen along with Sheldon Esbin in the early 1960s.

Mr. Resnick practiced with the law firm of Spencer Romberg specializing in real estate and mortgage law from the time he was admitted to the Ontario bar in 1969. He has a Bachelor of Commerce degree from the University of Toronto and a Bachelor of Law degree from Osgoode Hall Law School.

ROMSPEN INVESTMENT CORPORATION

The Partnership conducts its mortgage investment activities under contract with RIC, in its capacity as a licenced mortgage brokerage. See Licensing and Legislative Regime – Mortgage Brokerage. The Fund has engaged RIC, in its capacity as an exempt market dealer, as its agent for the Offering. See Licensing and Legislative Regime – Securities Activities. RIC US has engaged RIC to provide services in respect of US Mortgage Loans and Authorized US Investments.

Mortgage Brokerage

RIC acts as the Partnership's Mortgage Loan originator, underwriter, servicer and syndicator. RIC has been in the business of originating, underwriting, servicing and syndicating mortgage loans since 1992 and is licenced as a mortgage brokerage and mortgage administrator in Ontario and as a mortgage broker in British Columbia and Alberta. The present and former principals of RIC have been active in the industry since 1966. RIC was initially formed to acquire a pool of privately-financed Mortgage Loans. Since then, RIC has continuously provided Mortgage Loans to real estate investors, developers and entrepreneurs.

RIC'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. RIC views its structure and lending guidelines as providing it with a competitive advantage enabling it to be a market leader in terms of providing timely financing commitments. RIC has a reputation for completing transactions in a timely and flexible manner, earning it repeat business. The growth of RIC's Mortgage Loan assets under management depends on its ability to source safe and secure loans.

The reluctance of large institutional lenders to enter into the niche markets in which the Fund invests has made available high-quality investment opportunities in which RIC has specialized since 1992 and through its predecessors since 1966. RIC 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.

Past Performance

While focused exclusively in the mid-tier mortgage markets, RIC has returned consistent yields to its investor base. Specifically, RIC's approval, management and hands-on monitoring processes have resulted in minimal losses from defaults. Over the period from January 1, 1996 to December 31, 2005, only approximately \$1.5 million was written off due to defaults on approximately \$514 million in Mortgage Loan investments - a realized loss rate of 0.28%. See Investment Strategy – Loss History for write-off and loss rate information related to the Fund.

Since the Fund commenced operations on January 16, 2006, the Fund has been the sole investor in the vast majority of the Mortgage Loans originated and administered by RIC. For a description of the actual performance of the Fund since it commenced operations on January 16, 2006, see Fund Performance.

Management Team

Members of the senior management team actively involved in the affairs of RIC are as follows:

Name and Municipality of Residence	Position with RIC
Blake A. Cassidy Toronto, Ontario	Managing Partner and Director
Wesley N. Roitman Toronto, Ontario	Managing General Partner and Director

MORTGAGE ORIGINATION AND CAPITAL RAISING AGREEMENT

The statements in this Offering Memorandum concerning the Mortgage Origination and 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 Mortgage Origination and Capital Raising Agreement will be provided to each prospective purchaser on request in writing to the Trustees. All capitalized terms in this section not otherwise defined herein shall have the meaning as set out in the Mortgage Origination and Capital Raising Agreement.

Mortgage Loan Origination Services

Pursuant to the Mortgage Origination and Capital Raising Agreement, RIC is required to (i) diligently seek out, review and present Authorized Investment opportunities to the Partnership consistent with the objectives and the investment and operating policies of the Partnership, and (ii) originate, service and administer Mortgage Loans in accordance with applicable mortgage brokerage legislation and in a manner consistent with customary and usual standards of practice of prudent lenders originating and servicing comparable Mortgage Loans. Incidental to the foregoing, RIC will:

- investigate, select and conduct relationships with consultants, borrowers, lenders, mortgagors and other mortgage and investment participants, accountants, originators or brokers, correspondents and mortgage managers, technical advisors, lawyers, underwriters, brokers and dealers, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents, banks, investors, builders and developers; to employ, retain and supervise such persons and the services performed or to be performed by such persons in connection with the Partnership's investments and to substitute any such party or itself for any other such party or for itself;
- act on behalf of the Partnership as its nominee or agent in connection with acquisitions or dispositions of the Partnership's investments, the execution of deeds, mortgages or other instruments in writing for or on behalf of the Partnership and the handling, prosecuting and settling of any claims of the Partnership relating to the

Partnership's investments, including the foreclosure or other enforcement of any mortgage, lien or other security interest securing the Partnership's investments;

- provide the Partnership with information relating to proposed acquisitions, dispositions, financing and Mortgage Loan investments;
- service and administer the Partnership's investments, including holding the Partnership's interest in an Authorized Investment as nominee and bare trustee for and on behalf of the Partnership, maintaining records and accounts in respect of each Authorized Investment, remitting to the Partnership all amounts received by RIC on account of the Partnership's interest in an investment and on a monthly basis forwarding to the Partnership a monthly statement of account in respect of all Authorized Investments in which the Partnership has an interest;
- assist the General Partner to formulate and modify the Partnership's investment policies and investment objectives when appropriate, and to report to the Partnership in connection with or relative to the Partnership's investments as may be required from time to time by the Partnership acting reasonably;
- provide those services as may be required in connection with the collection, handling, prosecuting and settling of any claims of the Partnership with respect to the Partnership's investments, including foreclosing and otherwise enforcing mortgages and other liens and security interests securing the Partnership's Mortgage Loan investments;
- if required in accordance with the Partnership's operating policies, obtain an appraisal and/or an Environmental Audit of Real Property with respect to Mortgage Loan interests which are being acquired or with respect to which a Mortgage Loan or commitment is being made;
- deliver to the Partnership portfolio reports from time to time with respect to the investments held by the Partnership and provide any other information or documentation relating to such Partnership's investments as may be reasonably requested by the General Partner; and
- generally perform such other acts as a mortgage loan administrator would perform in the administration of the Partnership's investments and the related property. Under the Mortgage Origination and Capital Raising Agreement, RIC will have the exclusive right, during the term of the Agreement, to present, underwrite and syndicate all Authorized Investments for acquisition by the Partnership and to manage the Partnership's investments.

RIC has agreed to fulfill the role and provide the services set out in the Mortgage Origination and Capital Raising Agreement in a diligent good faith manner to the best of its ability. RIC has further agreed to service the Partnership's portfolio of Authorized Investments in the same manner, and with the same care, skill, prudence and diligence, with which it services and administers its current Mortgage Loans and to exercise reasonable business judgment in accordance with applicable law to maximize recovery under the Partnership's investments.

Capital Raising Services

Pursuant to the Mortgage Origination and Capital Raising Agreement, subject to the overriding authority of the Trustees over the management and affairs of the Fund, RIC is required to perform various activities (see Licensing and Legislative Regime – Securities Activities) for the Fund, including, without limitation:

- undertaking all activities necessary for the Fund 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 RIC, liaising with Representatives and coordinating with FundSERV regarding the vetting and investment of Subscribers other than through RIC, completing the closing of each tranche of issuance of Units and generally acting as the primary intermediary in dealings between investors and the Fund for the purpose of effecting investments in the Fund;
- providing advice on the structuring of each tranche of capital raising requested by the Fund;

- providing assistance on behalf of the Fund in connection with the Fund's dealings with Representatives, sub-agents, institutions and investors regarding sales of securities of the Fund, if applicable;
- conducting relations on behalf of the Fund with other persons, including dealers, brokers, consultants, lenders, accountants, lawyers, appraisers, insurers and insurance agents to ensure that all disclosure documents utilized by the Fund do not contain any misrepresentations;
- preparation of periodic reports and other information required to be sent to Unitholders as well as ensuring that all calculations and determinations of all allocations, designations and elections are made in connection with the income and capital gains of the Fund for tax and accounting purposes; and
- administering, on behalf of the Fund, the payment of distributions from the Fund and supervising the processing and registration of subscriptions for and redemption of Units.

RIC may engage a third-party administrator to assist with certain administrative services for the Fund and the Partnership. If such administrator is engaged, the cost of the administrator will be expenses borne by the Partnership and the Fund. It is possible that, as a result of such additional expenses, Distributable Cash may be reduced.

RIC's Irrevocable Option to Purchase

The Partnership has granted to RIC the irrevocable right at any time to purchase a Mortgage Loan investment for a purchase price equal to Partnership's percentage interest in the principal amount of such Mortgage Loan plus any accrued interest payable thereon calculated as at the end of business on the day immediately preceding the purchase date, less all accrued costs and expenses relating to the Partnership.

Mortgage Loan Origination Fees

In consideration of the performance of the Mortgage Origination Services under the Mortgage Origination and Capital Raising Agreement, RIC is entitled to a fee (the "**Mortgage Origination Fee**") in an amount equal to: (a) 0.67% per annum of the outstanding principal balance of Mortgage Loans beneficially owned or held directly by the Partnership, excluding the outstanding aggregate principal balances of US Mortgage Loans, plus (b) 0.67% per annum of the fair market value of non-Mortgage Loan Partnership investments beneficially owned or held directly or indirectly by the Partnership, excluding non-Mortgage Loan investments owned directly or indirectly by the Master Fund. Such fee shall be calculated daily, aggregated and paid by the Partnership to RIC in monthly installments on the last day of each month. The Mortgage Origination Fee for any partial month will be prorated based upon the number of days in such month in respect of which the Mortgage Origination Fee is being paid.

In addition, RIC is entitled to all lender, broker, origination, commitment, renewal, extension, discharge, participation, NSF and administration fees ("**Lender/Broker Fees**") generated on the Authorized Investments it arranges and presents to the Partnership. Generally, Lender/Broker Fees are in the range of 2-3% of the loan amount, although, in certain circumstance (for example, where a borrower requires a loan on an expedited basis) the fees can be higher. Acquisition fees include RIC's charges to the Partnership for brokering and originating the acquisition of a portfolio of existing loans, calculated as 2.0% of the acquired loan portfolio.

The Mortgage Origination Fees and Lender/Broker Fees payable to RIC under the Mortgage Origination and Capital Raising Agreement are commensurate with fees paid to other entities providing similar services and to the fees charged by RIC for similar services provided to its other clients. The obligations of the Partnership to RIC are secured by the Partnership General Security Agreement. The Fund guarantees payment of the amounts owing to RIC from time to time by the Partnership under the terms of the Mortgage Origination and Capital Raising Agreement. Under the terms of the Guarantee, RIC is required to take reasonable steps to exercise its remedies against the Partnership before exercising its rights under the Guarantee. The Guarantee is secured by the Fund General Security Agreement. See Material Agreements.

Select information regarding Mortgage Origination Fees and Lender/Broker Fees is published in the Quarterly Report and in the consolidated annual financial statements for the Fund.

Capital Raising Fees

In consideration of the performance of the Capital Raising Services under the Mortgage Origination and Capital Raising Agreement, RIC is entitled to a fee (the “**Capital Raising Fee**”) in an amount equal to: (a) 0.33% per annum of the outstanding principal balance of Mortgage Loans beneficially owned or held directly by the Partnership, excluding the outstanding aggregate principal balances of US Mortgage Loans, plus (b) 0.33% per annum of the fair market value of non-Mortgage Loan Partnership investments beneficially owned or held directly or indirectly by the Partnership, excluding non-Mortgage Loan investments owned directly or indirectly by the Master Fund. Such fee shall be calculated daily, aggregated and paid in monthly installments on the last day of each month. The Capital Raising Fee may be paid to RIC by the Fund or by way of deduction from payments received directly by RIC to the extent such payments would otherwise be paid to the Partnership and distributed by the Partnership to the Fund. 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. Prior to July 1, 2013, the Fund did not pay any fees to RIC in respect of Capital Raising Services provided. The payment of the Capital Raising Fee to RIC by the Fund was directly offset by the reduction of Mortgage Origination Fees paid to RIC by the Partnership. There was no change in the aggregate percentage fee payable to RIC in connection with services it provides to the Fund and the Partnership.

Under the Mortgage Origination and Capital Raising Agreement, RIC is responsible for the employment expenses of its personnel, including but not limited to, salaries, wages and the cost of employee benefit plans and temporary help expenses, expenses of the Trustees who are directors, officers or employees of RIC or an Affiliate of RIC (except expenses incurred in attending meetings of Trustees or a committee appointed by the Trustees), costs associated with the sourcing and arranging of eligible investments for presentation to the Partnership, rent, telephone, utilities, office furniture and supplies, equipment and machinery and other office expenses of RIC and miscellaneous administrative expenses relating to the performance by RIC of its functions under the Mortgage Origination and Capital Raising Agreement.

