

# CONFIDENTIAL OFFERING MEMORANDUM

No. \_\_\_\_\_

*This confidential offering memorandum (the “Offering Memorandum”) constitutes an offering of the securities described herein only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or an advertisement or a public offering of these securities. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum nor has it in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in Canada in connection with the securities offered hereunder.*

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

Continuous Offering



July 11, 2018

## NINEPOINT ALTERNATIVE INCOME FUND

Class A, Class F and Class I trust units (collectively, the “Units”) of Ninepoint Alternative Income Fund (formerly Sprott Alternative Income Fund) (the “Fund”) are being offered on a private placement basis pursuant to exemptions from the prospectus requirements and, where applicable, the registration requirements under applicable securities legislation. Units are being offered on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a minimum initial subscription amount of \$5,000 if the subscriber qualifies as an “accredited investor” under applicable securities legislation. If the subscriber does not qualify as an “accredited investor” then the minimum initial subscription amount for Units is \$150,000 pursuant to the “minimum amount investment” exemption under National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”); provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the “minimum amount investment” exemption. Ninepoint Partners LP (the “Manager”), the manager of the Fund, may, in its sole discretion, accept subscriptions for lesser amounts provided such subscribers are “accredited investors” under applicable securities legislation. Units will be offered at the net asset value (“Net Asset Value”) per Unit for the applicable class (determined in accordance with the trust agreement dated as of August 31, 2016 (the “Trust Agreement”), as the same may be amended, restated or supplemented from time to time) as at the relevant Valuation Date (as hereinafter defined). Units are only transferable with the consent of the Manager and in accordance with applicable securities legislation.

**Units are subject to restrictions on resale under applicable securities legislation, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities legislation. As there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them other than by way of a redemption of their Units on a Valuation Date. Units may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Trust Agreement at the close of business on a Valuation Date, provided the request for redemption is submitted to the Manager at least 30 calendar days prior to such Valuation Date.**

**The Units offered hereby are distributed exclusively by the Fund by way of a private placement. Investors should carefully review the risk factors outlined in this Offering Memorandum. Investors are urged to consult with an independent legal advisor prior to signing the subscription form for the Units which accompanies this Offering Memorandum. Investors relying on this Offering Memorandum must comply with all applicable securities legislation with respect to the acquisition or disposition of Units.**

**SP Wealth LP is a registered investment dealer participating in the offering of the Units to its clients for which it will receive a service commission with respect to Class A Units. In addition, the Fund and the Portfolio Funds may execute a portion of their portfolio transactions through SP Wealth LP. The Fund and the Portfolio Funds may be considered to be “connected issuers” and “related issuers” of SP Wealth LP and the Manager under applicable securities legislation. SP Wealth LP, 2573323 Ontario Inc. (the general partner of SP Wealth LP), the Manager and Ninepoint Partners GP Inc. are controlled, directly or indirectly, by the same group of individuals. See “Conflicts of Interest”.**

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## SUMMARY

*Prospective investors are encouraged to consult with their own professional advisors as to the tax and legal consequences of investing in the Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum and the Trust Agreement.*

**The Fund:** Ninepoint Alternative Income Fund (the “**Fund**”) is an open-ended unincorporated investment trust established under the laws of the Province of Ontario pursuant to the trust agreement dated as of August 31, 2016 (the “**Trust Agreement**”), as the same may be amended, restated or supplemented from time to time. See “The Fund”.

**The Manager:** Ninepoint Partners LP (in such capacity, the “**Manager**”) is the manager of the Fund. The Manager is a limited partnership formed and organized under the laws of the Province of Ontario. The Manager is responsible for the day-to-day business and administration of the Fund, including management of the Fund’s investment portfolio. The Manager is also the manager of each of the Portfolio Funds (as defined below). See “Management of the Fund – The Manager”.

**The Trustee:** Pursuant to the Trust Agreement, RBC Investor Services Trust (in such capacity, the “**Trustee**”) is the trustee of the Fund. The Trustee is a trust company continued under the federal laws of Canada. See “Trustee”.

**Investment Objective and Strategy of the Fund:** The investment objective of the Fund is to seek to provide investors with exposure to alternative strategies that generate superior income and long term capital growth. The Fund’s investment strategy will be to mirror the performance of the credit-based products (the “**Portfolio**”) held by select other underlying investment vehicles (each individually, a “**Portfolio Fund**” and collectively, the “**Portfolio Funds**”), including underlying mutual funds, investment companies, pooled funds and closed-end funds managed by the Manager and/or its affiliates and associates. Portfolio Funds will be selected with consideration for each Portfolio Fund’s investment objectives and strategies, past performance and volatility, among other factors. As at the date of this Offering Memorandum, the current Portfolio Funds are Ninepoint Bridging Income Fund LP (formerly Sprott Bridging Income Fund LP), Ninepoint-TEC Private Credit Fund (formerly Sprott-TEC Private Credit Fund), Ninepoint Credit Income Opportunities Fund (formerly Sprott Credit Income Opportunities Fund), Ninepoint Diversified Bond Fund (formerly Sprott Diversified Bond Fund) and Ninepoint Canadian Senior Debt Fund (formerly Sprott Canadian Senior Debt Fund). The Fund will invest directly in securities of each of the Portfolio Funds in unequal amounts subject to the Manager’s sole discretion. The Manager, or an investment committee of the Manager, will determine the allocation of Fund assets to each Portfolio Fund from time to time in its sole discretion. Some or all of the Fund’s assets may from time to time be invested in cash or other investments as the Manager may deem prudent in the circumstances. See “Investment Objective and Strategy of the Fund” and “Investment Restrictions of the Fund”.

The Manager has received exemptive relief from securities regulatory authorities from certain requirements under applicable securities legislation to permit the Fund to invest in securities of related persons or companies (each individually, a “**Related Issuer**” and collectively, the “**Related Issuers**”). Each purchase of securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of such Related Issuers. Furthermore, the independent review committee of the Fund must approve the purchase or sale of securities of such Related Issuers by the Fund in accordance with section 5.2 of National Instrument 81-107 *Independent Review Committee for Investment Funds*. Not later than the 90<sup>th</sup> day after the end of each financial year of the Fund, the Manager will file with the applicable securities regulatory authority the particulars of any such investments on behalf of the Fund.

**Loan Facilities**

The Fund may enter into loan facilities with one or more lenders. The Manager views the loan facilities as being able to provide liquidity in the event of Unitholder redemptions.

See “Investment Objective and Strategy of the Fund – Loan Facilities”.

**The Portfolio Funds:**

As at the date of this Offering Memorandum, the current Portfolio Funds are Ninepoint Bridging Income Fund LP, Ninepoint-TEC Private Credit Fund, Ninepoint Credit Income Opportunities Fund, Ninepoint Diversified Bond Fund and Ninepoint Canadian Senior Debt Fund, each of which is managed by the Manager.

Unitholders may receive from the Manager, on request and free of charge, a copy of the offering memorandum, annual audited financial statements and interim financial reports relating to each Portfolio Fund in which the Fund invests.

*Investment Objective and Strategy of Ninepoint Bridging Income Fund LP*

The investment objective of the Ninepoint Bridging Income Fund LP is to achieve superior risk-adjusted returns for Limited Partners with minimal volatility and low correlation to most traditional asset classes. In general, the investment strategy seeks to invest in an actively managed portfolio comprised of (i) asset-based loans primarily to Canadian and U.S. based companies that have good quality collateral (“**Asset-Based Investments**”) and (ii) factored accounts receivable and inventory financing primarily to Canadian and U.S. based companies and Canadian federal and provincial tax credit financing (“**Factoring Investments**”). The portfolio will include only Asset-Based Investments that are fully collateralized based on liquidation values and/or potential cash flow events. For Asset-Based Investments, the portfolio strategy emphasizes liquidation values over reliance on future cash flows. The portfolio strategy involves a fundamental analysis that identifies good companies that are overlooked by the general financing community and targets diversification through asset type, investment size and industry. Factoring Investments will be well diversified by industry, sector and size according to underwriting standards determined by Bridging Finance Inc., the co-manager of this Portfolio Fund. Each investment follows a rigorous documentation process that is managed by the independent credit function of the co-manager. This Portfolio Fund may also make incidental investments in assets such as promissory notes, convertible debentures, warrants and other “equity sweeteners” issued in connection with the primary investments.

*Investment Objective and Strategy of Ninepoint-TEC Private Credit Fund*

To achieve its investment objective the Ninepoint-TEC Private Credit Fund intends to allocate capital to invest in a portfolio that will employ various credit strategies across the credit quality spectrum. This Portfolio Fund will hold actively managed asset-based loans that will be focused on private and public companies in Canada and/or the United States that are unable to access traditional financing.

*Investment Objective and Strategy of Ninepoint Credit Income Opportunities Fund*

The investment objective of the Ninepoint Credit Income Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund seeks to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain. The securities comprising the portfolio will be selected by the investment manager based on its assessment of the markets and potential investment opportunities. This Portfolio Fund may employ the use of derivative instruments and currency hedging from time to time to hedge against losses from movements in fixed income and equity markets or to realize additional gains. In addition, government bonds may be sold short to reduce interest rate risk.

*Investment Objective and Strategy of Ninepoint Diversified Bond Fund*

The Ninepoint Diversified Bond Fund's investment objectives are to maximize total return and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world. To achieve its investment objectives, this Portfolio Fund takes a flexible approach in investing in debt instruments and debt-like securities (such as convertible bonds) and the allocation depends on the investment manager's view of economic and market conditions. In addition, the investment manager selects investments in an effort to take advantage of the credit cycle and the differences in currencies, interest rates and credits between countries based on global macroeconomic and political analysis. There are no restrictions on the credit rating of the securities of this Portfolio Fund and the investment manager may invest a significant portion of this Portfolio Fund's assets in non-investment grade and high yield debt securities. The investment manager may also invest a portion of this Portfolio Fund's assets in exchange-traded funds to gain exposure to the securities described herein. This Portfolio Fund's holdings are denominated in foreign currencies and the currency exposures will be actively managed and will be generally hedged back to the Canadian dollar as the investment manager deems appropriate. Capital is allocated based on the investment manager's assessment of anticipated market opportunities and expected risk reward profile. This Portfolio Fund's portfolio is monitored and rebalanced intra-day as appropriate using both qualitative and quantitative measures. In particular, the portfolio is reviewed under different stress testing scenarios.

*Investment Objective and Strategy of Ninepoint Canadian Senior Debt Fund*

The investment objective of the Ninepoint Canadian Senior Debt Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility. To achieve its investment objective this Portfolio Fund intends to invest substantially all of its assets in non-voting shares of Ninepoint Canadian Senior Debt Feeder Fund Ltd. (the "**Feeder Fund**"), a Cayman Islands exempted company, which will in turn invest substantially all of its assets in shares of Ninepoint Canadian Senior Debt Master Fund LP (the "**Master Fund**"), a Cayman Islands exempted limited partnership. As a result, the performance of this Portfolio Fund will be dependent on the performance of the Feeder Fund, which in turn will be dependent on the performance of the Master Fund.

The Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured loans to Canadian companies. Loans comprising the portfolio will be fully supported by senior liens on collateral assets of the borrower companies. Such companies will also have capable management teams, strong fundamentals, visible potential cash flow and, if necessary, strong liquidation or break-up values.

See "The Portfolio Funds".

**Investment Guidelines and Restrictions:**

As the Fund will be investing in each of the Portfolio Funds, the Fund will indirectly be subject to the investment guidelines and restrictions of each Portfolio Fund.

The Fund is also subject to a number of general investment restrictions. See "Investment Restrictions of the Fund".

**The Offering by the Fund:**

A continuous offering of Class A units, Class F units and Class I units of the Fund (collectively, the "**Units**"). There need not be any correlation between the number of Class A Units, Class F Units and Class I Units sold hereunder. The differences among the three classes of Units are the different eligibility criteria, fee structures and administrative expenses associated with each class. However, classes of Units may not necessarily track or reflect such differences given certain differences with respect to the securities and fee structure of a Portfolio Fund. See "Description of Units of the Fund" and "Fees and Expenses".

Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of classes of Units and an unlimited number of Units in each such class. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular class has equal rights to each other Unit of the same class with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. See “Description of Units of the Fund”.

Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) on a Valuation Date will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to unitholders of the Fund (individually, a “**Unitholder**” and collectively, the “**Unitholders**”). See “Details of the Offering by the Fund”.

**Personal Investment Capital:** Certain directors, officers and employees of the Manager and/or its affiliates and associates may purchase and hold Units of the Fund and units of one or more of the Portfolio Funds, and the securities of certain of the portfolio companies held by such funds from time to time. See “Conflicts of Interest”.

**Valuation Date:** The net asset value (“**Net Asset Value**”) of the Fund and the Net Asset Value per Unit of each class will be calculated on the last business day (that is, the last day on which the Toronto Stock Exchange is open for trading) of each month and on such other business day or days as the Manager may in its discretion designate (each, a “**Valuation Date**”).

**Price:** Units will be offered at a price equal to the Net Asset Value per Unit for the applicable class of Units on each Valuation Date (determined in accordance with the Trust Agreement). See “Computation of Net Asset Value of the Fund”.

**Minimum Initial Subscription:** Units are being offered to investors resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon (the “**Offering Jurisdictions**”) pursuant to exemptions from the prospectus requirements under section 2.3 under National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or Section 73.3 of the *Securities Act* (Ontario), as the case may be (in each case, the accredited investor exemption), and section 2.10 (minimum amount investment exemption) under NI 45-106 and, where applicable, the registration requirements under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”). Units will not be issued to individuals under section 2.10 of NI 45-106 (minimum amount investment exemption). See “Details of the Offering by the Fund”.

Units are being offered by the Fund on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the “accredited investor” exemption is \$5,000. The minimum initial subscription amount for persons relying on the “minimum amount investment” exemption is \$150,000; provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the “minimum amount investment” exemption. At the sole discretion of the General Partner, subscriptions may be accepted for lesser amounts from persons who are “accredited investors” as defined under applicable securities legislation. See “Details of the Offering by the Fund”. These minimum initial subscription amounts are net of any sales commissions payable by an investor to their registered dealer. See “Dealer Compensation”.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. No subscription for Units will be accepted from a subscriber unless the Manager is satisfied that the subscription is in compliance with the requirements of applicable securities legislation. Subscribers whose subscriptions have been accepted by the Manager will become Unitholders.

**Description of Units of the Fund:**

**Class A Units** will be issued to qualified purchasers.

**Class F Units** will be issued to: (i) qualified purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Fund does not incur distribution costs; and (iii) qualified individual purchasers in the Manager's sole discretion. If a Unitholder ceases to be eligible to hold Class F Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class F Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class F Units.

**Class I Units** will be issued to institutional investors at the discretion of the Manager. If a Unitholder ceases to be eligible to hold Class I Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class I Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class I Units.

Subject to the consent of the Manager, Unitholders may reclassify or switch all or part of their investment in the Fund from one class of Units to another class if the Unitholder is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to reclassifications or switches between classes of Units. See "Details of the Offering" and "Redemption of Units". Upon a reclassification or switch from one class of Units to another class, the number of Units held by the Unitholder will change since each class of Units has a different Net Asset Value per Unit.

Generally, reclassifications or switches between classes of Units are not dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units.

Any investor who is or becomes a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") or a partnership that is not a "Canadian partnership" (as defined in the Tax Act) (a "**non-Canadian partnership**") shall disclose such status to the Fund at the time of subscription (or when such status changes) and the Fund may restrict the participation of any such investor or require any such investor to redeem all or some of such investor's Units at the next Valuation Date.

By executing a subscription form for Units in the form prescribed by the Manager, each subscriber is making certain representations, and the Manager and the Fund are entitled to rely on such representations to establish the availability of exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103. In addition, the subscriber is also acknowledging in the subscription form that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the prior written consent of the Manager.

**Additional Subscriptions:**

Following the required initial minimum investment in the Fund, Unitholders resident in the Offering Jurisdictions may make additional investments in the Fund of not less than \$5,000 provided that, at the time of the subscription for additional Units, the Unitholder is an "accredited investor" as defined under NI

45-106. Unitholders who are not “accredited investors” nor individuals, but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost or current Net Asset Value equal to \$150,000, will also be permitted to make subsequent investments in the Fund of not less than \$5,000. Subject to applicable securities legislation, the Manager, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the Manager. See “Additional Subscriptions”.

**Management Fees  
Payable by the Fund:**

The Manager will receive, as compensation for providing services to the Fund, a monthly management fee (the “**Management Fee**”) from the Fund attributable to Class A Units, Class F Units and, in certain circumstances described below, Class I Units of the Fund. Each class of Units is responsible for the Management Fee attributable to that class. See “Fees and Expenses – Management Fees Payable by the Fund”.

**Class A Units:**

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A Units (determined in accordance with the Trust Agreement), plus any applicable federal and provincial taxes (“**HST**”), calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class A Units as at the last business day of each month.

**Class F Units:**

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 1.0% of the Net Asset Value of the Class F Units (determined in accordance with the Trust Agreement), plus any applicable HST, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class F Units as at the last business day of each month.