Liability and Indemnity

RIC will only be liable to the Partnership, the General Partner or the Fund or anyone claiming by, through or under any of them, or to any successor or assign of the Partnership, the General Partner, the Fund or anyone claiming by, through or under any of them by reason of acts constituting bad faith, willful misconduct or gross negligence in respect of its duties under the Mortgage Origination and Capital Raising Agreement. Each of the Partnership and the Fund has agreed to indemnify and hold harmless RIC, as well as its directors, officers, shareholders, employees, Affiliates and agents, from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the foregoing, reasonable legal fees and expenses, arising from or in connection with any actions or omissions which RIC takes: (i) with respect to the Partnership, as mortgage originator under the Mortgage Origination and Capital Raising Agreement; or (ii) with respect to the Fund, as agent under the Mortgage Origination and 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 that agreement. This indemnity will survive the removal or resignation of RIC in connection with any and all of its duties and obligations under the Mortgage Origination and Capital Raising Agreement.

Term and Termination

The Mortgage Origination and Capital Raising Agreement continues in force until terminated in accordance with its provisions. The Mortgage Origination and Capital Raising Agreement is terminable: (i) with reference to the Mortgage Origination Services, by the Partnership; or (ii) with reference to the Capital Raising Services, by the Fund, as the case may be, on 12 months’ notice or at any time upon the occurrence of an Event of Termination on the part of RIC as set out in the Mortgage Origination and Capital Raising Agreement. The Mortgage Origination and Capital Raising Agreement is terminable by RIC: (i) with reference to the Mortgage Origination Services provided to the Partnership; or (ii) with reference to Capital Raising Services provided to the Fund, as the case may be, at any time upon the occurrence of an Event of Termination on the part of the Partnership or the Fund, as applicable, or upon six months prior written notice to the General Partner or the Trustees, as applicable. Upon termination with reference to the

Mortgage Origination Services, and for a period of six months following the effective date of termination, RIC is entitled, upon at least five days written notice to the General Partner, to repurchase all or a portion of the Partnership's investments existing as at the effective date of termination, in its sole discretion, from the Partnership within 60 days of such notice for an amount, payable in cash or by way of set-off against amounts owing by the Partnership to RIC, equal to the outstanding principal balance of, or the Partnership's percentage interest in, such Partnership investments plus interest accrued thereon up to the date immediately preceding the purchase date in respect of such Partnership investments. Upon the termination of the Mortgage Origination and Capital Raising Agreement: (i) by the Partnership, with reference to the Mortgage Origination Services; or (ii) by the Fund, with reference to the Capital Raising Services, (other than for cause or following the notice period set out in the agreement) or upon termination by RIC upon the occurrence of an Event of Termination, the Partnership or the Fund, as applicable, will forthwith pay to RIC an amount equal to: (i) in the case of the Partnership, 1.34%; or (ii) in the case of the Fund, 0.66%, of the fair market value of the Partnership's assets under administration on the date on which RIC receives a notice of termination under the Mortgage Origination and Capital Raising Agreement in addition to any other amounts which are due and owing to RIC by the Partnership or the Fund, as applicable, up to and including the day immediately preceding the effective date of the termination of the Mortgage Origination and Capital Raising Agreement. These amounts will be satisfied by the payment of cash, in interests in Mortgages or in such combination thereof as determined by RIC.

Acknowledgements

The Partnership has acknowledged that RIC, or its directors, officers, shareholders, employees and Affiliates, may purchase with their own funds and own as a co-lender, a percentage interest in an investment that RIC presents to the Partnership for acquisition and that RIC may also sell undivided percentage interests in such investments to other co-lenders. The Partnership also acknowledges that RIC may hold a subordinated portion in a Mortgage Loan which is presented to the Partnership and the rate of return on such subordinated portion may vary from the Partnership's rate of return on the basis of the incremental risk assumed in connection with subordinated portion in a Mortgage Loan. The Partnership also consents to and acknowledges, among other things, that: (i) while RIC, its directors and officers have committed a significant amount of their time and attention to the business of the Partnership, RIC, its director, 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 Partnership; (ii) RIC may, from time to time, charge Lender/Broker Fees and all of such fees will be and remain the sole property of RIC; and (iii) RIC is under no obligation to make payments to the Partnership under the Mortgage Origination and Capital Raising Agreement in respect of an Authorized Investment unless and until payments are received by RIC from the borrower or other applicable person in respect of the Authorized Investment in any particular month. See Management of the Fund and Risk Factors.

FUND PERFORMANCE

The Fund's audited annual financial statements for the period ended December 31, 2021, are available on the Fund's website at: www.romspen.com. Unaudited Quarterly Reports are also available on the Fund's website.

The following table illustrates the dollar value of Mortgage Loans held by the Partnership as of December 31 annually and related annual growth rates in the size of the Mortgage Loan Portfolio since 2006 (select information regarding the dollar value of Mortgage Loans held by the Partnership and related annual growth rates in the size of the Mortgage Loan Portfolio will be updated and disclosed in the Quarterly Report):

	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Mortgage Loans (\$millions)</i>	\$301.6	\$427.8	\$500.8	\$485.7	\$522.8	\$758.6	\$1,007.1	\$1,169.8	\$1,350.2	\$1,557.0	\$1,755.6	\$2,094.5	\$2,656.4	\$3,045.5	\$3,057.6	\$2,846.6
<i>Annual Growth</i>	N/A	42%	17%	(3%)	8%	45%	33%	16%	15%	15%	13%	19%	27%	15%	0%	(7%)

* From January 16, 2006, the date of inception, to December 31, 2006

The following is the Fund's return history since its inception (select information regarding Fund distributions, returns and Unit values are available from RIC and will be disclosed in the Quarterly Report)²:

1 year	3 years	5 years	10 years	Since inception
8.3%	6.6%	7.0%	7.4%	8.0%

A table illustrating the average annual compounded rate of return to investors calculated under cash basis accounting on the syndicated Mortgage Loan portfolio administered by RIC prior to 2006 is available from RIC.

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 the Fund:

- Declaration of Trust;
- Mortgage Origination and Capital Raising Agreement;
- Partnership Agreement;
- Partnership General Security Agreement;
- Guarantee; and
- Fund General Security Agreement.

In addition, the following agreements, none of which the Fund is party to, are material to the operation of the Fund:

- Liberty Partnership Agreement;
- Master Fund Partnership Agreement;
- Intermediate LP Agreement; and
- Master Fund Services Agreement.

DESCRIPTION OF UNITS

Description of Units

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 prospective Subscriber on request in writing 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.

The Fund is an unincorporated closed-end investment trust created pursuant to the Declaration of Trust and governed by the laws of the Province of Ontario. See Fund.

² Returns are as at September 30, 2022, and are historical annual compounded returns after deducting management fees and expenses payable, and include changes in Unit value and assume the reinvestment of all distributions. They do not take into account any applicable sales, redemption, or distribution charges, or income taxes payable by any Unitholder that would have reduced returns. The calculation assumes a fixed historical monthly starting and ending date at the Unit value at such date, and that Unit values are capped at \$10.00. Inception date is January 16, 2006.

Units

The beneficial interests in the Fund are divided into one class of interests, described and designated as “Units”, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust. The Fund may issue an unlimited number of Units. Each Unitholder’s interest in the Fund is determined by reference to the number of Units held. Each Unit ranks equally with all other outstanding Units without discrimination, preference or priority. Units may be issued by the Fund at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine in their sole discretion and, without limiting the generality of the foregoing, the Trustees may, subject to applicable securities laws, authorize the payment of a commission or other fee to any person, including, specifically, the Trustees, RIC and its directors, officers, employees, subsidiaries, Affiliates and Associates, in consideration of such person purchasing or agreeing to purchase Units from the Fund or for finding, procuring or agreeing to find or procure purchasers of Units. The Trustees may also, subject to applicable securities laws, authorize and allow commercially reasonable discounts to persons, including, specifically, RIC and its directors, officers, employees, subsidiaries, Affiliates and associates, in consideration of their subscribing or agreeing to subscribe for Units, or agreeing to produce subscriptions therefore, whether absolute or conditional. The Trustees may also create and issue rights, warrants (including so-called “special warrants” which may be exercisable for no additional consideration), subscription receipts, installment receipts, exchangeable securities, options or other securities to purchase, convert, redeem or exchange into Units or other securities of the Fund (including, without limitation, debt convertible into Units or other securities of the Fund) on such terms and conditions, for such consideration or for no consideration, exercisable at such subscription price or prices and at such time or times as the Trustees in their sole discretion may determine. Such rights, warrants, options or other securities will not be a Unit and the holder thereof will not be a Unitholder. Upon any issue of Units, the name of the purchaser will promptly be recorded in the Unit register as the owner of the number of Units issued to such purchaser, or if the purchaser is already a Unitholder, the register will be amended to include such additional Units.

Fractions of Units may be issued to Unitholders provided that fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at meetings of Unitholders. Subject to the foregoing, fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit. In the event that Unit Certificates are issued, no certificates will be issued for fractional Units. The Trustees may in their sole discretion without Unitholder approval, create one or more additional classes of units of the Fund, as and when they see fit, with each such class of units being comprised of such number of units and having such rights and being subject to such limitations, restrictions and conditions as the Trustees deem advisable notwithstanding that such rights may be more favourable or rank in priority to any one or more classes of the units including, without limitation, the Units, then in existence or may have limitations, restrictions and conditions less onerous than those of any one or more classes of the units including, without limitation, the Units, then in existence.

Rights and Characteristics of the Units

Each Unit confers the right to one vote on any resolution of Unitholders, whether conducted at a meeting of Unitholders or in writing. All Units outstanding from time to time will participate pro rata in any distributions from the Fund and, in the event of a termination or winding-up of the Fund, in the net assets of the Fund remaining after satisfaction of, or provision for, all liabilities. No person is entitled, as a matter of right, to subscribe for or purchase any Unit. There are no conversion, retraction, redemption or pre-emptive rights attaching to the Units other than as specifically set out in the Declaration of Trust and described below in this Offering Memorandum.

The legal ownership of the assets of the Fund and the right to conduct the affairs of the Fund are vested exclusively in the Trustees and the Unitholders will have no interest therein other than as described above. Unitholders will have no right to compel any partition, division or distribution of the Fund or any of the assets of the Fund. The Units are personal property and confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust. A Unit may be transferred by a Unitholder or his agent duly authorized in writing, to any other person, to the transferor and one or more other persons jointly, or by two or more joint holders to one or some of them to the extent permitted under the Declaration of Trust and only in compliance with all applicable securities and other laws unless, as a result of the transfer, the Fund will cease to qualify as a “mutual fund trust” or a “unit trust” as defined in the Tax Act. See Resale Restrictions.

Distribution Reinvestment Right

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.

Trustee Redemption Rights

The Trustees may in their sole discretion at any time, by providing a written redemption notice to a Unitholder or the Unitholder's Representative, redeem all or any of the Units held by such Unitholder at a price per Unit to be redeemed equal to the Net Asset Value per Unit, calculated as at the Valuation Date immediately preceding the redemption date (the "**Calculation Time**"), plus the pro rata share of any unpaid distributions thereon which have been declared payable to Unitholders but remain unpaid as at the Calculation Time to the extent same are not otherwise included in the Net Asset Value per Unit of the Unit(s) to be redeemed. As set out in the Declaration of Trust, the redemption date is set by the Trustees and will be a date that is not less than one or more than 60 days from the date of the redemption notice, all in accordance with the conditions set out in the Declaration of Trust. From and after the date of the redemption notice, the holder of the Units to be redeemed will be entitled to exercise any of the rights of a Unitholder in respect thereof until the redemption price has been paid in full.

Unitholder Redemption Rights

Each Unitholder is entitled to require the Fund to redeem at any time and from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable, and in accordance with the conditions, provided in the Declaration of Trust. There will be a redemption date ("**Redemption Date**") established each month pursuant to the terms of the Declaration of Trust. The monthly Redemption Date will be the 15th day of each and every month. If the 15th day of the month is not a Business Day, the Redemption Date for that month will be the next succeeding Business Day. In order to exercise this right, a Unitholder must send to the Trustees, directly or through a Representative (if a Unitholder originally subscribed for Units through FundSERV, Notice must be sent through the Unitholder's Representative), a duly completed and properly executed Notice in a form approved by the Trustees, requiring the Fund to redeem the Unit(s) and forwarding the Unit Certificate(s) representing the Unit(s) to be redeemed, if applicable. For Units with a Net Asset Value of less than \$15,000,000, the Notice must be received 30 days before the Redemption Date to be considered for that particular Redemption Date. For Units with proportionate Net Asset Value of more than \$15,000,000, the Notice must be received 90 days before the Redemption Date to be considered for that particular Redemption Date. If the required Notice is not given, the Trustees will not be required to consider redeeming the Unit(s) until the next subsequent Redemption Date. No form or manner of completion or execution is sufficient unless it is in all respects satisfactory to the Trustees and is accompanied by any evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such Notice. The Trustees shall be entitled in their sole discretion to accelerate the Redemption Date specified by the Unitholder in the Notice. 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.

As of the Redemption Date, the Unitholder will not cease to have any rights with respect to the Units tendered for redemption until the Unit Redemption Price for such Units (as defined below), plus the pro rata share of any unpaid distributions declared thereon and paid prior to the Redemption Date has been paid in full. Units will be considered to be tendered for redemption on the Redemption Date, provided that the Trustees have, to their satisfaction, received the Notice, together with the Unit Certificate(s) representing the Units to be redeemed, if applicable, and other required documents or evidence as aforesaid; and subject to the following paragraph below, the holder of a Unit properly tendered for redemption will be entitled to receive a price per Unit equal to the Net Asset Value per Unit calculated at the Valuation Date immediately preceding the Redemption Date, plus the pro rata share of any unpaid distributions thereon which have been declared payable to Unitholders but remain unpaid as at the Redemption Date to the extent same are not otherwise included in the Net Asset Value per Unit of the Unit(s) to be redeemed (the "**Unit Redemption Price**").

The Unit Redemption Price for Units tendered for redemption will be reduced by 2%, if such Units are redeemed within the first 12 months following the date of the Closing at which such Units were subscribed for. This reduction may be waived in whole or in part by the Trustees for redemptions of Units that are property held in connection with a RRIF, where (i) such redemptions are required in order to comply with the mandatory payment provisions applicable to such RRIF, (ii) the Unitholder redemption amount for the particular Units is not greater than the minimum amount prescribed by the Tax Act in connection with the particular annual payment from the RRIF, and (iii) the Unitholder has provided the Trustees with any documentation or information requested in respect of such redemption. 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 in cash by direct deposit or cheque, drawn on a Canadian bank or trust company in Canadian dollars or deposited to the account of the registered Unitholder of the Unit tendered for redemption, or payable or deposited to the Unitholder's Representative or as otherwise instructed in writing by such registered Unitholder. Cash payments of the Unit Redemption Price made by the Fund are conclusively deemed to have been made when deposited by direct deposit or upon the mailing of a cheque in a postage pre-paid envelope addressed to the payee unless such cheque is dishonoured upon presentment. Upon such payment as set out herein or otherwise in accordance with the Declaration of Trust, the Trustees and the Fund will be discharged from all liability to the former registered Unitholder in respect of the Units so redeemed.

All Notices shall be time and date stamped on receipt by the Fund. The Fund will not pay the Unit Redemption Price in cash (or via FundSERV, if the Units were originally purchased through FundSERV) as set out above on a particular Redemption Date if the aggregate number of Units properly tendered for redemption (the "**Tendered Units**") by Unitholders (the "**Tendering Unitholders**"), for which the Unit Redemption Price remains unpaid, exceeds 1% of the total number of Units outstanding on such Redemption Date. Payments being paid pursuant to Notices shall be paid in order of receipt of such Notices with the intent that Redemption Prices shall be paid out in order of receipt of Notices. Payments shall be made to a maximum of 1% of the Net Asset Value on the Valuation Date immediately preceding any Redemption Date. The Trustees may, in their absolute and unfettered 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 Fund. Those Units for which Notices have been received but not paid out on any given Redemption Date shall maintain their order of priority until the Unit Redemption Price for such Unit(s) has been paid in full. Additionally, the Trustees shall be entitled in their sole discretion to extend the time for payment of any Unit Redemption Prices, if in the reasonable opinion of the Trustees such payment would be materially prejudicial to the interests of the remaining Unitholders in the Fund. The Trustees exercised this discretion from April to December in 2020, during the height of the COVID-19 pandemic, and in November 2022.

In the extraordinary circumstance where the number of Tendered Units on any given Redemption Date exceeds 3% of the total number of Units outstanding on such Redemption Date, the Trustees are entitled in their sole discretion to modify or suspend Unitholder redemption rights. Specifically, if the extraordinary circumstance referenced above occurs, the Trustees are entitled, in their sole discretion, to implement one of the following measures:

- Discounted Redemptions - The Trustees shall give notice to Tendering Unitholders that their Tendered Units shall be redeemed on the next Redemption Date at a redemption price discounted by a discount factor to be determined by the Trustees in their sole discretion, acting reasonably. In determining the discount factor, the Trustees may consider such factors as market prices for similar investments that are traded on a stock exchange in Canada, the variation inherent in any estimates used in the calculation of proportionate Net Asset Value of the Units to be redeemed, the liquidity reasonably available to the Fund and general economic conditions in Canada. Unitholders may choose to retract their redemption request upon receiving notice from the Trustees of a discounted redemption, however, Unitholders who retract will be prohibited from redeeming the Tendered Units to which their retraction applies for a period of up to 12 months following the date the discounted redemptions are processed. This provision is meant to put the Fund on an equal footing with public companies and income trusts which are able to buy back their shares/units when the board of directors/trustees feel such shares/units are undervalued in the market.

On May 22, 2009, Tendered Units represented approximately 5.8% of the total number of Units outstanding, and the Trustees exercised their discretion to issue a discount redemption notice to Tendering Unitholders citing a discount factor of 25%. All Tendering Unitholders retracted their redemption requests.

On July 23, 2021, Tendered Units represented approximately 6.0% of the total number of outstanding Units, and the Trustees exercised their discretion to issue a discount redemption notice to Tendering Unitholders citing a discount factor of 3.5%.

- **Temporary Suspension of Redemptions** - The Trustees shall give notice to all Unitholders that normal course redemption rights are suspended for a period of up to six months. Issuance of a suspension notice by Trustees will have the effect of canceling all pending redemption requests. At the end of the suspension period, the Trustees may call a special meeting of Unitholders to approve an extension of the suspension period, failing which normal course redemptions will resume.
- **Run-Off Pool** – The Trustees shall give notice to Tendering Unitholders of their decision to invoke the provision providing for an in-kind redemption of Tendered Units for an equal number of units representing a percentage interest in the assets and liabilities of the Fund (the “**Run-Off Pool**”) calculated at the Valuation Date immediately preceding such redemption date (“**Run-Off Pool Units**”). If the measure is invoked by the Trustees, Tendering Unitholders may redeem all or some of their Tendered Units for Run-Off Pool Units or retract their redemption request, in which case the Tendered Units may not be redeemed for up to 12 months.

Run-Off Pool Units generally have similar attributes to Units, but they are not redeemable by the holder. As proceeds are generated from realization of assets in the Run-Off Pool those proceeds (net of liabilities and reserves) will be used to redeem Run-Off Pool Units pro rata on at least a quarterly basis. The Trustees may, if surplus capital is available, purchase, at fair market value, Run-Off Pool assets for the benefit of Unitholders. If the Net Asset Value of the Run-Off Pool is less than \$100 million at any time, the Trustees may redeem all remaining Run-Off Pool Units, and are entitled to apply a discount of up to 12% of the redemption payment, reflecting the uncertainty surrounding the timing, recovery amount and ongoing costs associated with managing the tail of the Run-Off Pool.

On December 17, 2020, Tendered Units represented approximately 9.33% of the total number of Units outstanding, and the Trustees invoked the Run-Off Pool provision. 4,063,470 Tendered Units, representing 1.285% of outstanding Units, were redeemed for Run-Off Pool Units; and requests for redemption of 28,222,356 Tendered Units were retracted or deemed retracted and were subject to the 12-month Run-Off Pool restricted period during which time such Tendered Units may not be requested for redemption. The Net Asset Value attributable to the Run-Off Pool, as of December 31, 2020, was \$39,700,106. On August 16, 2021, the Trustees redeemed all remaining Run-Off Pool Units, applying a discount of 3.5% to the Run-Off Pool net asset value.

On September 26, 2022, Tendered Units represented approximately 11.9% of the total number of Units outstanding, and the Trustees invoked the Run-Off Pool provision. 11,902,125 Tendered Units, representing 4.3% of outstanding Units, were redeemed for Run-Off Pool Units; and requests for redemption of 21,549,457 Tendered Units were retracted or deemed retracted and were subject to the 12-month Run-Off Pool restricted period during which time such Tendered Units may not be requested for redemption. The Net Asset Value attributable to the Run-Off Pool, as of September 30, 2022, was \$116,699,624.

Take-Over Bid Provisions

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Units within the meaning of the Ontario Act and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or Associates or Affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the offer on the original terms offered by the offeror.

Unitholder Liability

The Declaration of Trust provides that no Unitholder or Annuitant will be held to have any personal liability as such, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder

or Annuitant for any liability whatsoever, in tort, contract or otherwise, to any Person in connection with the Fund property or the affairs of the Fund, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Fund 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 Trustee as such, but rather the assets of the Fund only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Unitholder and Annuitant under a plan of which a Unitholder acts as trustee or carrier will be entitled to be reimbursed out of the assets of the Fund in respect of any payment of a Fund obligation which such Unitholder or Annuitant is required to make. The Fund is the sole limited partner of the Partnership, with the goal of providing enhanced liability protection for Unitholders. As a result of this structure, no business operation will be conducted by the Fund with the intent that the liability of the Fund be limited to its capital contribution as a limited partner in the Partnership.

The Declaration of Trust further provides that certain written instruments signed by the Fund shall contain a provision or be subject to an acknowledgement to the effect that such obligation will not be binding personally upon Unitholders or upon any annuitants. No personal liability will attach under the laws of the Province of Ontario to Unitholders or annuitants for contract claims under any written instrument disclaiming personal liability.

Notwithstanding the above, to the extent that claims are not satisfied by the Fund, there is a risk that a Unitholder or Annuitant will be held personally liable for obligations of the Fund where the liability is not disclaimed in the contracts or arrangements entered into by the Fund with third parties. Personal liability may also arise in respect of claims against the Fund 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 Fund's management to be remote due to the nature of the Fund's activities. In the event that payment of a Fund obligation is required to be made by a Unitholder, such Unitholder is entitled to reimbursement from the available assets of the Fund.

Distribution Policy

It is the Fund's current intention to distribute 100% of the Distributable Cash on an on-going basis. With respect to each Distribution Record Date, the Trustees intend to declare payable to the persons who are Unitholders of record on that Distribution Record Date all of the Distributable Cash for the Distribution Period that includes such Distribution Record Date. Each Unit's proportionate share of the amount of such Distributable Cash will be determined by dividing such amount by the number of issued and outstanding Units on such Distribution Record Date. Each Unitholder's share of such Distributable Cash will be based upon the number of Units owned of record by each such Unitholder on such Distribution Record Date. Subject to certain specific provisions in the Declaration of Trust, such Distributable Cash will be paid to such Unitholders on the Distribution Date. Distributable Cash may be estimated whenever the actual amount has not been fully determined, which estimate will be adjusted as of the subsequent Distribution Date when the amount of Distributable Cash for the Distribution Period in question has been fully determined.

Additional Distributions

In addition to the distribution of Distributable Cash, the Trustees may declare to be payable and make distributions, from time to time, out of Fund Income, Net Capital Gains, the capital of the Fund or any other amounts received or held by the Fund in any year, in such amount or amounts, and on such dates as the Trustees may determine, and all such distributions payable to Unitholders pursuant to the Declaration of Trust will be deemed to be distributions of Fund Income, Net Capital Gains, trust capital or other items in such amounts as the Trustees, will, in their absolute discretion, determine.

Having regard to the present intention of the Trustees to allocate, distribute and make payable to Unitholders all of the Fund Income, a sufficient amount of the Net Capital Gains and any other applicable amounts so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year (other than tax on Net Capital Gains that would be recoverable by it with respect to the relevant taxation year), the following amounts will, without any further actions on the part of the Trustees, be due and payable to Unitholders of record at the close of business on December 31 in each year: (i) an amount equal to the amount, if any, by which the Fund Income for such year exceeds the aggregate of the distributions made by the Fund out of Fund income pursuant to the Declaration of Trust in such year; (ii) an amount equal to the amount, if any, by which the Net Capital Gains for such year exceeds the aggregate of the distributions made by the Fund out of Net Capital Gains pursuant to the Declaration of Trust in such year; and (iii)

provided that, to the extent that tax respecting Net Capital Gains will be recoverable by the Fund with respect to the relevant taxation year or other tax refunds or credits will be so recoverable, such deemed distribution amount will be reduced so as to cause the Fund to accrue Net Capital Gains or other Fund Income in the amount required to recover such tax or credits, and further provided that in the event any such amounts are uncertain as at December 31 of the relevant taxation year, the amount of such deemed distribution will be estimated by the Trustees in their sole discretion at that time to maximize the Fund's tax recoveries.