**Class I Units:**

Subject to the discretion of the Manager, investors who purchase Class I Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Fund which identifies the monthly Management Fee negotiated with the investor which is payable by the Fund to the Manager. In each circumstance, the monthly Management Fee, plus any applicable HST, is calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I Units as at the last business day of each month.

The Fund will not pay a management fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service. In addition, the Fund will not pay any sales commissions or redemption fees for its purchase or redemption of units of the units of a Portfolio Fund.

**Management Fee Payable by  
a Portfolio Fund:**

As the Fund will invest in assets of a Portfolio Fund, Unitholders will indirectly bear the fees and expenses of such Portfolio Fund, including management and performance fees, if any, that are charged to the securities of such Portfolio Fund held by the Fund.

**Operating Expenses  
Payable by the Fund:**

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: trustee fees and expenses; Management Fees (if any); custodian, and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units in the

Offering Jurisdictions including securities filing fees (if any); investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses; and all brokerage commissions and other fees associated with the purchase and sale of portfolio securities and other assets of the Fund. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund. See “Fees and Expenses – Operating Expenses Payable by the Fund”.

**Operating Expenses of the Portfolio Funds:**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds.

**Sales Commission:**

No sales commission is payable to the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5% of the Net Asset Value of the Class A Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the purchaser to their dealer. All minimum subscription amounts described in this Offering Memorandum are net of such sales commissions. See “Dealer Compensation – Sales Commission”.

**Service Commission:**

The Manager intends to pay a monthly service commission to participating registered dealers equal to 1/12<sup>th</sup> of 1% of the Net Asset Value of the Class A Units sold by such dealers then outstanding. Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Fund. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis. See “Dealer Compensation – Service Commission”.

**Distributions:**

The Manager intends to make a monthly distribution on the Class A Units, the Class F Units and the Class I Units, to holders of such Units, out of the net income of the Fund. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount. Purchasers should not confuse these distributions with the Fund’s rate of return or yield. The distributions on the Class A Units, the Class F Units and the Class I Units are not guaranteed.

Subject to applicable securities legislation, monthly distributions will be automatically reinvested in additional Units of the Class at the Net Asset Value of such Class of Units on the date of distribution, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash. If a Unitholder does not elect to receive cash, all distributions will be automatically reinvested in additional units of the same Class at the Net Asset Value per Unit on the last Valuation Date of the fiscal year of the Fund.

The Fund will also distribute on the last Valuation Date in each year its net realized capital gains in such amount (and in addition to any distributions) as will result in the Fund paying no tax under the Tax Act. The net income and net realized capital gains of the Fund will be calculated as of such Valuation Dates during the year as the Manager in its discretion may decide. Allocations and distributions of income/gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date prior to such allocation or distribution (or such other distribution date as may be determined by the Manager); however, the Manager may make allocations in a manner to fairly reflect, as best as possible, subscriptions and redemptions made during the year.

See “Distribution Policy”.

**Redemption:**

An investment in Units is intended to be a long-term investment. However, Units may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Trust Agreement) on any Valuation Date, provided the written request for redemption, in satisfactory form and all necessary documents relating thereto, is submitted to the Manager at least 30 calendar days prior to such Valuation Date. See “Redemption of Units”.

Redemption requests must be received by the Manager prior to 4:00 p.m. (Toronto time) on a business day which is at least 30 calendar days prior to a Valuation Date. If a redemption request is received by the Manager at such time, Units will be redeemed at the Net Asset Value per Unit for the applicable class determined on the first Valuation Date which is at least 30 calendar days following receipt of the redemption request. The redemption amount (the “**Redemption Amount**”) will be paid to the redeeming Unitholder as soon as is practicable and in any event within 30 days following the Valuation Date upon which such redemption is effective (or 60 days if such redemption date is the Fund’s fiscal year-end).

On direction from the Manager, the Administrator of the Fund shall hold back up to 20% of the Redemption Amount on any redemption to provide for an orderly disposition of assets. Any Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

The Administrator of the Fund shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption, including estimated brokerage costs incurred in the conversion of portfolio securities of the Fund into cash in order to effect the redemption. An appropriate portion of any accrued management fees and/or performance fees, payable to the Manager or to any investment manager will also be deducted and paid to the Manager or to any investment manager, as the case may be. See “Fees and Expenses – Management Fees Payable by the Fund”.

In the sole discretion of the Manager, payment of all or any part of any Redemption Amount may be made by the transfer of a *pro rata* portion of any portfolio securities then held by the Fund. In the event the Manager determines to pay all or any part of the Redemption Amount by the transfer of portfolio securities then held by the Fund, it shall provide the Trustee, the Administrator of the Fund and the Unitholder with prompt notice thereof and the redeeming Unitholder shall have, and shall be advised that they have, the right to withdraw their Redemption Notice, or a portion thereof

The Manager may suspend the right of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of the assets of the Fund or which impair the ability of the Fund to determine the value of the assets of the Fund.

**Risk Factors and  
Conflicts of Interest:**

The Fund is subject to various risk factors and conflicts of interest. **An investment in the Fund is not guaranteed and is not intended as a complete investment program.** A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Prospective investors should review closely the investment objective, strategies and restrictions to be utilized by the Fund and the Portfolio Funds as outlined herein and the respective offering documents of such funds to familiarize themselves with the risks associated with an investment in the Fund. An investment in the Fund is also subject to certain other risks. These risk factors and the Code of Ethics to be followed by the Manager to address conflicts of interest are described under “Risk Factors” and “Conflicts of Interest”.

**Investment Risk Level:**

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is suitable for the investor. The Manager’s determination of the risk rating for the Fund is guided by the methodology recommended by the Fund Risk Classification Task Force of the Investment Funds Institute of Canada. The Task Force concluded that the most comprehensive, easily understood form of risk is the historical volatility of a fund as measured by the standard deviation of its performance. The Manager believes 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 volatility of return. A fund’s risk is measured using rolling one, three and five year standard deviation and comparing these values against other funds and an industry standard framework. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods.

However, an investor should also be advised that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Fund’s historical volatility may not be indicative of its future volatility.

In accordance with the methodology described above, the Manager has rated the Fund as “medium”.

Notwithstanding the foregoing, investors should consider this Offering Memorandum in its entirety before making an investment decision, including the risk factors set out herein. See “Risk Factors”.

**Canadian Federal  
Income Tax Considerations:**

A prospective investor should consider carefully all of the potential tax consequences of an investment in the Fund and should consult with their tax advisor before subscribing for Units. For a discussion of certain income tax consequences of this investment, see “Canadian Federal Income Tax Considerations”.

**Eligibility for  
Investment by  
Tax Deferred Plans:**

Provided the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act and the regulations thereunder (the “**Income Tax Regulations**”), Units will be “qualified investments”, as defined in the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered disability savings plan (“**RDSP**”), a deferred profit sharing plan (“**DPSP**”), a registered education savings plan (“**RESP**”), a tax-free savings account (“**TFSA**”) (RRSPs, RRIFs, RDSPs, DPSPs, TFSAs and RESPs are collectively referred to as “**Tax Deferred Plans**”).

A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan. See “Canadian Federal Income Tax Considerations – Eligibility for Investment”.

<b>Year-End:</b>	December 31
<b>Auditors to the Fund:</b>	KPMG LLP Toronto, Ontario
<b>Legal Counsel to the Fund:</b>	Norton Rose Fulbright Canada LLP Toronto, Ontario
<b>Custodian:</b>	RBC Investor Services Trust
<b>Administrator and Record-keeper of the Fund:</b>	RBC Investor Services Trust Toronto, Ontario

## THE FUND

The Fund is an open-ended unincorporated investment trust. The Fund was established under the laws of the Province of Ontario pursuant to a trust agreement dated as of August 31, 2016 (the “**Trust Agreement**”), as the same may be amended, restated or supplemented from time to time.

Pursuant to the Trust Agreement, RBC Investor Services Trust is the trustee of the Fund. The Trustee is a trust company continued under the federal laws of Canada. The principal office of the Trustee is located at 155 Wellington Street West, 2nd Floor, RBC Centre, Toronto, Ontario, M5V 3L3. See “Trustee”. The Trustee also acts as the administrator and record-keeper of the Fund. See “Administrator, Record-keeper and Fund Reporting”.

Ninepoint Partners LP is the manager of the Fund. The principal office of the Fund and of the Manager is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. A copy of the Trust Agreement is available for review during regular business hours at the offices of the Manager. See “Management of the Fund – The Manager”.

The capital of the Fund is divided into an unlimited number of Units issuable in one or more classes of Units. The Fund currently offers three classes of Units: Class A Units, Class F Units and Class I Units. Additional classes of Units may be offered in the future. See “Description of Units”.