Such amounts will be paid to Unitholders on or before January 15 of the immediately following year, provided, however; that such amounts may be estimated whenever the actual amount has not been fully determined, which estimate will be adjusted as of the subsequent Distribution Date when such amount in question has been fully determined. As it is intended that the Fund Income and the Net Capital Gains for each taxation year of the Fund be distributed to Unitholders in respect of the taxation year so that the Fund will not be liable for income tax under Part I of the Tax Act for the taxation year (after taking into account any capital gains refunds or any other tax refunds or credits to which the Fund may be entitled), if there is any change in the treatment under the Tax Act of the Fund Income or the Net Capital Gains or other amount which would frustrate this intention, then, notwithstanding any provision of the Declaration of Trust and without notice to, or the vote or assent of the Unitholders, or any amendment to the Declaration of Trust, the Trustees may alter the method of calculation of the Fund Income and Net Capital Gains and the character, amount and method of distributions to Unitholders set out in the Declaration of Trust for the purpose of minimizing the taxes payable by the Fund and/or the Unitholders. In addition to the distributions which are made payable to Unitholders, the Trustees may designate any income or capital gain realized by the Fund as a result of the redemption of Units to the redeeming Unitholders in accordance with the Declaration of Trust.

In accordance with and to the extent permitted by the Tax Act, the Trustees in each year will make designations in respect of the amounts payable to Unitholders for such amounts that the Trustees consider to be reasonable in all of the circumstances, including, without limitation, designations relating to taxable dividends received by the Fund in the year on shares of taxable Canadian corporations, net capital gains realized by the Fund in the year and foreign source income of the Fund for the year, as well as elections under subsections 104(13.1) and/or (13.2) of the Tax Act that income be taxed to the Fund, rather than to the Unitholders. For greater certainty, any distributions of Net Capital Gains will include the non-taxable portion of the capital gains of the Fund which are encompassed in such distribution.

Method of Payment of Distributions

Distributions will be made by direct deposit or by such other manner of payment approved by the Trustees from time to time. A payment will be conclusively deemed to have been made to a Unitholder upon the Fund receiving confirmation from the financial institution(s) it deals with from time to time that a direct deposit has been made to the order of such Unitholder in accordance with the bank account information provided to the Fund by such Unitholder.

If, in respect of any distribution or other payment to be made by the Fund to a Unitholder pursuant to the Declaration of Trust, the Trustees determine that the Fund does not have cash in an amount sufficient to pay some or all of such distribution or payment in cash, the Trustees may, subject to compliance with applicable laws and receipt of all required regulatory approvals, make such distribution or payment by way of Units or notes having a value equal to the cash shortfall, in which case the amount of cash to be distributed will be reduced by the amount of such cash shortfall, and which notes will be issued on such terms as are determined by the Trustees in their sole discretion at the time of issue of the notes.

The value of each Unit issued as set out above will be deemed to be equal to the Net Asset Value per Unit as of the last Business Day of the calendar month immediately preceding their issuance. In the Trustees' sole discretion, immediately after a *pro rata* distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units may be consolidated so that each Unitholder not subject to withholding tax will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution. Each such Unit Certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Each Unitholder has the legal right to enforce payment of any amount payable to such Unitholder as a result of any distribution which is declared payable to such Unitholder pursuant to the Declaration of Trust.

The Trustees may change any Distribution Date or Distribution Record Date at any time, subject to having given the Unitholders not less than 30 days prior written notice, and upon compliance with any requirements of applicable law.

Withholding Tax

The Trustees may deduct or withhold amounts required by law respecting a Unitholder's distributions or other payments under the Declaration of Trust. If withholding taxes are exigible on any distributions (including distributions of Units) or redemption or other amounts paid under the Declaration of Trust and the Trustees are, or were, unable to withhold taxes from a particular amount paid to a Unitholder or have not otherwise withheld taxes on past amounts paid to the Unitholder, the Trustees will be permitted to: (i) withhold such amounts from other amounts payable to such Unitholder; or (ii) sell such number of Units owned by, and on behalf of, such Unitholder at a price equal to proportionate Net Asset Value of such Units calculated as at the end of business on the last Business Day of the month prior to the month in which the sale takes place as are necessary to satisfy the Trustees' withholding tax obligations in respect of such Unitholder and all of the Trustees' reasonable expenses with respect thereto. Upon such sale, the affected Unitholder will cease to be the holder of such Units.

Meetings of Unitholders

The Declaration of Trust provides that there will be an annual meeting of the Unitholders at such time and place as the Trustees prescribe for the purpose of electing Trustees, appointing auditors of the Fund and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders will be held within 180 days after the end of each fiscal year of the Fund or such later date (not to exceed 15 months from the date of the most recently held annual meeting) as the Trustees may determine, subject to compliance with all applicable regulatory requirements, if any. The Fund has engaged Computershare Investor Services Inc. to provide annual general meeting services. A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 25% of the Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. A quorum for any meeting of Unitholders shall be individuals present not being less than two in number and being Unitholders or representing by proxy Unitholders who hold in the aggregate not less than 15% of the total number of outstanding Units. Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxy need not be a Unitholder.

Any action to be taken by the Unitholders will, except as otherwise required by the Declaration of Trust or by law, be authorized when approved by Ordinary Resolution. The chairperson of any such meeting will not have a second or casting vote. To the extent permitted by applicable law, the Trustees may from time to time make, vary or revoke such regulations as they think fit providing for and governing the depositing and tabulation of proxies by telephonic, electronic or other communication means. Other than as specifically provided for in the Declaration of Trust and subject to the limitations set out therein, Unitholders will be entitled to pass resolutions that will bind the Fund only with respect to the following matters: (a) the election or removal of a Trustee; (b) the appointment or removal of auditors of the Fund; (c) certain amendments to the Declaration of Trust; (d) those matters listed in the Declaration of Trust as requiring approval by Special Resolution; and (e) the termination of the Fund in accordance with the Declaration of Trust.

The Declaration of Trust further provides that, subject to all applicable legal and regulatory requirements, a resolution consented to in writing, by the required majority, whether by facsimile or any other method of transmission of legibly recorded messages or other means, is as valid and effectual as if the resolution had been passed at a meeting of Unitholders or Trustees, including committee meetings, duly called and held.

Limitation on Non-Resident Ownership

It is the intention of the Trustees to cause the Fund at all times to qualify as a "unit trust" and a "mutual fund trust" under the provisions of subsection 108(2) and subsection 132(6) of the Tax Act. If non-residents of Canada within the meaning of the Tax Act ("**Non-Residents**") become the beneficial owners of more than 49% of the Units in certain circumstances, this could cause the Fund to cease to qualify as a "unit trust" and "mutual fund trust". As a result, the Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the

Trustees become aware that the beneficial owners of 49% or more of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, and if its “unit trust” or “mutual fund trust” status is threatened by such Non-Resident ownership, the Trustees will not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident. If notwithstanding the foregoing, the Trustees determine that more than 49% of the Units are held by Non-Residents, subject to all applicable securities and other laws, the Trustees may send a notice to Non-Resident holders of Units (the “**Affected Holders**”), 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 sell their Units or a portion thereof to the Fund or to a person who is not a Non-Resident, in the Trustees’ discretion, within a specified period of not less than 60 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 sell such Units and, in the interim, will suspend the voting and distribution rights attached to such Units.

Upon such sale, the Affected Holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale upon surrender of the certificates representing such Units. Unless and until the Trustees are required to do so under the terms of the Declaration of Trust, the Trustees are not bound to do or take any proceeding or action with respect to Non-Resident Unitholders by virtue of the powers conferred on them by the Declaration of Trust. The Trustees will not be deemed to have notice of any violation unless and until they have been given actual notice of such violation and will act only as required by the Declaration of Trust once an indemnity is provided by the Fund. The Trustees are not required to actively monitor the foreign holdings of the Fund. It is acknowledged that the Trustees cannot monitor the Non-Resident holders of the Units where the Units are registered in the name of a broker or other similar intermediary. The Trustees will not be liable for any violation of the non-resident ownership restriction which may occur during the term of the Fund.

Register

The Register will be kept by, or on behalf of and under the direction of the Trustees, and will contain the names and addresses of Unitholders, the respective numbers of Units held by them, the certificate numbers of the certificates representing such Units, if applicable, and a record of all transfers thereof. The Trustees may appoint one or more persons, banks or trust companies to act as transfer agents and to act as registrars for the Units and may provide for the transfer of Units in one or more places within Canada. The Register will at all reasonable times be open for inspection by the Trustees. The Trustees have appointed Prometa Fund Support Services Inc. to act in this capacity and to provide certain other administrative services to the Fund, in respect of Unitholders who have subscribed through FundSERV.

Only persons whose Units are recorded on the Register are entitled to vote, receive distributions or otherwise exercise or enjoy the rights of Unitholders. The Trustees will have the right to treat the person registered as a Unitholder on the Register of the Fund as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders and the Trustees will not be bound to recognize any transfer, pledge or other disposition of a Unit or any attempt to transfer, pledge or dispose of a Unit, or any beneficial interest or equitable or other right or claim with respect thereto, whether or not the Trustees will have actual or other notice thereof until such Unit has been transferred on the Register of the Fund as herein provided.

Unit Certificates

No Unitholder will be entitled to a Unit certificate or other instrument from the Fund evidencing that Unitholder’s ownership of Units. Unit certificates will only be issued to a Unitholder if: (i) the Fund is required to do so by applicable law; or (ii) the Trustees, in their sole discretion, elect to issue a Unit certificate to a Unitholder. Ownership of Units by Unitholders will be evidenced by the recording of all transactions in respect of Units, whether by the Fund, securities dealers, stock exchanges, transfer agents, registrars or other Persons.

Information and Reports

By March 31st in each year, subject to compliance with applicable laws, the Trustees will forward to each Unitholder who was shown on the Register as a Unitholder at the end of the immediately preceding fiscal period such prescribed forms as are needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation. By June 30th in each year, subject to compliance with applicable laws, the Trustees will make available to each Unitholder who was shown on the Register as a Unitholder at the end of the immediately preceding fiscal period an annual report for the immediately preceding fiscal period containing: (i) audited financial statements of the Fund as at the end of and for the fiscal period, with comparative financial statements as at the end of and for the immediately preceding fiscal period, if any; and (ii) such other information as, in the opinion of the Trustees, is material to the activities of the Fund. A copy of such materials will be provided to a Unitholder upon request in writing to the Trustees.

Also, prior to each meeting of Unitholders, the Trustees will provide to each Unitholder, together with the notice of the meeting, a form of proxy which can be used by a Unitholder to appoint a proxy, who need not be a Unitholder, to attend and act at the meeting on behalf of the Unitholder, in the manner and to the extent authorized by the proxy and all information required by applicable law.

The Fund will maintain at its principal office or at any other place in Canada designated by the Trustees, records containing: (i) the Declaration of Trust; (ii) minutes of meetings and resolutions of Unitholders; (iii) the Trustees' regulations (if any); and (iv) a copy of the Register. The Fund will also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof subject to all applicable privacy and access to information laws in effect from time to time, a Unitholder may examine the Declaration of Trust and any amendments thereto, any regulations adopted by the Trustees in accordance with the Declaration of Trust, the minutes of meetings and resolutions of Unitholders and any other documents or records which the Trustees, in their sole discretion, determine should be available for inspection by such persons, during normal business hours at the principal office of the Fund.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended by the Trustees in their sole discretion without the consent, approval or ratification of the Unitholders or any other Person:

- (a) as specifically set out in the Declaration of Trust; or
- (b) at any time for the purpose of:
 - (i) ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental or other authority having jurisdiction over the Trustees, the Fund or its assets, including, without limitation, maintaining its status as a "mutual fund trust" and a "unit trust" under the Tax Act;
 - (ii) complying with specific requests and requirements of any underwriter, sponsor, regulatory authority or stock exchange having jurisdiction over the Trustees, the Fund or its assets during the process of, and if required to facilitate, an initial public offering of securities of the Fund or its Affiliates, or during the process of, and if required to facilitate, a listing of the securities of the Fund or its Affiliates on a stock exchange or other trading market, provided that such amendments are determined by the Trustees in their sole discretion, having regard to their duties and standard of care hereunder, to be in the best interests of the Unitholders;
 - (iii) providing additional protection for Unitholders, as determined by the Trustees in their sole discretion;
 - (iv) removing any conflicts or inconsistencies in the Declaration of Trust or making minor corrections which are, in the opinion of the Trustees or counsel to the Fund, necessary or desirable and not prejudicial to the Unitholders;

- (v) making amendments which, in the opinion of the Trustees or counsel to the Fund, are necessary or desirable and in the interests of the Unitholders, as a result of changes in Canadian taxation laws;
- (vi) making amendments which are required or, in the opinion of the Trustees or counsel to the Fund, are necessary or desirable to facilitate the creation and existence or operation of an additional class or classes of Units of the Fund as contemplated in the Declaration of Trust;
- (vii) making amendments which are required or, in the opinion of the Trustees or counsel to the Fund, are necessary or desirable to facilitate a change of the Fund's name as contemplated in the Declaration of Trust; and
- (viii) making amendments for any purpose which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to Unitholders (which, for greater certainty, exclude amendments in respect of which Unitholder approval is specifically otherwise required under the Declaration of Trust);

but notwithstanding the foregoing and subject to the Trustees' ability to create additional classes of Units in accordance with the Declaration of Trust, no such amendment will: (i) modify the right to one vote per Unit; (ii) result in a Unit representing less than an equal undivided interest in any distributions from the Fund or in the net assets of the Fund in the event of a termination or winding up of the Fund without the consent of the holders of Units then outstanding by Special Resolution; or (iii) reduce the percentage of votes required to pass an Ordinary Resolution or a Special Resolution.