Subscribers whose subscription for Units have been accepted by the Manager will become Unitholders.

## INVESTMENT OBJECTIVE AND STRATEGY OF THE FUND

### Investment Objective

The investment objective of the Fund is to seek to provide investors with exposure to alternative strategies that generate superior income and long term capital growth.

### Investment Strategy

The Fund’s investment strategy will be to mirror the performance of the credit-based products (the “**Portfolio**”) held by select other underlying investment vehicles (each individually, a “**Portfolio Fund**” and collectively, the “**Portfolio Funds**”), including underlying mutual funds, investment companies, pooled funds and closed-end funds managed by the Manager and/or its affiliates and associates. Portfolio Funds will be selected with consideration for each Portfolio Fund’s investment objectives and strategies, past performance and volatility, among other factors. As at the date of this Offering Memorandum, the current Portfolio Funds are Ninepoint Bridging Income Fund LP, Ninepoint-TEC Private Credit Fund, Ninepoint Credit Income Opportunities Fund, Ninepoint Diversified Bond Fund and Ninepoint Canadian Senior Debt Fund. The Fund will invest directly in securities of each of the Portfolio Funds in unequal amounts subject to the Manager’s sole discretion. The Manager, or an investment committee of the Manager, will determine the allocation of Fund assets to each Portfolio Fund from time to time in its sole discretion. The financial instruments available for purchase and sale are not limited and shall be within the sole discretion of the Manager. Some or all of the Fund’s assets may from time to time be invested in cash or other investments as the Manager may deem prudent in the circumstances. The business of the Fund shall include all things necessary or advisable to give effect to the Fund’s investment objective.

## **Loan Facilities**

The Fund may enter into loan facilities with one or more lenders. The Manager views the loan facilities as being able to provide liquidity in the event of Unitholder redemptions. There is relatively little immediate liquidity for the Fund to meet unexpected redemption requests, except for income-generating securities, if any, and cash or cash equivalents held by the Fund. The loan facilities could be used to fund redemptions and would be repaid as cash flow within the Fund permits or as new Units are issued.

The Manager expects the terms, conditions, interest rate, fees and expenses of the loan facilities will be typical for loans of this nature. In connection with any such loan advances, the Fund may grant security over the assets of the Fund to secure repayment of such loan advances.

## **INVESTMENT RESTRICTIONS OF THE FUND**

The Manager may from time to time establish restrictions with respect to the investments of the Fund including, without limitation, restrictions as to the proportion of the assets of the Fund which may be invested in the securities of issuers operating in any industry sector or in any class of investment. The Manager does not anticipate imposing any restrictions with respect to the investments of the Fund other than those outlined above and under the heading “Investment Objective and Strategy of the Fund”. Additional restrictions may also be imposed in order to ensure the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act.

The Manager may, to the fullest extent now or hereafter permitted by applicable securities legislation regarding soft dollar transactions, cause the Fund to enter into soft dollar arrangements and to effect transactions pursuant to such soft dollar arrangements.

The Manager may open accounts for the Fund with brokerage firms, banks or others and may invest assets of the Fund in, and may conduct, maintain and operate these accounts for, the purchase, sale and exchange of stocks, bonds and other securities, and in connection therewith, may borrow money or securities on behalf of the Fund to complete trades, obtain guarantees, pledge securities and engage in all other activities necessary or incidental to conducting, maintaining and operating such accounts.

The foregoing investment objective, strategy and restrictions of the Fund may be changed from time to time by the Manager to adapt to changing circumstances. Unitholders will be given not less than 60 days’ prior written notice of any material changes to the investment objective, strategies and restrictions of the Fund unless such changes are required to comply with applicable laws in which case prompt notice will be given.

The foregoing disclosure of investment objective, strategy and restrictions may constitute “forward-looking information” for the purpose of applicable securities legislation as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategy in certain market conditions, relying on the experience of the Manager’s officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of factors. Economic and market conditions may change, which may materially impact the success of the Manager’s intended strategies as well as its actual course of conduct. Investors are strongly advised to read the section of this Offering Memorandum under the heading “Risk Factors” for a discussion of factors that may impact the operations and success of the Fund.

## MANAGEMENT OF THE FUND

### The Manager

Ninepoint Partners LP is the manager of the Fund. The Manager is a limited partnership formed under the *Limited Partnerships Act* (Ontario) by the filing and recording of a declaration dated May 1, 2017. The general partner of the Manager is Ninepoint Partners GP Inc. (“**Ninepoint GP**”), which is a corporation incorporated under the laws of the Province of Ontario on April 21, 2017. Ninepoint GP is a directly wholly-owned subsidiary of Ninepoint Financial Group Inc., which is a corporation incorporated under the laws of the Province of Ontario on March 21, 2017. John Wilson and James Fox are the principal shareholders of Ninepoint Financial Group Inc.

The Manager, together with its affiliates and related entities, provides management and investment advisory services to many entities, including mutual funds, hedge funds, offshore funds and closed-end funds. The Manager may establish and manage other investment funds from time to time.

The Manager’s and Ninepoint GP’s principal office is located at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. The Manager may also be contacted by toll-free telephone at 1-888-362-7172, by telephone at (416) 362-7172, by facsimile at (416) 362-4928 or by e-mail to [invest@ninepoint.com](mailto:invest@ninepoint.com).

The Manager is also the manager of each of the Portfolio Funds. The following information applies to each of the Portfolio Funds.

### Directors and Officers of the Manager and of Ninepoint GP

The name, municipality of residence and position(s) with the Manager and Ninepoint GP, and the principal occupation of the directors and senior officers of the Manager and of Ninepoint GP are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Position with Ninepoint GP</b>	<b>Principal Occupation</b>
John Wilson Toronto, Ontario,	Senior Portfolio Manager and Managing Partner	Co-Chief Executive Officer and Director	Senior Portfolio Manager and Managing Partner of the Manager
James R. Fox Toronto, Ontario,	Managing Partner	Co-Chief Executive Officer and Director	Managing Partner of the Manager
Kirstin H. McTaggart Mississauga, Ontario,	Chief Compliance Officer	Corporate Secretary and Director	Chief Compliance Officer of the Manager
Shirin Kabani Toronto, Ontario,	as Chief Financial Officer	as Chief Financial Officer	as Chief Financial Officer of the Manager

Set out below are the particulars of the professional experience of the directors and senior officers of the Manager and of Ninepoint GP:

### **John Wilson**

Mr. Wilson established the Manager in April 2017. Mr. Wilson has over 26 years of investment and business experience. Mr. Wilson currently serves as the Senior Portfolio Manager and Managing Partner of the Manager. Mr. Wilson currently also serves as Co-Chief Executive Officer of the general partner of the Manager. Most recently, Mr. Wilson was Chief Executive Officer and co-Chief Investment Officer of Sprott Asset Management LP. Prior to joining Sprott in January 2012, Mr. Wilson was the Chief Investment Officer of Cumberland Private Wealth Management from March 2009 to January 2012. Previously, Mr. Wilson was the founder of DDX Capital Partners, an alternative investment manager, where he worked from September 2004 to March 2009. Prior to that, from December 2000 to January 2004, he was a Managing Director and a top-rated technology analyst at RBC Capital Markets; and previously, a Director at UBS Canada from November 1996 to November 2000. Mr. Wilson is an MBA graduate of The Wharton School, University of Pennsylvania in 1996.

### **James Fox**

Mr. Fox established the Manager with Mr. Wilson in April 2017. Mr. Fox currently serves as Managing Partner of the Manager. Mr. Fox currently also serves as Co-Chief Executive Officer of the general partner of the Manager. Most recently, Mr. Fox was President of Sprott Asset Management LP. Prior to being appointed President of Sprott in 2009, Mr. Fox was one of the Manager's founding executives when it spun out of Sprott Securities Inc. in 2001. Mr. Fox was a key contributor to the growth of Sprott Inc. Domestically, Mr. Fox led the development and management of the wholesale and institutional sales teams of Sprott and was involved in product development, product launches and overall management decisions. In recent years, Mr. Fox helped lead the launch of three Bullion Trust investment vehicles that are dually listed on NYSE Arca and TSX exchanges, raising approximately \$4B in assets. Internationally, Mr. Fox represented Sprott Inc. as a panel speaker at institutional conferences in London, Geneva, New York, Tokyo, and was a key contributor to the firm's institutional accounts and client relationships. Mr. Fox holds a Masters of Business Administration degree from the Rotman School of Management at the University of Toronto (1999) and holds a B.A. in Finance and Economics at the University of Western Ontario (1996).