Matters Requiring Approval by Special Resolution

Other than as expressly stated in the Declaration of Trust, none of the following will occur unless the same has been approved by a Special Resolution of Unitholders:

- (a) any amendment to the items requiring approval by Special Resolution;
- (b) any amendment to the Declaration of Trust to reduce or remove a right with respect to any outstanding Units of the Fund;
- (c) any amendment to the term or termination provisions of the Fund;
- (d) any amendment relating to the powers, duties, rights, obligations, liabilities or indemnification of the Trustees; or
- (e) any merger of the Fund with another trust or other person (other than as part of an internal reorganization of the assets of the Fund approved by the Trustees).

As soon as is practicable after the making of any material amendment to the Declaration of Trust, the Trustees will notify each Unitholder in writing of the substance of such material amendment.

Term and Termination of the Fund

Unless sooner terminated as provided in the Declaration of Trust, the Fund will continue until no property of the Fund is held by the Trustees. Unitholders may terminate the Fund by Special Resolution, following which the Trustees will commence to wind up the affairs of the Fund. In the event of a termination of the Fund, after paying, retiring or discharging, or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees will distribute the cash forming part of the Fund assets together with, subject to obtaining all necessary regulatory approvals, the non-cash Fund assets *in specie* among the Unitholders in accordance with their *pro rata* interests.

Reporting Obligations of the Fund

The Fund is not a reporting issuer and is therefore not subject to most of the continuous reporting obligations imposed on reporting issuers by securities legislation in the jurisdiction in which this Offering is being made. Audited financial statements will be made available to Unitholders annually. In addition, Unitholders will be given a quarterly statement of account and will also be given notice of and be entitled to attend and vote at any meetings of the Unitholders of the Fund.

PARTNERSHIP AGREEMENT

Partnership Units are subject to the terms and conditions of the Partnership Agreement. The statements in this Offering Memorandum concerning the Partnership Agreement are intended to be only a summary of the provisions of the Partnership Agreement and do not purport to be complete. A copy of the Partnership Agreement will be provided to each Unitholder upon a request in writing for same being made to the Trustees. All capitalized terms in this section not otherwise defined herein shall have the meaning as set out in the Partnership Agreement.

The Fund is the sole limited partner in the Partnership.

Management of the Partnership

Under the terms of the Partnership Agreement, the General Partner is authorized to carry on the business of the Partnership, with full power and authority to administer, manage, control and operate the business of the Partnership and, except as otherwise provided by the Partnership Agreement, the General Partner will have all power and authority, for and on behalf of and in the name of the Partnership, to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the business of the Partnership.

Capitalization and Contributions

The capital of the Partnership consists of an unlimited number of Partnership Units. The Fund will subscribe for Partnership Units using the net proceeds from the Offering. The Fund will be entitled to the allocation of income, gain and loss, and to share in distributions in respect of each Partnership Unit held, all as set forth in the Partnership Agreement.

Liability of Partners

The General Partner and its officers, directors, employees, Affiliates and any person contracted by the General Partner in accordance with the Partnership Agreement will not be liable to a Limited Partner for any act, judgment, decision or omission that does not constitute actual fraud, gross negligence or willful misconduct. Subject to the provisions of the *Limited Partnership Act* (Ontario), the liability of a limited partner for the debts, liabilities and obligations of the Partnership will be limited to the amount of its capital account and, in respect of each Partnership Unit held by such limited partner, undistributed income, if any, any repayment of capital and any distributions of income to the extent capital is reduced, with interest, if any, and a limited partner will not as such otherwise be liable for any further claim, assessment or contribution to the Partnership. The limitation of the liability of a limited partner will be lost if the limited partner takes part in the management of the business of the Partnership. See Risk Factors.

Fiscal Year

The fiscal year of the Partnership ends on December 31 of each year.

Voting Rights and General Meetings

The General Partner may at any time call a meeting of Limited Partners and will call such a meeting on receipt of a written request from Limited Partners holding in the aggregate twenty-five percent (25%) or more of all Partnership Units outstanding, stating sufficiently for compliance with the notice provisions the purpose for which the meeting is to be held. Each Limited Partner will be entitled to one vote for each Partnership Unit held by such Limited Partner. The General Partner will not as such be entitled to vote at any meeting of Limited Partners, but if the General Partner or an Affiliate is the holder of a Partnership Unit then the General Partner or the Affiliate will be entitled to vote in respect of the Partnership Unit. A resolution consented to in writing by the required majority, whether by document, telegram, telex or any other method of transmission of legibly recorded messages or other means, is as valid and effectual as if the resolution had been passed at a meeting of the limited partners duly called and held. Such resolution may be in two or more counterparts which together will be deemed to constitute one resolution in writing.

In addition to all other powers conferred on them by the Partnership Agreement, the Limited Partners may by Extraordinary Resolution: (i) subject to other provisions of the Partnership Agreement, remove the General Partner; (ii) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner; (iii) with the consent of the General Partner, subdivide or consolidate the Partnership Units; (iv) amend, modify, alter or repeal any Extraordinary Resolution; and (v) approve the dissolution of the Partnership.

Calculation of Distributable Cash and Taxable Income or Tax Loss

The General Partner may, in its sole discretion, make such determinations of distributable cash and/or taxable income or tax loss of the Partnership for any period or as at any date. Notwithstanding the preceding sentence, however, within 90 days after the end of each fiscal period of the Partnership the General Partner will determine the taxable income or tax loss for such fiscal period, which determination will be binding upon the Partnership. In computing the taxable income or tax loss of the Partnership for any period, the Partnership will have the sole discretion to utilize or not utilize such deductions, provisions and alternate calculations available under the Tax Act, including without limitation, discretion as to timing and amount, in respect of operating expenses and discretionary deductions.

Allocation of Profits and Losses

The distributable cash and taxable income or tax loss of the Partnership for financial and income tax purposes will be allocated, after eliminating any losses carried forward from past years: (i) 99.999% to the Limited Partners; and (ii) 0.001% to the General Partner to a maximum of \$100.00 per annum. Except where otherwise expressly provided in the Partnership Agreement, where any amount is to be allocated or distributed among Limited Partners holding Partnership Units without regard to class, such amount will be allocated or distributed among the Limited Partners holding Partnership Units in accordance with the total number of Partnership Units outstanding at the date of such allocation, distribution, payment or contribution, as the case may be, equally in respect of each Partnership Unit.

Distributions

In its discretion, the General Partner may from time to time cause the Partnership to distribute amounts to the Limited Partners either as returns of capital or otherwise. Distributions will be allocated to the Limited Partners as set out above. No distribution of funds of the Partnership will be made which would, in the opinion of the General Partner, result in the Partnership having insufficient working capital or reserves, and the General Partner is expressly authorized to deduct from the funds which might otherwise be available for distribution to the Limited Partners, amounts sufficient to maintain reasonable and adequate working capital and reserves for the Partnership.

Power of Attorney

To facilitate the administration of the Partnership, each Limited Partner is required to irrevocably nominate, constitute and appoint the General Partner as his agent and true and lawful attorney to act on his behalf with full power and authority in his name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver and file or record when, as and where required certain documents and matters listed in the Partnership Agreement.

Amendment of Partnership Agreement

The Partnership Agreement may be amended by the General Partner if such amendment is authorized by Ordinary Resolution, but no amendment may be made which in any manner allows any Limited Partner to take part in the management of, or exercise control over, the business of the Partnership; which reduces the interest in the Partnership of any Limited Partner; which changes the right of a limited partner, so entitled, to vote at any meeting of Limited Partners; or which changes the Partnership from a limited partnership to a general partnership and, except for the removal of the General Partner, if the amendment adversely affects the rights or interests of the General Partner, the amendment is approved by the General Partner.

In addition to the above, the General Partner may amend the Partnership Agreement in certain circumstances enumerated in the Partnership Agreement without the consent or approval at the time of any Limited Partner (each Limited Partner, by acquiring a Partnership Unit, being deemed to consent to any amendment). All Limited Partners will be notified of the full details of any amendment to the Partnership Agreement by the General Partner within 30 days after the effective date of such amendment.

Resignation Bankruptcy or Dissolution and Removal of the General Partner

The General Partner may resign as such on not less than 30 days written notice to all Limited Partners, such resignation to be effective upon the earlier of: (i) 30 days after notice is so given; and (ii) the admission of a new General Partner by Ordinary Resolution, provided that the General Partner will not resign if the effect of the resignation would be to dissolve the Partnership. The General Partner, by agreeing to be bound by the Partnership Agreement, will be deemed to resign as a General Partner on the bankruptcy, dissolution, liquidation or winding-up of the General Partner, or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner, or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner, but, if the General Partner is the sole General Partner of the Partnership, such resignation will not be effective until, and the General Partner will not cease to be a General Partner until, the earlier of: (i) the admission of a new General Partner by Ordinary Resolution; and (ii) 180 days after notice of the occurrence of such event or appointment is given to the Limited Partners.

The Limited Partners by Extraordinary Resolution may remove the General Partner and substitute another as General Partner upon the happening of a material breach by the General Partner of any of its duties or obligations under the provisions of the Partnership Agreement, which breach remains un-remedied for a period in excess of 120 days from the date of receipt of notice to remedy such breach from any limited partner.

Dissolution of the Partnership

The Partnership will be dissolved on the earliest of: (i) December 31, 2055, unless extended with the approval of the Partners expressed by Extraordinary Resolution; (ii) a date determined and approved by the General Partner and authorized by Extraordinary Resolution; or (iii) the date, as confirmed by the General Partner, upon which the Partnership disposes of all of its assets, and otherwise ceases to carry on an active business.

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 Fund, 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 taxation 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. With the exception of the Passive Income Proposals (defined below), 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. In the 2018 Federal Budget, introduced on February 27, 2018, the Minister of Finance (Canada) released draft legislation introducing certain measures intended to increase the amount of tax applicable to passive investment income earned through a private corporation in taxation years that begin after 2018 (the “**Passive Income Proposals**”). This summary does not take into account the Passive Income Proposals or further announcements or draft legislation released in respect thereof. Prospective Subscribers that are private corporations should consult their own tax advisors with respect to the implications of the Passive Income Proposals and further announcements or draft legislation released in respect thereof as they relate to the acquisition, holding and disposition of Units.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and, except for the Tax Proposals, does not take into account any changes in the law, whether by legislative, governmental or judicial decision or action, or any changes in the administrative policies of the CRA. There can be no assurances that the CRA will not change its administrative policies. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is based upon the assumption that the Fund 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 Fund or the Partnership.

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 Fund 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 Fund 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 Description of Units – Limitation on Non-Resident Ownership for more information.

If the Fund 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 Fund or the Partnership provided that no unit, security or other interest in the Fund or the Partnership is listed or traded on a stock exchange or other public market. The Trustees do not intend to list Units of the Fund, and the General Partner does not intend to list any interest in the Partnership, on a stock exchange or other public market.

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

Taxation of the Fund

The Fund 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 the Partnership for its fiscal period ending on or before the taxation year-end of the Fund, 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 Fund or if the Unitholder is entitled in that year to enforce payment of the amount.

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

In computing its income for purposes of the Tax Act, the Fund 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 Fund may also deduct, on a five-year straight-line basis (subject to pro-rata for short taxation years), reasonable expenses incurred by it in the course of issuing Units.

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

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

The Fund 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 Fund’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 Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Fund 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 Fund’s income, the Fund 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 Fund, may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its 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 Fund or to its Unitholders in respect of the Fund, no assurances can be given in this regard. See Certain U.S. Federal Income Tax Consequences.

Taxation of the Income of the Partnership

Generally, each partner of the Partnership, including the Fund, is required to include in computing the partner’s income, the partner’s share of the income (or loss) of the Partnership for the Partnership’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 the Partnership will be computed for each fiscal year as if the Partnership was a separate person resident in Canada. In computing the income or loss of the Partnership, deductions may generally be claimed in respect of its administrative and other expenses (including interest in respect of the debt of the Partnership, 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 the Partnership for a fiscal year will be allocated to the partners of the Partnership, including the Fund, on the basis of their respective share of such income or loss as provided in the Partnership Agreement, subject to the detailed rules in the Tax Act. If the Partnership realizes a loss, the portion of such loss that is allocated to the Fund will be deductible by the Fund in computing its income only to the extent of the Fund’s “at-risk amount” (as defined in the Tax Act) in respect of the Partnership.