### **Kirstin McTaggart**

Ms. McTaggart joined the Manager in July 2017 and is the Chief Compliance Officer of the Manager. Prior to joining the Manager, Ms. McTaggart was Chief Compliance Officer of Sprott Asset Management LP since April 2007. Ms. McTaggart currently also serves as the Corporate Secretary of the general partner of the Manager. Ms. McTaggart has accumulated over 27 years of experience in the financial and investment industry. Prior to joining Sprott in April 2003, Ms. McTaggart spent five years as a Senior Manager at Trimark Investment Management Inc., where her focus was the development of formal compliance and internal control policies and procedures.

### **Shirin Kabani**

Ms. Kabani is a Director of Finance and Controller with the Manager and has over 12 years of experience in Finance, Planning, Budgeting and Accounting. Prior to joining the Manager, Ms. Kabani was a Senior Manager in Finance at Sprott Asset Management LP for approximately 2 years. Prior to joining Sprott Asset Management, Ms. Kabani was with IBM where she managed various operations and processes, including financial planning, forecasting, accounting, capital budgeting, cost management, governance and controls. Ms. Kabani received a Honors Bachelor of Commerce (High distinction) from McMaster University and is a CPA, CMA (Ontario).

## **Powers and Duties of the Manager**

Pursuant to the Trust Agreement, the Manager has the full authority and exclusive responsibility to manage the business and affairs of the Fund including, without limitation, to provide the Fund with all necessary investment management and all clerical, administrative and operational services.

In particular, the Manager is responsible for:

- (a) determining the investment policies, practices, fundamental objectives and investment strategies applicable to the Fund, including any restrictions on investments which it deems advisable and to implement such policies, practices, objectives, strategies and restrictions, provided that the investment policies, practices, objectives, strategies and restrictions applicable to the Fund shall concur with those set forth in any current offering memorandum or like offering document of the Fund or in any amendment thereto;
- (b) receiving all subscriptions for Units, approving or rejecting subscriptions, and submitting such subscriptions to the record-keeper of the Fund for processing;
- (c) offering Units for sale to prospective purchasers and entering into arrangements regarding the distribution and sale of Units, including arrangements relating to the right to charge fees of any nature or kind (including, without limitation, sales commissions, redemption fees, distribution fees and transfer or switch fees) in connection with the distribution or sale of Units. Any such fees may be deducted from the amount of a subscription, redemption proceeds or a distribution if not paid separately;
- (d) conducting or causing to be conducted the day-to-day correspondence and administration of the Fund;
- (e) providing, at its own expense, the office accommodation, secretarial staff and other facilities that may be required to properly and efficiently carry out its duties;
- (f) appointing the auditors of the Fund, changing the auditors of the Fund and causing the financial statements of the Fund to be audited for each fiscal year;
- (g) appointing the bankers of the Fund and establishing banking procedures to be implemented by the Trustee;
- (h) establishing general matters of policy and governance of the Fund subject, where specifically provided in the Trust Agreement, to the approval of the Trustee;
- (i) authorizing, negotiating, entering into and executing all contractual arrangements relating to the Fund including, without limitation, any loan agreement, granting of a security interest and supporting documentation;
- (j) if deemed advisable, appointing a record-keeper, valuation service provider, registrar, transfer agent, and one or more custodians and prime brokers of the Fund, all of which appointments shall be subject to the approval of the Trustee;
- (k) subject to applicable laws, prescribing any minimum initial and/or subsequent subscription amounts and minimum aggregate Net Asset Value balances of the Fund with respect to all classes of Units, and prescribing any procedures in connection therewith;

- (l) on or before March 31 in each year, other than a leap year in which case on or before March 30 in such year, preparing and delivering to Unitholders the information pertaining to the Fund, including all distributions and allocations which is required by the Tax Act or which is necessary to permit Unitholders to complete their individual tax returns for the preceding year;
- (m) keeping proper records relating to the performance of its duties as Manager;
- (n) using its best efforts to ensure that the Fund qualifies at all times as a “unit trust” pursuant to subsection 108(2) of the Tax Act and a “mutual fund trust” pursuant to subsection 132(6) of the Tax Act;
- (o) delegating any or all of the powers and duties of the Manager contained in the Trust Agreement to one or more agents, representatives, officers, employees, independent contractors or other persons without liability to the Manager except as specifically provided in the Trust Agreement; and
- (p) doing all such other acts and things as are incidental to the foregoing, and exercising all powers which are necessary or useful to carry on the business of the Fund, promoting any of the purposes for which the Fund was formed and carrying out the provisions of the Trust Agreement.

The Manager may appoint one or more investment managers in respect of the Fund. The Manager shall enter, in its sole discretion, into an investment management agreement with any such investment manager to act for all or part of the portfolio investments of the Fund. The investment manager will be a person or entity, or persons or entities who, if required by applicable laws, will be duly registered and qualified as an investment adviser under applicable securities legislation and the regulations thereunder and will determine, in its sole discretion, which securities and other assets of the Fund shall be purchased, held or sold and shall execute or cause the execution of purchase and sale orders in respect of such determinations. As at the date hereof, the Manager does not intend to appoint any other investment manager for the Fund.

Units will be distributed in the Offering Jurisdictions through registered dealers, including the Manager and such other persons as may be permitted by applicable law. In the event of such distribution, registered dealers (other than the Manager) will be entitled to the compensation described under “Dealer Compensation”. Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Fund, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units. See “Dealer Compensation – Referral Fees”.

The Manager shall have the right to resign as Manager of the Fund by giving notice in writing to the Trustee and the Unitholders not less than 90 days prior to the date on which such resignation is to take effect. Such resignation shall take effect on the date specified in such notice. Notwithstanding the foregoing, no approval of, or notice to, Unitholders is required to effect a reorganization of the Manager as provided for in the Trust Agreement. The Manager shall appoint a successor manager of the Fund, and, unless the successor manager is an affiliate of the Manager, such appointment must be approved by a majority of the Unitholders. If, prior to the effective date of the Manager’s resignation, a successor manager is not appointed or the Unitholders do not approve of the appointment of the successor manager as required under the Trust Agreement, the Fund shall be terminated and dissolved upon the effective date of resignation of the Manager and, after providing for the liabilities of the Fund, the property of the Fund shall be distributed in accordance with the provisions of the Trust Agreement and the Trustee shall

continue to act as trustee of the Fund until such property of the Fund has been so distributed. See “Termination of the Fund”.

### **Fees and Expenses of the Fund**

The Manager will receive, as compensation for providing services to the Fund, a monthly Management Fee from the Fund attributable to Class A Units, Class F Units and, in certain circumstances, Class I Units. Each class of Units is responsible for the Management Fee attributable to that class. Management Fees in respect of each class of Units will be calculated and payable monthly in arrears as of each Valuation Date. See “Fees and Expenses – Management Fees Payable by the Fund”. The Fund will not pay a Management Fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service.

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including the Management Fee payable to the Manager by the Fund. See “Fees and Expenses – Management Fees Payable by the Fund” and “Fees and Expenses – Operating Expenses Payable by the Fund”.

### **Fees and Expenses of a Portfolio Fund**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds. See “Fees and Expenses – Fees and Operating Expenses Payable by the Portfolio Funds”.

### **Standard of Care and Indemnification of the Manager**

The Manager will exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Manager may employ or engage, and rely and act on information or advice received from auditors, distributors, brokers, depositories, custodians, prime brokers, electronic data processors, advisers, lawyers and others and will not be responsible or liable for the acts or omissions of such persons or for any other matter, including any loss or depreciation in value of the property of the Fund. The Manager shall be entitled to assume that any information received from the Trustee, custodian, prime broker or a sub-custodian or their respective authorized representatives associated with the day-to-day operation of the Fund is accurate and complete and no liability shall be incurred by the Manager as a result of any error in such information or any failure to receive any notices required to be delivered pursuant to the Trust Agreement.

The Manager will not be required to devote its efforts exclusively to or for the benefit of the Fund and may engage in other business interests and may engage in other activities similar or in addition to those relating to the activities to be performed for the Fund. In the event that the Manager, its partners, officers, employees, associates and affiliates or any of them now or hereafter carry on activities competitive with those of the Fund or buy, sell or trade in assets and portfolio securities of the Fund or of other investment funds, none of them will be under any liability to the Fund or to the Unitholders for so acting.

The Manager and its related entities, affiliates, subsidiaries and agents, and their respective directors, partners, officers and employees and any other person will at all times be indemnified and saved harmless by the Fund from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by them in connection with the Manager’s services provided pursuant to the Trust

Agreement, provided that the Fund has reasonable grounds to believe that the action or inaction that caused the payment of the legal fees, judgments and amounts paid in settlement was in the best interests of the Fund and provided that such person or companies shall not be indemnified by the Fund where: (i) there has been negligence, wilful misconduct or dishonesty on the part of the Manager or such other person; (ii) a claim is made as a result of a misrepresentation contained in any current offering memorandum or like offering documents of the Fund distributed or filed in connection with the issue of Units and officers, directors or partners of the Manager or Ninepoint GP or both have granted a contractual right of action forming part of any current offering memorandum or like offering documents of the Fund; or (iii) the Manager has failed to fulfill its standard of care or other obligations as set forth in the Trust Agreement, unless in an action brought against such persons or companies they have achieved complete or substantial success as a defendant.

The Fund will be indemnified and saved harmless by the Manager against any costs, charges, claims, expenses, actions, suits or proceedings arising from a claim made as a result of a misrepresentation contained in any current offering memorandum or like offering document of the Fund distributed or filed in connection with the issue of Units and officers, directors or partners of the Manager or Ninepoint GP or both have granted a contractual right of action forming part of any current offering memorandum or like offering documents of the Fund.

## THE PORTFOLIO FUNDS

As at the date of this Offering Memorandum, the current Portfolio Funds are Ninepoint Bridging Income Fund LP, Ninepoint-TEC Private Credit Fund, Ninepoint Credit Income Opportunities Fund, Ninepoint Diversified Bond Fund and Ninepoint Canadian Senior Debt Fund, each of which is managed by the Manager.

Unitholders may receive from the Manager, on request and free of charge, a copy of the offering memorandum, annual audited financial statements and interim financial reports relating to each Portfolio Fund in which the Fund invests.

### *Investment Objective and Strategy of Ninepoint Bridging Income Fund LP*

The investment objective of the Ninepoint Bridging Income Fund LP is to achieve superior risk-adjusted returns for Limited Partners with minimal volatility and low correlation to most traditional asset classes. In general, the investment strategy seeks to invest in an actively managed portfolio comprised of (i) asset-based loans primarily to Canadian and U.S. based companies that have good quality collateral (“**Asset-Based Investments**”) and (ii) factored accounts receivable and inventory financing primarily to Canadian and U.S. based companies and Canadian federal and provincial tax credit financing (“**Factoring Investments**”). The portfolio will include only Asset-Based Investments that are fully collateralized based on liquidation values and/or potential cash flow events. For Asset-Based Investments, the portfolio strategy emphasizes liquidation values over reliance on future cash flows. The portfolio strategy involves a fundamental analysis that identifies good companies that are overlooked by the general financing community and targets diversification through asset type, investment size and industry. Factoring Investments will be well diversified by industry, sector and size according to underwriting standards determined by Bridging Finance Inc., the co-manager of this Portfolio Fund. Each investment follows a rigorous documentation process that is managed by the independent credit function of the co-manager. This Portfolio Fund may also make incidental investments in assets such as promissory notes, convertible debentures, warrants and other “equity sweeteners” issued in connection with the primary investments.

### *Investment Objective and Strategy of Ninepoint-TEC Private Credit Fund*

To achieve its investment objective the Ninepoint-TEC Private Credit Fund intends to allocate capital to invest in a portfolio that will employ various credit strategies across the credit quality spectrum. This

Portfolio Fund will hold actively managed asset-based loans that will be focused on private and public companies in Canada and/or the United States that are unable to access traditional financing.

*Investment Objective and Strategy of Ninepoint Credit Income Opportunities Fund*

The investment objective of the Ninepoint Credit Income Opportunities Fund is to provide investors with income and capital appreciation. This Portfolio Fund seeks to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain. The securities comprising the portfolio will be selected by the investment manager based on its assessment of the markets and potential investment opportunities. This Portfolio Fund may employ the use of derivative instruments and currency hedging from time to time to hedge against losses from movements in fixed income and equity markets or to realize additional gains. In addition, government bonds may be sold short to reduce interest rate risk.

*Investment Objective and Strategy of Ninepoint Diversified Bond Fund*

The Ninepoint Diversified Bond Fund's investment objectives are to maximize total return and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world. To achieve its investment objectives, this Portfolio Fund takes a flexible approach in investing in debt instruments and debt-like securities (such as convertible bonds) and the allocation depends on the investment manager's view of economic and market conditions. In addition, the investment manager selects investments in an effort to take advantage of the credit cycle and the differences in currencies, interest rates and credits between countries based on global macroeconomic and political analysis. There are no restrictions on the credit rating of the securities of this Portfolio Fund and the investment manager may invest a significant portion of this Portfolio Fund's assets in non-investment grade and high yield debt securities. The investment manager may also invest a portion of this Portfolio Fund's assets in exchange-traded funds to gain exposure to the securities described herein. This Portfolio Fund's holdings are denominated in foreign currencies and the currency exposures will be actively managed and will be generally hedged back to the Canadian dollar as the investment manager deems appropriate. Capital is allocated based on the investment manager's assessment of anticipated market opportunities and expected risk reward profile. This Portfolio Fund's portfolio is monitored and rebalanced intra-day as appropriate using both qualitative and quantitative measures. In particular, the portfolio is reviewed under different stress testing scenarios.

*Investment Objective and Strategy of Ninepoint Canadian Senior Debt Fund*

The investment objective of the Ninepoint Canadian Senior Debt Fund is to achieve superior risk-adjusted returns, preserve capital and minimize volatility. To achieve its investment objective this Portfolio Fund intends to invest substantially all of its assets in non-voting shares of Ninepoint Canadian Senior Debt Feeder Fund Ltd. (the "**Feeder Fund**"), a Cayman Islands exempted company, which will in turn invest substantially all of its assets in shares of Ninepoint Canadian Senior Debt Master Fund LP (the "**Master Fund**"), a Cayman Islands exempted limited partnership. As a result, the performance of this Portfolio Fund will be dependent on the performance of the Feeder Fund, which in turn will be dependent on the performance of the Master Fund.

The Master Fund will primarily invest, directly or indirectly, in a portfolio of first priority or first lien senior secured loans to Canadian companies. Loans comprising the portfolio will be fully supported by senior liens on collateral assets of the borrower companies. Such companies will also have capable management teams, strong fundamentals, visible potential cash flow and, if necessary, strong liquidation or break-up values.

## DESCRIPTION OF UNITS OF THE FUND

Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of classes of Units and an unlimited number of Units in each such class. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular class has equal rights to each other Unit of the same class with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund.

The Fund will consult with its tax advisors prior to the establishment of each new class to ensure that the issuance of Units of that class will not have adverse Canadian tax consequences. Three classes of Units of the Fund are offered under this Offering Memorandum, namely Class A Units, Class F Units and Class I Units. There need not be any correlation between the number of Class A Units, Class F Units and Class I Units sold hereunder. The differences among the three classes of Units are the different eligibility criteria, fee structures and administrative expenses associated with each class. However, classes of Units may not necessarily track or reflect such differences given certain differences with respect to the securities and fee structure of a Portfolio Fund.

**Class A Units** will be issued to qualified purchasers.

**Class F Units** will be issued to: (i) qualified purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Fund does not incur distribution costs; and (iii) qualified individual purchasers in the Manager's sole discretion. If a Unitholder ceases to be eligible to hold Class F Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class F Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class F Units.

**Class I Units** will be issued to institutional investors at the discretion of the Manager. If a Unitholder ceases to be eligible to hold Class I Units, the Manager may, in its sole discretion, reclassify such Unitholder's Class I Units for Class A Units on five days' notice, unless such Unitholder notifies the Fund during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class I Units.

Although the money invested by investors to purchase Units of any class of the Fund is tracked on a class by class basis in the Fund's administration records, the assets of all classes of Units will be combined into a single pool to create one portfolio for investment purposes.

All Units of the same class have equal rights and privileges. Units and fractions thereof will be issued only as fully paid and non-assessable. Units will have no preference, conversion, exchange or pre-emptive rights. Each whole Unit of a particular class entitles the holder thereof to one vote at meetings of Unitholders where all classes vote together, or to one vote at meetings of Unitholders where that particular class of Unitholders votes separately as a class.

The Manager, in its sole discretion, determines the number of classes of Units and establishes the attributes of each class, including investor eligibility, the designation and currency of each class, the initial offering price for the first issuance of Units of the class, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the class, sales or redemption fees payable in respect of the class, redemption rights, convertibility among classes and any additional class specific attributes. The Manager may establish additional classes of Units at any time without prior notice to or approval of Unitholders.

No class of Units will be created for the purpose of giving any Unitholder a percentage interest in the property of the Fund that is greater than the Unitholder's percentage interest in the income of the Fund.

All Units of the same class are entitled to participate *pro rata*: (i) in any allocations or distributions made by the Fund to the Unitholders of the same class; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same class of net assets of the Fund attributable to the class remaining after satisfaction of outstanding liabilities of such class. Units are not transferable, except by operation of law (for example, a death or bankruptcy of a Unitholder) or with the consent of the Manager in accordance with applicable securities legislation. To dispose of Units, a Unitholder must have them redeemed.