The Partnership is a limited partner of Liberty LP and Liberty LP is a limited partner of the Intermediate LP, which is the sole limited partner of the Master Fund. For purposes of computing the income of the Fund from the Partnership, the income of each of the Master Fund, the Intermediate LP, and Liberty 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 Liberty LP, 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 Fund’s income, it generally will be required to include its share of the income of Liberty LP, 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 Fund 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 Fund deducts in computing its income), whether such portion is received in cash or otherwise. Any loss of the Fund 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 Fund, such portion of the net taxable capital gains, the foreign source income of the Fund 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 Fund, 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 Fund, 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 Fund that is paid or payable, or deemed to be paid or payable, by the Fund 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 Fund 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 Fund accrued or realized by the Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund and previously designated by the Fund 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 Fund 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 Fund (other than distributions designated as dividends from taxable Canadian corporations).

Eligibility for Investment

Based on the current provisions of the Tax Act, provided that the Fund 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 Fund for purposes of the Tax Act; or (ii) has a "significant interest" (as defined for this purpose in the Tax Act) in the Fund. 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 Fund, the Partnership, the Intermediate LP, the Master Fund and Liberty LP. 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 Fund, the Partnership, the Intermediate LP, the Master Fund or Liberty LP. 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 Fund 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 US Mortgage Loans made by the Master Fund, the Fund 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. Therefore, in respect of US Mortgage Loans made by the Master Fund, the Fund does not expect to have any ECI that would be subject to U.S. federal income tax.

Liberty LP has made an election under the applicable Treasury Regulations to be classified as a corporation for U.S. federal income tax purposes. Consequently, Liberty LP will be considered a non-U.S. corporation for U.S. federal income tax purposes.

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 Fund, the Partnership, Liberty LP, the Intermediate LP, the Intermediate General Partner, Master Fund, the Master Fund General Partner, or RIC US, 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 RIC US 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 US 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, RIC US, the Master Fund General Partner, the Master Fund, the Intermediate General Partner, the Intermediate LP,

Liberty LP, the Partnership or the Fund 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, Liberty LP's allocable share of such ECI should not be attributable to a U.S. permanent establishment and Liberty LP 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 Fund is the beneficial owner of FDAP income eligible for a reduced rate of withholding under the Treaty, it is anticipated that in the Fund will qualify for the zero percent rate of U.S. withholding tax on interest income under the Treaty, provided that the Fund 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 U.S. Mortgage Loans that do not have such shared appreciation/profit sharing characteristics, it is not anticipated that such US Mortgage Loans will constitute USRPI, and the FIRPTA rules will not apply to such US Mortgage Loans owned by the Master Fund or interests in the Master Fund indirectly held by Liberty LP. However, in the event that the Master Fund or an Affiliate forecloses on property securing a US Mortgage Loan, then there is a risk that any gain recognized from a subsequent disposition of such property and allocable to Liberty LP could be treated as a disposition of a USRPI by Liberty LP and cause Liberty LP to be subject to U.S. federal income tax under the FIRPTA rules.

Debt and Deductions

As a component of Liberty Securities, the Partnership will make loans to Liberty LP to fund Liberty LP's operations (in this section, "**Liberty LP Loans**"). A number of U.S. federal income tax rules could potentially affect the treatment of the interest arising from such Liberty LP Loans. If the Liberty LP Loans are respected as bona fide debt, Liberty LP will be allowed deductions on interest paid to the Partnership in the event that Liberty LP has income attributable to a U.S. permanent establishment (subject to the additional considerations below); however, if the Liberty LP Loans are not respected as bona fide debt, Liberty LP will be disallowed such deductions, thereby increasing Liberty LP's taxable income in the event that Liberty LP has income attributable to a U.S. permanent establishment. Consequently, the funds available for distribution and the Units' value would be reduced if interest on the Liberty LP Loans is not deductible in circumstances in which Liberty LP is (indirectly through the Master Fund) deemed to have income attributable to a permanent establishment in the U.S.

The Partnership and Liberty LP intend to treat the Liberty LP Loans as debt for U.S. federal income tax purposes; however, neither the Partnership nor Liberty LP has obtained an opinion of counsel on this issue. The determination of whether the Liberty LP Loans are debt or equity for U.S. federal income tax purposes is based on an analysis of the facts and circumstances. There is no clear definition of debt under the Code and its characterization is governed by principles developed in case law, which analyzes numerous factors that are intended to identify the economic substance of the particular instrument. Although the Partnership and Liberty LP intend to treat the Liberty LP Loans as debt for U.S. federal income tax purposes, the IRS could challenge this position. If such a challenge were successful, interest payments on the Liberty LP Loans would not be deductible, and Liberty LP's taxable income (in the event

Liberty LP has income attributable to a U.S. permanent establishment) and its U.S. federal income tax liability could increase. U.S. branch profits tax may also apply in such situation. As a result, Liberty LP's cash flow would be reduced, which would negatively impact both the cash available for distribution to Unitholders and the value of the Units.

In the event that Liberty LP has income attributable to a U.S. permanent establishment, then the branch profits tax for Liberty LP is expected to be 5% of its effectively connected earnings and profits for the taxable year. It is anticipated that Liberty LP will not be subject to the branch profits tax by virtue of the Treaty, for the same reasons as stated above, i.e. the absence of a permanent establishment in the U.S.

In addition, other limitations on the deductibility of interest under U.S. federal income tax laws could apply if, for example, the IRS claims that the interest rate on the Liberty LP Loans are in excess of an arm's-length rate (in which case a portion of the interest could be re-characterized as a non-deductible distribution), the Liberty LP Loans are issued with "original issue discount" or the U.S. earnings stripping rules under Section 163(j) of the Code apply. Public Law 115-97 added Section 267A that could apply to disallow the interest deduction on interest paid by Liberty LP to the Partnership under the Liberty LP Loans in the event that Liberty LP has income attributable to a U.S. permanent establishment. In any such case, Liberty LP's taxable income, and thus its tax liability, could be increased because of the disallowance of interest deductions in the event that Liberty LP has income attributable to a U.S. permanent establishment.

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 Fund is treated as a non-U.S. corporation for U.S. tax purposes, neither the Units, nor any of the assets of the Fund, should be treated as U.S. situs assets of Unitholders in the Fund 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

Offering

The Offering is for Units at Net Asset Value as at the Valuation Date immediately preceding Closing for maximum gross proceeds of \$500,000,000. Each Unit represents an undivided beneficial interest in the assets of the Fund. 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 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 Closing. 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 Fund's proposed objectives. In addition to alternate financing sources, the Fund 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 Fund. There is no assurance that the required financing will be available on terms acceptable to the Fund or at all.

All subscriptions are subject to acceptance by the Fund. See Subscription Procedure. The Fund will not generally accept any subscription for less than \$150,000, unless the subscription is made through FundSERV. The Fund 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 they have regarding the business and financial condition of the Fund and the terms and conditions of this Offering to representatives of RIC, as agent for the Fund, or to their Representative and request such data as may be necessary to enable the prospective Subscriber to make an informed investment decision. Furthermore, upon receipt of a written request from a Unitholder or from a Unitholder's Representative, RIC, as agent for the Fund, will provide copies of documents referred to in this Offering Memorandum to the extent such documents are in RIC's possession or can be acquired by RIC without unreasonable effort or expense.

Use of Proceeds

The expenses of this Offering are estimated at approximately \$50,000, including advertising, legal and accounting costs and printing. See US Mortgage Loans - Partnership's Exposure to US Mortgage Loans – Costs. The Fund intends to use the net proceeds of the Offering to subscribe for additional Partnership Units thereby allowing the Partnership to have the capital to make future Authorized Investments which are consistent with the Partnership's investment and operating policies and guidelines. See Investment and Operating Policies of the Partnership.

Subscription Qualification

The Fund is currently offering the Units in reliance on prospectus exemptions available under the securities laws of the Offering Jurisdictions. Such exemptions relieve the Fund from the provisions under such legislation requiring the Fund 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 Fund 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 individual, corporation, partnership or other entity resident in any jurisdiction other than the Offering Jurisdictions, nor any person in whom there is an interest which is a "tax shelter investment" (as that term is defined in the Tax Act), may subscribe for Units. No person or partnership which is a non-resident of Canada (for purposes of the Tax Act) may subscribe for Units, other than those persons or partnerships resident in jurisdictions outside Canada that have provided satisfactory evidence as to the permissibility of subscribing for Units pursuant to the applicable laws of such jurisdiction absent any action on the part of the Fund.

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 Fund was constituted, the Trustees determined the subscription price for interim subscription receipts (\$10.00) arbitrarily.

The Fund will not generally accept any subscription for less than \$150,000, unless the subscription is made through FundSERV. The Trustees reserve 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).

Connected Issuer

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

- (a) RIC is entitled to appoint three Trustees of the Fund. The maximum number of Trustees currently provided for is five. Therefore, RIC is entitled to appoint at least a majority of the Trustees of the Fund at all times;
- (b) 2 of the 4 the Trustees of the Fund are also directors and officers of RIC. The President and sole director of the General Partner and the Secretary of the General Partner are employees of RIC. RIC is ultimately controlled by 2 of the 4 individuals who are the Trustees of the Fund and the President and sole director of the General Partner; and
- (c) under various agreements entered into between RIC, the Partnership and the Fund, including the Mortgage Origination and Capital Raising Agreement, RIC is responsible for originating Mortgage Loan investments for the Partnership, capital raising activities for the Fund as well as incidental administrative functions. RIC is compensated for the services provided to Partnership and the Fund. For further particulars of the fees payable by the Fund and the Partnership to RIC, please see the heading Mortgage Origination and Capital Raising Agreement – Mortgage Origination Fees and Mortgage Origination and Capital Raising Agreement – Capital Raising Fees.

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

The Trustees, in such capacity, determined the terms of the Offering. The role of RIC in capital raising activities is only to implement the decisions made by the Trustees of the Fund.

RIC, in its capacity as an exempt market dealer, does not charge the Fund for acting in respect of the distribution of Units. However, net proceeds of the Offering will be used to the fund expenses of the Fund, including the payment of the various fees owed to RIC pursuant to the Mortgage Origination and Capital Raising Agreement and other applicable agreements.

SUBSCRIPTION PROCEDURE

Subscribers may subscribe for Units through RIC or through qualified Representatives. Qualified Representatives will process orders by electronic means through FundSERV using the code: RIC100. 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 Fund by way of certified cheque, bank draft or other electronic transfer satisfactory to the Trustees (payment of the subscription price through a Representative will transact through FundSERV on the applicable monthly Closing); and
- (c) deliver to RIC the Subscription Agreement with applicable schedules referenced above and any other forms, declarations and documents as may be required by RIC or the Subscriber's Representative, if applicable, to complete the subscription.

The Fund 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 Fund will hold the subscription funds in trust pending a Closing under this Offering. See Rights of Action for Damages or Rescission.

RIC, on behalf of the Fund, may collect, use and disclose individual personal information in accordance with the privacy policy of RIC 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 is available at www.romspen.com.

The Fund anticipates that there will be monthly Closings. The Fund may close any part of the Offering on any date as it may determine in its sole business judgment. The Fund 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 Fund.

Subscribers should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of Subscribers and the Fund. 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 Fund has not filed a prospectus in connection with the issuance of the Units. As a consequence of the Fund 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 AND ADMINISTRATION

Prometa Fund Support Services Inc., 220 – 155 Carlton Street, Winnipeg, MN R3C 3H8, acts as the registrar and transfer agent for the Units and performs certain other administrative services for the Fund, in respect of Unitholders who have subscribed through FundSERV, under an agreement dated January 20, 2016. Under a services agreement dated March 31, 2017, as amended, SS&C provides certain administration and accounting services to the Fund and the Partnership and RIC, and acts as the registrar and transfer agent in respect of Unitholders who have subscribed outside of FundSERV.

RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities laws in certain jurisdictions of Canada provide purchasers, 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 purchaser within the time limits prescribed by the applicable securities laws. Each purchaser 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 purchasers 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 purchaser 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 purchaser 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 purchaser 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 purchaser may have at law; (b) has a right of action for damages against (i) the Partnership, and (ii) each person who signed this Offering Memorandum (each a “**Signatory**” and collectively, the “**Signatories**”). If a purchaser elects to exercise a right of rescission against the Partnership, the purchaser will have no right of action for damages against the Fund 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 Fund 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 Fund not later than the earlier of (i) 180 days from the date the purchaser 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 Fund or a Signatory will not be held liable under this paragraph if the Signatory or the Fund proves the defendant purchased the Units with knowledge of the misrepresentation; (b) in an action for damages, the Fund 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 purchaser.