The Fund may issue fractional Units so that subscription funds may be fully invested. Fractional Units carry the same rights and are subject to the same conditions as whole Units (other than with respect to voting rights) in the proportion which they bear to a whole Unit. Outstanding Units of any class may be subdivided or consolidated in the Manager's discretion upon the Manager giving at least 21 days' prior written notice to each Unitholder of its intention to do so. Units of a class may be reclassified by the Manager as Units of any other class having an aggregate equivalent Class Net Asset Value (as described under "Computation of Net Asset Value of the Fund") if such reclassification is approved by the holder of the Units to be reclassified or with 30 days' prior written notice.

Subject to the consent of the Manager, Unitholders may reclassify or switch all or part of their investment in the Fund from one class of Units to another if the Unitholder is eligible to purchase that class of Units. The timing and processing rules applicable to purchases and redemptions of Units also applies to reclassifications or switches between classes of Units. See "Details of the Offering" and "Redemption of Units". Upon a reclassification or switch from one class of Units to another class, the number of Units held by the Unitholder will change since each class of Units has a different Net Asset Value per Unit.

Generally, reclassifications or switches between classes of Units are not dispositions for tax purposes. However, Unitholders should consult with their own tax advisors regarding any tax implications of reclassifying or switching between classes of Units. A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan. See "Canadian Federal Income Tax Considerations – Eligibility for Investment".

## **FEES AND EXPENSES**

### **Management Fees Payable by the Fund**

The Manager will receive, as compensation for providing services to the Fund, a Management Fee from the Fund attributable to Class A Units, Class F Units and, in certain circumstances described below, Class I Units. Each class of Units is responsible for the Management Fee attributable to that class.

#### *Class A Units*

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 2.0% of the Net Asset Value of the Class A Units (determined in accordance with the Trust Agreement), plus applicable HST, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class A Units as at the last business day of each month.

#### *Class F Units*

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of 1.0% of the Net Asset Value

of the Class F Units (determined in accordance with the Trust Agreement), plus applicable HST, calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class F Units as at the last business day of each month.

#### *Class I Units*

Subject to the discretion of the Manager, investors who purchase Class I Units must either: (i) enter into an agreement with the Manager which identifies the monthly Management Fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Fund which identifies the monthly Management Fee negotiated with the investor which is payable by the Fund to the Manager. In each circumstance, the monthly Management Fee, plus any applicable HST, is calculated and accrued on each Valuation Date and payable on the last business day of each month based on the Net Asset Value of the Class I Units as at the last business day of each month.

The Fund will not pay a Management Fee to the Manager that to a reasonable person would duplicate a fee payable to the Manager by a Portfolio Fund for the same service.

#### **Management Fee and Performance Fee Payable by a Portfolio Fund**

As the Fund will invest in assets of a Portfolio Fund, Unitholders will indirectly bear the fees and expenses of such Portfolio Fund, including management and performance fees, if any, that are charged to the securities of such Portfolio Fund held by the Fund.

To the extent the Fund invests in any other Portfolio Fund, the Manager will provide to Unitholders the management fee payable and any incentive fee payable by such Portfolio Fund.

#### **Operating Expenses Payable by the Fund**

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: trustee fees and expenses; Management Fees (if any); custodian, and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units in the Offering Jurisdictions including securities filing fees (if any); investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses; and all brokerage commissions and other fees associated with the purchase and sale of portfolio securities and other assets of the Fund. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund.

Each class of Units is responsible for the expenses specifically relating to that class and a proportionate share of expenses that are common to all classes of Units. The Manager shall allocate expenses to each class of Units in its sole discretion as it deems fair and reasonable in the circumstances.

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver shall affect its right to receive fees and reimbursement of expenses subsequently accruing to it.

## **Fees and Expenses of the Portfolio Funds**

Since the Fund invests directly in units of the Portfolio Funds, the Fund will indirectly bear the fees and expenses incurred by such Portfolio Funds.

## **DEALER COMPENSATION**

Units will be distributed in the Offering Jurisdictions through registered dealers, including the Manager and such other persons as may be permitted by applicable law. In the event of such distribution, registered dealers (other than the Manager) will be entitled to the compensation described below.

### **Sales Commission**

No sales commission is payable to the Manager in respect of Units purchased directly by a subscriber. However, registered dealers may, at their discretion, charge purchasers a front-end sales commission of up to 5% of the Net Asset Value of the Class A Units purchased by the subscriber. Any such sales commission will be negotiated between the registered dealer and the purchaser and will be payable directly by the purchaser to their dealer. All minimum subscription amounts described in this Offering Memorandum are net of such sales commissions.

### **Service Commission**

The Manager intends to pay a monthly service commission to participating registered dealers equal to 1/12<sup>th</sup> of 1% of the Net Asset Value of the Class A Units sold by such dealers then outstanding. Payments are calculated and paid monthly to registered dealers from the Management Fees the Manager receives from the Fund. Notwithstanding the foregoing, the Manager, in its sole discretion, reserves the right to change the frequency of payment to registered dealers of the service commission to a quarterly or annual basis.

### **Referral Fees**

Subject to the requirements under NI 31-103, the Manager may pay, out of the Management Fees it receives from the Fund, a negotiated referral fee to registered dealers or other persons in connection with the sale of Units.

## **DETAILS OF THE OFFERING BY THE FUND**

### **Subscription Process**

Units are being offered by the Fund on a continuous basis to an unlimited number of eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements or who are otherwise qualified investors. As at the date of this Offering Memorandum, the minimum initial subscription amount for persons relying on the “accredited investor” exemption is \$5,000. The minimum initial subscription amount for persons relying on the “minimum amount investment” exemption is

\$150,000; provided that such subscriber is (i) not an individual, and (ii) not created or used solely to rely on the “minimum amount investment” exemption. At the sole discretion of the Manager, subscriptions may be accepted for lesser amounts from persons who are “accredited investors” as defined under applicable securities legislation. These minimum initial subscription amounts are net of any sales commissions payable by an investor to their registered dealer. See “Dealer Compensation”.

Units are being offered to investors resident in the Offering Jurisdictions pursuant to exemptions from the prospectus requirements under section 2.3 under National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or Section 73.3 of the *Securities Act* (Ontario), as the case may be (in each case, the accredited investor exemption), and section 2.10 (minimum amount investment exemption) under NI 45-106 and, where applicable, the registration requirements under NI 31-103. Units will not be issued to individuals under section 2.10 of NI 45-106 (minimum amount investment exemption).

Investors, other than individuals that are “accredited investors” (as defined under applicable securities legislation), must also execute a subscription form for Units which includes a representation (and a requirement to provide additional evidence promptly upon request to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

Any investor who is or becomes a non-resident of Canada for the purposes of the Tax Act or a partnership that is not a “Canadian partnership” (as defined in the Tax Act) (a “**non-Canadian partnership**”) must disclose such status to the Fund at the time of subscription (or when such status changes) and the Fund may restrict the participation of any such investor or require any such investor to redeem all or some of such investor’s Units. Where the Manager determines that the Fund is at risk of being deemed not to be a “mutual fund trust” under the Tax Act by virtue of a majority of Units being beneficially held by one or more persons who are non-residents of Canada and/or non-Canadian partnerships for the purposes of the Tax Act or by virtue that such non-residents of Canada and/or non-Canadian partnerships own more than 50% of the fair market value of all issued and outstanding Units, the Manager may forthwith redeem a sufficient number of such Units so that the Fund will prevent the loss of its mutual fund trust status. The Manager will select the Units held by non-residents of Canada and non-Canadian partnerships to be redeemed in inverse order of acquisition of such Units (excluding Units held as a result of reinvestment of distributions). The Manager will mail a notice of redemption to all Unitholders whose Units are to be so redeemed. To determine the residency of the Unitholders, the Manager may require declarations from Unitholders as to the jurisdictions in which beneficial owners of Units are resident or where a partnership is the beneficial owner of Units, the jurisdictions in which the partners are resident. See “Redemption of Units”.

Units will be offered at a price equal to the Net Asset Value per Unit for the applicable class on each Valuation Date. Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the Manager no later than 4:00 p.m. (Toronto time) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) on a Valuation Date will be the next Valuation Date. No certificates evidencing ownership of Units will be issued to Unitholders. See “Computation of Net Asset Value of the Fund”.

The Manager, on behalf of the Fund, may approve or disapprove a subscription for Units in whole or in part. If the subscription (or part) is not approved, the Manager will so advise the subscriber, and will forthwith return to the subscriber the amount (or a portion thereof) tendered by the subscriber in respect of the rejected subscription without interest or deduction.