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 purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights the purchaser may have at law: (a) a right of action for damages against (i) the Fund, (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 Fund. If a purchaser elects to exercise

a right of rescission against the Fund, the purchaser will have no right of action for damages against the Fund, 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 Fund, the Trustees and the Signatories will not be liable if they prove that the purchaser purchased the Units with knowledge of the misrepresentation.

All of the Fund, 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 purchaser without their knowledge or consent and, after becoming aware that it was sent, promptly gave reasonable notice to the Fund 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 Fund 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 Fund, 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 purchaser 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 Fund or any dealer who did not comply with the requirement.

A purchaser 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 Fund not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the 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 purchaser 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 purchaser 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 purchasers 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 purchaser 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 purchaser 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 purchaser 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 Fund for damages or, while still the owner of Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser 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 Fund 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 Fund unless the misrepresentation (i) was based on information that was previously publicly disclosed by the Fund, (ii) was a misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Fund before the completion of the distribution of the Units being distributed.

In addition, if advertising or sales literature is relied upon by a purchaser in connection with a purchase of Units and such advertising or sales literature contains a misrepresentation, the purchaser shall also have a right of action for damages or rescission against every promoter of the Fund or the Trustees at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective purchaser 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 purchaser 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 purchaser, that individual notified the purchaser that the individual’s statement contained a misrepresentation.

Neither the Fund 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 Fund or such other person proves that the purchaser 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 Fund 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 Fund, 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 purchaser, 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 Fund, 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 Fund 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 purchasers 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 purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, (a) a statutory right of action for damages against (i) the Fund, (ii) every Trustee at the date of the offering memorandum, and (iii) every person or the Fund who signed the offering memorandum; and (b) for rescission against the Fund.

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 purchaser purchased the Units with knowledge of the misrepresentation; (b) where the person or company proves that the offering memorandum was sent to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the knowledge and consent of the person or company; (c) if the person or the Fund 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 Fund 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 purchaser 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 purchasers 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 purchaser 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 seller of such securities, the directors of the seller 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 seller, in which case the purchaser will have no right of action for damages against the seller, the directors of the seller 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 purchaser 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 purchaser 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 purchaser.

In addition, no person or company (other than the issuer if it is the seller) 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 purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent; (b) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, 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 seller) 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 purchasers 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 purchaser resident in Ontario shall have, in addition to any other rights the purchaser may have at law, a right of action for damages or rescission against the Fund 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 purchaser relied on the misrepresentation. Purchasers 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 purchaser 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 purchaser 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 purchaser 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 Fund 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 purchaser 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 purchaser of Units and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time of purchase of the Units, the purchaser will have statutory right of action for damages against the Fund and a selling security holder on whose behalf the distribution is made or, while still the owner of the Units, for rescission against the Fund and a selling security holder on whose behalf the distribution is made, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund 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 purchaser 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 purchaser 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: (i) 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 (ii) 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 purchaser; 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 purchaser 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 purchaser who purchased securities during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Fund, 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 purchaser while still the owner of Units may elect to exercise a statutory right of action for rescission against the Fund 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 purchaser are subject to the following limitations: (a) no action shall be commenced to enforce the right of action for rescission by a purchaser 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 purchaser 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 purchaser purchased the Units with knowledge of the misrepresentation; (d) no person other than the Fund and selling security holder will be liable if the person proves that (i) the offering memorandum was sent to the purchaser 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 Fund 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 Fund 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 purchaser elects to exercise a right of action for rescission, the purchaser 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 purchaser.

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 purchasers 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 purchaser and it contains a misrepresentation (for the purposes of this section, as defined in the SSA), a purchaser who purchases securities covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Fund or a selling security holder on whose behalf the distribution is made or has a right of action for damages against: (a) the Fund or a selling security holder on whose behalf the distribution is made; (b) every promoter of the Fund 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 Fund 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 purchaser elects its right of rescission against the Fund 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 Fund 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 purchaser purchased the Units with knowledge of the misrepresentation.

In addition, no person or company, other than the Fund 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 to be made on the authority of an expert, or purporting to be a copy of, or an extract from, 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 purchaser 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 purchaser has, without regard to whether the purchaser 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 purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser 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 purchaser 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 purchaser enters into an agreement to purchase the securities, as required by section 80.1 of the SSA.

Not all defences upon which the Fund 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 purchaser 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 purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser 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 purchaser of Units resident in the Northwest Territories, Nunavut or the Yukon contains a misrepresentation, a purchaser in such jurisdictions who purchases the Units during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (i) the Fund, (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 purchaser may elect to exercise a statutory right of action for rescission against the Fund or the selling security holder on whose behalf the distribution was made, in which case, the purchaser shall have no right of action for damages against the Fund, the selling security holder, the directors 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 Fund, and every Trustee at the date of the Offering Memorandum who is not a selling security holder, will not be liable if the Fund does not receive any proceeds from the distribution of the Units and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation was (a) based on information that was previously publicly disclosed by the Fund; (b) a misrepresentation at the time of its previous disclosure; and (c) not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the Units.

Any person, including the Fund and the selling security holder, will not be liable for a misrepresentation: (a) if the person proves that the purchaser 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 purchaser.

A person, other than the Fund 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 purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the Fund 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 Fund 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 Fund 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 Fund 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, (i) 180 days after the plaintiff 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.

Other Rescission Rights

In certain provinces a purchaser 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 purchaser as described below, the amount a purchaser 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 purchaser who has exercised this right of rescission for the amount of sales charges and fees relevant to the investment of the purchaser in the Fund in respect of the Units for which the written notice of the exercise of the right of rescission was given.

Purchasers must exercise these rights within the prescribed time limits under applicable securities legislation. Purchasers 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 purchaser resident in British Columbia or Québec who purchased Units under this Offering Memorandum, or a purchaser 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 purchaser's subscription in respect thereof, purchasers 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 purchasers resident in Ontario under the OSA.

RISK FACTORS

In addition to factors set forth elsewhere in this Offering Memorandum, 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.

Investment Risks

An investment in the Fund involves risks, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment program will be successful or that it will achieve its objective. Some investments may be particularly sensitive to economic, market, industry and other variable conditions. The markets in which the Partnerships expect 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 Partnerships and, consequently, the Fund.

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 interests in the Intermediate LP owned by Liberty LP, and interests in the Master Fund owned by the Intermediate LP. 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 Fund is not a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Units are redeemable at the option of the holder, but only under certain circumstances. See Rights and Characteristics of the Units.

"Mutual Fund Trust" Status

It is intended that the Fund continue to 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 Fund 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 Fund ceases to qualify as a "mutual fund trust", the Units will 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 Fund 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 Fund and states that the assets of the Fund only are intended to be liable and subject to levy or execution for satisfaction of Fund 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 Fund is the sole limited partner of the Partnership, with the goal of providing enhanced liability protection for Unitholders. As a result of this structure, no business operation will be conducted by the Fund and the liability of the Fund is intended to be limited to its capital contribution as a limited partner in the Partnership.

Notwithstanding the above, to the extent that claims are not satisfied by the Fund, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of the Fund where the liability is not disclaimed in the contracts or arrangements entered into by the Fund with third parties. Personal liability may also arise in respect of claims against the Fund 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 Fund’s management to be remote due to the nature of the Fund’s activities as beneficiary and creditor. In the event that payment of a Fund obligation is required to be made by a Unitholder, such Unitholder is entitled to reimbursement from the available assets of the Fund.

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.

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.

US Mortgage Loans

The Partnership intends to obtain economic interests in US Mortgage Loans primarily by virtue of its indirect investment in the Master Fund. While the investment objectives and policies of the Master Fund have been designed to replicate those of the Partnership, Unitholders will, collectively, be only one of many limited partners in the Intermediate LP, the sole limited partner of the Master Fund. See [US Mortgage Loans - Partnership’s Exposure to US Mortgage Loans](#).

Limited Operating History and Dependence on Key Personnel

Although RIC has substantial investment experience and a relatively long operating history, the Master Fund, the Master Fund General Partner and RIC US have limited histories upon which a prospective investor may base its investment decision. The past performance of the strategies and products managed by RIC is no guarantee of future performance.

Dilution

The number of Units the Fund is authorized to issue is 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 Fund's proposed objectives. In addition to alternate financing sources, the Fund 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 Fund.

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 Fund. Although approval of the Unitholders is required for certain matters, Unitholders have no right to take part in the management of, or the stated purpose of the Fund and the Fund 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 Fund for the entire period during which it requires the provision of their services.

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 Partnerships expects that the aggregate yield on Mortgage Loan investments may also change.

Changes in the Economy and Credit Markets

The success of the Partnerships' 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 Partnerships' 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 their investments and the availability of certain investments. Volatility or illiquidity could impair their profitability or result in losses. The Partnerships 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 Partnerships from lenders on favourable terms will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Partnerships. Market disruptions may from time to time cause dramatic losses for the Partnerships, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Market Disruptions; 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 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 RIC US. The Dodd-Frank Act may directly affect RIC US 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 COVID-19 pandemic has contributed to nearly unprecedented volatility and uncertainty in global markets, including North American real estate and financial services. While vaccine distribution has accelerated in certain

regions, including the U.S., and, at a slower rate, Canada, 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 Partnership, Master Fund, borrowers, sponsors and other key participants operate. While economic activity in certain market sectors and regions in which the 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 to the Fund's performance, recent financial results for the Fund were affected, and future financial results may be materially and adversely affected.

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 Partnerships' ability to vary the Mortgage Portfolio promptly in response to changing economic or investment conditions. The Partnerships' direct and indirect investments in 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, even where reported on an "as is" basis are not necessarily reflective of the market value of the underlying Real Property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or lease-up improvements on the Real Property providing security for the investment. There can be no guarantee that these conditions will be satisfied and if, and to the extent, they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real property at the time the conditions are satisfied.

The Fund'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 Partnerships were unable to invest their funds, directly or indirectly, 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

The Partnerships, and therefore indirectly the Fund, are exposed to adverse developments in the business and affairs of RIC, 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 Partnerships to make investments in accordance with their 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. RIC must render its services under the Mortgage Origination and Capital Raising Agreement honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Mortgage Origination and Capital Raising Agreement in a conscientious, reasonable and competent manner. However, the services of RIC, the directors and officers of RIC and the members of its credit committee are not exclusive to the Partnerships. RIC, its directors and officers, its Affiliates, members of its credit committee and their Affiliates may, at any time, engage in promoting or managing other entities or their investments including those that may compete directly or indirectly with the Partnerships, and RIC has sole discretion in determining which Mortgage Loans and other Authorized Investments it will make available to the Partnerships for investment.

RIC US must render its services under the Master Fund Services 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 RIC US are not exclusive to the Master Fund. RIC US, its management, and their Affiliates may, at any time, engage in promoting or managing other entities or their investments including those that may compete directly or indirectly with the Master Fund, and RIC US has sole discretion in determining which Mortgages Loans and other Authorized Investments it will make available for investment. RIC US is obligated to give

the Master Fund, the first opportunity to invest in US Mortgage Loans identified and reviewed by it. See Conflicts of Interest.

Reliance on the General Partner/Master Fund General Partner

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 General Partner and those advisors appointed by the General Partner to assess the acquisition and disposition of the Partnership's Authorized Investments in Canada and, potential investors should also be aware that they will be relying on the good faith, experience and judgment of management of the Master Fund General Partner and those advisors appointed by the Master Fund General Partner to assess the acquisition and disposition of the Master Fund's Authorized US Investments. Although Authorized Investments and Authorized US Investments, as the case may be, 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 Partnerships from such investments.

Loan Facility

The Partnership utilizes a loan facility primarily to bridge timing differences between Authorized Investment funding and cash availability from the Fund or to provide funding for redemptions in the ordinary course. Neither Partnership intends to borrow more than 35% of the value of its mortgage portfolio at any time. The purpose of such borrowings is not to enhance Partnership returns. However, although such borrowings may increase returns if a greater return is earned on any incremental investments made with borrowed funds than the cost of such funds, the use of such borrowings may decrease returns if the return on such incremental investments is less than the cost of such funds. When borrowing funds, the level of interest rates generally, and the rates at which the Partnerships can borrow in particular, will be expenses of the Partnerships and therefore affect the operating results of the Fund.

The lender(s) under the loan facility will have a security interest over the assets of the Partnership which rank ahead of the interest of the Unitholders (the Fund being the sole limited partner of the Partnership). If for some reason such loan facility is in default, the assets of the Partnership will be used to repay the loan facility which may prejudice the day-to-day operation of the Partnership and consequently the Fund.

It is anticipated that the Master Fund will obtain one or more loan facilities for the same purpose the Partnership maintains its loan facility. The same risks will apply to the Master Fund.

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 Partnership 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 Partnerships 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 Partnerships may be unable to advance some or all of the funds

required to be advanced pursuant to the terms of such 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 Partnerships could therefore be forced to commence enforcement proceedings. The recovery of a portion of the Partnerships' 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 Partnerships' rights. Legal fees and expenses and other costs incurred by the Partnerships 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 Partnerships.

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 Partnerships may therefore be required to incur such expenditures to protect their investments, even if the borrower is not honouring its contractual obligations.

Subordinated Mortgage Loans

Some of the Mortgage Loans in which the Partnerships invest, directly or indirectly, may be considered to be riskier than First Mortgage Loans because the Partnerships 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 Fund, RIC, RIC US and/or the Partnerships may, from time to time, become involved in legal proceedings in the course of their businesses. 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 Partnerships may not be receiving Mortgage Loan payments, thereby impacting cash flows. The unfavourable resolution of any legal proceedings could have an adverse effect on the Fund and its financial position and results of operations that could be material.

Significant Redemptions of Units

Units are redeemable by the Unitholder as described under Description of Units – Unitholder Redemption Rights. The Fund has the right to defer a redemption payment if the aggregate number of Units tendered for redemption on a particular Redemption Date exceeds 1% of the Units outstanding on such Redemption Date. In extraordinary circumstances where the aggregate number of Units tendered for redemption on a particular Redemption Date exceeds 3%, the Trustees are entitled to modify or suspend Unitholder redemption rights. Consequently, a Unitholder may be required to wait for up to 6 months, or longer, to receive redemption proceeds.

Although limited partners of the Intermediate LP have withdrawal limitations, substantial withdrawals by one or more limited partners 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.

Designated Investments

Limited partners in the Master Fund 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 Fund General Partner otherwise determines that it should not be treated as a "Designated Investment". Due to such withdrawal limitations, a limited partner's indirect investment in the Master Fund 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.

Master Fund Governance

The Master Fund is a separate legal entity from the Fund and, as noted in this Offering Memorandum (see US Mortgage Loans – Master Fund Relationship with Fund), has indirect stakeholders other than the Fund. Such other stakeholders may, in the future, individually or collectively, represent the requisite majority of indirect equity interests in the Master Fund required to, among other things, amend the investment guidelines and/or operating policies of the Master Fund in a manner that may not be aligned with the investment guidelines and/or operating policies of the Fund.

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 prior written notice to the Unitholder. Such mandatory redemption may create adverse tax and/or economic consequences to the Unitholder.

Competition

The Partnerships will be competing for Mortgage Loans with Persons who are seeking investments similar to those desired by the Partnerships. Many of these investors will have greater financial resources than those of the Partnerships, or operate without the investment or operating restrictions of the Partnerships 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 for Real Property investments, thereby increasing purchase prices and reducing the yield on such investments. While the Trustees do 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 Partnerships.

Changes in Regulatory Regime

There can be no assurances that certain laws applicable to the Fund, the Partnerships and/or RIC or RIC US, including, without limitation, mortgage lender and brokerage laws and securities laws, will not change in a manner that will adversely affect them.

Environmental and Other Regulatory Matters

Although 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 Partnerships 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 Real 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 Partnerships follows the environmental programs of RIC and RIC US, 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.

Currency Risk

There is a risk that changes in the value of the Canadian dollar, compared to the U.S. dollar, will affect the value of the Fund and the amount of Canadian-dollar income flowing thereto. The Partnership engages in hedging strategies to mitigate this risk. To the extent the Fund offers, directly or indirectly, units denominated in other currencies, the Fund has no present intention of engaging in hedging strategies to mitigate against changes to the value of the Canadian dollar against such currencies. See Investment and Operating Policies of the Partnership.

Systems and Operational Risks

The Fund and the Partnerships depend on RIC and RIC US to develop and implement appropriate systems for their activities. The Partnerships and the 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 their activities. In addition, they rely on information systems to store sensitive information. Certain of their activities will be dependent upon systems operated by third parties, including the administrators, market counterparties and other service providers, and RIC and RIC US may not be in a position to adequately verify the risks or reliability of such third-party systems. Failures in the systems employed by RIC and RIC US, 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 their operations or breach of the Partnerships' or 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 Partnerships or the Fund and their limited partners, and Unitholders, respectively.

Reserves

Under certain circumstances, the Partnerships 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 applicable Partnership, 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 Partnerships will be used to pay such amounts and the applicable Partnership 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 Partnerships' net asset values, an incorrect reserve will impact the subscription prices for limited partnership units purchased by the Fund and Liberty LP.

Retention of Key Personnel

The performance of the Partnerships and the Fund is largely dependent on the talents and efforts of highly skilled individuals retained by RIC, RIC US or their Affiliates. Such success 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 ability to attract and retain talented professionals and other staff. There can be no assurance that RIC's and RIC US' professionals will continue to be associated with them throughout the life of the Partnerships, and the failure to attract or retain such professionals could have a material adverse effect on the Partnerships and the Fund and their investors, including, for example, by limiting the 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 Fund, the Partnership, Liberty LP, 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., Liberty LP would possibly be subject to U.S. federal income tax on their 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 Liberty LP is eligible for the reduced branch profits tax rate under the Treaty. Any U.S. federal income tax paid by Liberty LP 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 Fund makes the appropriate designations. Any federal income tax payable would have an adverse effect on the cash flow of the Fund available for distribution to Unitholders. In addition, any FDAP income would be subject to 30% withholding by the Intermediate LP, potentially reduced if the Fund is eligible for a reduced withholding tax rate under the Treaty, and if certain documentation is provided by the Fund.

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 Liberty LP, 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 Liberty LP, 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, 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 Fund, the Partnership, Liberty LP, and the Master Fund in such states could create a sufficient nexus to such states to be subject to state taxes. Although the Fund intends that the affairs and activities of the Fund and 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 Fund or such entities are 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 Liberty LP or any related entity or owner 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 Fund makes the appropriate designations. Any state tax payable would have an adverse effect on the cash flow of the Fund 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 Fund and RIC 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 Fund and RIC 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 Fund and RIC 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 Fund's and RIC's due diligence and reporting obligations under FATCA and CRS will not apply with respect to Registered Plans. If RIC or the Fund 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 Fund and RIC, 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 Fund, 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.

Electronic Delivery of Information

Fund information and information with respect to a Unitholder's investment in the Fund 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 Fund 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 RIC 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 Fund indirectly invests, counterparties with which the Fund indirectly 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 such 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 Fund 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 Fund or Unitholders. The Fund 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 Fund, the Partnerships, the Trustees and the General Partner, RIC and RIC US do not represent any Unitholder in the Fund.

Valuation

Valuations of the Partnerships' and the 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 most likely not be listed on established exchanges, which may make a determination of the fair value difficult to accurately determine. Third party pricing information may at times not be available. Valuation determinations made by the Trustees, the General Partner and/or the Master Fund General Partner, which will be conclusive and binding, may affect the amount of the Master Fund Services Fee and the Mortgage Origination and Capital Raising Fee.

Risk Rating

The Trustees have determined that if the Fund was subject to risk-rating requirements, it would rate the Fund's investment risk as "Medium".

The Trustees have identified the investment risk level of the Fund as an additional guide to help prospective investors and their advisors determine whether an investment in the Fund is suitable for the investor. While the Fund is not considered an investment fund, and is not subject to the requirements *National Instrument 81-102 - Investment Funds* ("NI 81-102"), the Trustee's determination of the investment risk rating for the Fund was guided by the Investment Risk Classification Methodology in Appendix F of NI 81-102, which is applicable to mutual funds and exchange-traded funds that are reporting issuers. NI 81-102 employs the historical volatility of a fund as measured by the standard deviation of its performance as a measurement of risk. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a fund's relative volatility and related risk. Standard deviation is widely used to measure the volatility of investment returns. In the NI 81-102 standardized methodology, a fund's risk is measured using a rolling 10-year standard deviation of monthly returns. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the measurement period. However, prospective investors should be aware that other types of risk, both measurable and non-measurable, may exist (see Risk Factors). Additionally, just as historical performance may not be indicative of future returns, the Fund's historical volatility may not be indicative of its future volatility. In accordance with the methodology described above and comparing the calculated standard deviation of the Fund to the standard deviation range as recommended by the Canadian Securities Administrators, the Trustees have rated the Fund's investment risk as "Medium".

As noted above, the Fund is not an investment fund and therefore it is not subject to certain requirements of NI 81-102. Similarly, the Fund is not a reporting issuer in any jurisdiction and therefore it is not subject to certain requirements imposed on reporting issuers. Consequently, it is important to note that, notwithstanding the

determination by the Trustees that the investment risk rating for the Fund is “Medium”, securities regulators may arrive at a different determination. Standard deviation of monthly returns is just one method of determining risk. Potential investors should consult with their professional advisors to ensure they are fully aware of the risks inherent in investments in Units.

CONFLICTS OF INTEREST

See also: Declaration of Trust – Conflict of Interest Restrictions and Provisions for Trustees and Offering – Connected Issuer.

Various potential conflicts of interest exist between the Fund, its Trustees, the Partnership, the General Partner, Liberty LP, Liberty GP, the Master Fund General Partner, the Master Fund, the Intermediate General Partner, the Intermediate LP, the Canadian Feeder Fund, the Canadian Feeder Fund General Partner, the Offshore Fund, the US Feeder Fund, RIC and RIC US. 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 Fund, the Partnership, the Intermediate LP, the Master Fund, the Canadian Feeder Fund, the Offshore Feeder Fund and their respective unitholders and partners generally. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to, among other things, disclose material interests in material contracts and transactions of the Fund. Additionally, the Master Fund Partnership Agreement requires the approval of the Master Fund’s 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.

Each of the General Partner, the Intermediate General Partner, the Canadian Feeder Fund General Partner and Liberty GP are subsidiaries of RIC. 2 of the 4 Trustees hold significant indirect equity interests in, or exercise control and direction over, RIC. RIC is the sole limited partner of RIC US.

The Trustees, in aggregate, exercise control and direction, directly or indirectly, over approximately 2.40% of the outstanding Units (as at September 30, 2019). See Declaration of Trust – Trustees.

The Fund and the Partnership rely on RIC to manage the business of the Fund, and the Partnership and on RIC US to oversee the management of the business of the Master Fund, and to provide managerial skill. The directors and officers of RIC and RIC US may have a conflict of interest in allocating their time between the respective businesses and interests of RIC, RIC US, the Fund, the Master Fund and the Partnership and other businesses or projects in which they may become involved. Whenever a conflict of interest arises between the Partnership and/or the Fund, on the one hand, and RIC on the other hand, or between the U.S. Partnership or the Master Fund, on the one hand, and RIC US, 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.

RIC and RIC US, their officers, directors, employees, agents or shareholders and their Affiliates and Associates are not 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 Fund. Such other business activities may involve transactions which conflict with the interests of the Fund, the Partnership, or the Master Fund. None of the Fund, the Partnership, or the Master Fund has entered into any non-competition agreements with any Person. Similarly, RIC and RIC US do not have any non-competition agreements with their directors, officers, agents and employees. Accordingly, any one or more of RIC or RIC US and their directors, officers, agents and employees may compete with or otherwise have a conflict of interest in carrying out its obligations to the Fund.

RIC has entered into the Mortgage Origination and Capital Raising Agreement with the Partnership and the Fund and is entitled to earn the Mortgage Origination Fees and the Lender/Broker Fees in connection with the provision of Mortgage Origination Services, and Capital Raising Fees, in connection with the provision of Capital Raising Services. See Mortgage Origination and Capital Raising Agreement. In respect of the Master Fund, RIC US has entered into the Master Fund Services Agreement and is entitled to a services fee. See US Mortgage Loans – Services Agreement. RIC is also entitled to a

As noted under Offering – Connected Issuer, RIC is a registered exempt market dealer which provides Capital Raising Services to the Fund for a fee pursuant to the Mortgage Origination and Capital Raising Agreement. Such fee is calculated with reference to the outstanding principal balance of Mortgage Loans beneficially owned or held directly by the Partnership and with reference to the fair market value of non-Mortgage Loan Partnership investments beneficially owned or held directly or indirectly by the Partnership. RIC 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, RIC does not receive commissions in respect of the issuance of Units under the Offering.

In October 2018, TIG, through an affiliated entity, acquired a minority interest in RIC. TIG has entered into services agreements with RIC and with RIC US pursuant to which TIG earns fees commensurate with the magnitude of its minority interest in RIC. 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 Fund, the Partnership, or the Master Fund. TIG and the members of the senior management team of RIC which own, indirectly, the balance of equity interest in RIC, 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 November 8, 2022.

ROMSPEN MORTGAGE INVESTMENT FUND

(SIGNED) SHELDON C. ESBIN
Chairman of the Board of Trustees

(SIGNED) ARTHUR E. RESNICK
Trustee

(SIGNED) WESLEY N. ROITMAN
Trustee

(SIGNED) MARK L. HILSON
Trustee