By executing a subscription form for Units in the form prescribed by the Manager, each subscriber is making certain representations, and the Manager and the Fund are entitled to rely on such representations

to establish the availability of exemptions from the prospectus and registration requirements described under NI 45-106 and NI 31-103. In addition, the subscriber is also acknowledging in the subscription form that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolio and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the prior written consent of the Manager.

### **Registered Plans**

Provided the Fund qualifies at all relevant times as a "mutual fund trust" for the purposes of the Tax Act, Units will be "qualified investments" under the Tax Act for Tax Deferred Plans. A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan.

Notwithstanding that Units will be qualified investments for an RRSP, RRIF or a TFSA the annuitant of an RRSP, RRIF or the holder of a TFSA, as the case may be, will be subject to penalty taxes in respect of the Units if such properties are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF or the TFSA, as applicable. The Units will not be a "prohibited investment" provided that the annuitant or holder, as the case may be: (i) deals at arm's length with the Fund, and (ii) does not have a "significant interest" in the Fund (within the meaning of the Tax Act). Generally, an annuitant or holder, as the case may be, will not have a significant interest in the Fund unless the annuitant or holder, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the annuitant or holder, as the case may be, does not deal at arm's length. In addition, the Units will generally not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act for RRSPs, RRIFs or TFSAs. See "Canadian Federal Income Tax Considerations – Eligibility for Investment".

### **ADDITIONAL SUBSCRIPTIONS**

Following the required initial minimum investment in the Fund, Unitholders resident in the Offering Jurisdictions may make additional investments in the Fund of not less than \$5,000 provided that, at the time of the subscription for additional Units, the Unitholder is an "accredited investor" as defined under applicable securities legislation. Unitholders who are not "accredited investors" nor individuals, but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost or current Net Asset Value equal to \$150,000, will also be permitted to make subsequent investments in the Fund of not less than \$5,000. Subject to applicable securities legislation, the Manager, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the Manager.

### **USE OF PROCEEDS**

The net proceeds derived by the Fund from the sale of Units offered pursuant to this Offering Memorandum will be used for investment purposes in accordance with the investment objective, strategies and restrictions of the Fund as described earlier in this Offering Memorandum. See "Investment Objective and Strategies of the Fund" and "Investment Restrictions of the Fund".

### **REDEMPTION OF UNITS**

An investment in Units is intended to be a long-term investment. However, Units may be redeemed at their Net Asset Value per Unit for the applicable class (determined in accordance with the Trust Agreement) on a Valuation Date, provided the written request for redemption (a “**Redemption Notice**”), in satisfactory form and all necessary documents relating thereto, is submitted to the Manager at least 30 calendar days prior to such Valuation Date.

A Redemption Notice shall be irrevocable (except as otherwise provided in the Trust Agreement) and shall contain a clear request by the Unitholder that a specified number of Units be redeemed or stipulate the dollar amount which the Unitholder requires to be paid. A Unitholder’s signature on a Redemption Notice shall be guaranteed by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager.

A Redemption Notice must be received by the Manager prior to 4:00 p.m. (Toronto time) on a business day which is at least 30 calendar days prior to a Valuation Date. If a Redemption Notice is received by the Manager at such time, Units will be redeemed at the Net Asset Value per Unit for the applicable class determined on the first Valuation Date which is at least 30 calendar days following receipt of the Redemption Notice. The Redemption Amount will be paid to the redeeming Unitholder as soon as is practicable and in any event within 30 days following the Valuation Date upon which such redemption is effective (or 60 days if such redemption date is the Fund’s fiscal year-end).

On direction from the Manager, the record-keeper of the Fund shall hold back up to 20% of the Redemption Amount on any redemption to provide for an orderly disposition of assets. Any Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

Notwithstanding and without limiting any of the provisions hereof, the Manager, in its sole discretion, may require the redemption of all or any part of the Units held by a Unitholder at any time.

The Manager may also from time to time fix a minimum investment amount for Unitholders and thereafter give notice to any Unitholder whose Units have an aggregate Net Asset Value of less than such threshold amount that all such Units will be redeemed on the next Valuation Date following the 30<sup>th</sup> day after the date of the notice. A Unitholder may prevent such redemption by subscribing for and purchasing within the 30-day notice period a sufficient number of additional Units to increase the Net Asset Value of the total number of Units owned to an amount equal to or greater than such threshold amount. As at the date hereof, the Manager has not fixed a minimum threshold amount. The Manager may, in its sole discretion, waive this redemption requirement.

Each Unitholder who has delivered a Redemption Notice or whose Units are required to be redeemed, shall be paid a Redemption Amount equal to the Net Asset Value per Unit for the applicable class on the applicable Valuation Date, multiplied by the number of Units to be redeemed, and concurrently shall pay to such Unitholder the proportionate share attributable to such Units of any distribution of net income and net realized capital gains of the Fund which has been declared and not paid prior to the applicable Valuation Date.

The Administrator of the Fund shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption, including estimated brokerage costs incurred in the conversion of portfolio securities of the Fund into cash in order to affect the redemption. An appropriate portion of any accrued management fees and/or performance fees payable to the Manager or to any investment manager will also be deducted and paid to the Manager or to any investment manager, as the case may be. See “Fees and Expenses – Management Fees Payable by the Fund”.

In the sole discretion of the Manager, payment of all or any part of any Redemption Amount may be made by the transfer of a *pro rata* portion of any portfolio securities then held by the Fund. In the event the Manager determines to pay all or any part of the Redemption Amount by the transfer of portfolio securities then held by the Fund, it shall provide the Trustee, the Administrator of the Fund and the Unitholder with prompt notice thereof and the redeeming Unitholder shall have, and shall be advised that they have, the right to withdraw their Redemption Notice, or a portion thereof.

The Manager may suspend the right of Unitholders to require the Fund to redeem Units held by them and the concurrent payment for Units tendered for redemption for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Fund to determine the value of the assets of the Fund.

The Manager shall have the right to require a Unitholder to redeem some or all of the Units held by such Unitholder on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Unitholder given at least 30 days before the date of redemption, which right may be exercised by the Manager in its absolute discretion.

A suspension may apply to all Redemption Notices received prior to the suspension, but as for which payment has not been made, as well as to all Redemption Notices received while the suspension is in effect. In such circumstances, all Unitholders shall have, and shall be advised that they have, the right to withdraw their Redemption Notice or receive payment based on the Net Asset Value of the particular class of Units determined on the first Valuation Date following the date on which the suspension is terminated. During any period during which redemptions are suspended the Manager will not accept any subscriptions for the purchase of Units.

A suspension will terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. Subject to applicable laws, any declaration of suspension made by the Manager shall be conclusive.

### **RESALE RESTRICTIONS**

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under applicable securities legislation, the resale of these Units by subscribers is subject to restrictions. Subscribers are advised to consult with their legal advisors concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable securities legislation. There is no market for these Units and no market is expected to develop, therefore, it may be difficult or even impossible for a purchaser to sell their Units other than by way of a redemption of their Units on a Valuation Date.

No transfers of Units may be effected unless the Manager, in its sole discretion, approves the transfer and the proposed transferee. Subject to applicable securities legislation a Unitholder shall be entitled, if permitted by the Manager, to transfer all or, subject to any minimum investment requirements prescribed by the Manager, any part of the Units registered in the Unitholder's name at any time by giving written notice to the Manager. The proposed transferee will be required to make representations and warranties to the Fund and the Manager in form and substance satisfactory to the Manager. The Manager may prescribe the minimum dollar value of Units which may be transferred but has not currently done so.

## COMPUTATION OF NET ASSET VALUE OF THE FUND

The Net Asset Value of the Fund will be determined by the Administrator, who may consult with the Trustee, any investment manager, custodian, and/or the auditors of the Fund. The Net Asset Value of the Fund will be determined for the purposes of subscriptions and redemptions as at 4:00 p.m. (Toronto time) on each Valuation Date, and on December 31 of each year if that day is not otherwise a Valuation Date for the purpose of the distribution of net income and net realized capital gains of the Fund to Unitholders. The Net Asset Value of the Fund on any Valuation Date shall be equal to the aggregate fair market value of the assets of the Fund as of such Valuation Date, less an amount equal to the total liabilities of the Fund (excluding all liabilities represented by outstanding Units) as of such Valuation Date. The Net Asset Value per Unit will be calculated on a class-by-class basis and will be determined by dividing the Net Asset Value of the Fund on a Valuation Date attributable to a particular class of Units by the total number of that class of Units then outstanding on such Valuation Date.

The Net Asset Value of the Fund on a Valuation Date shall be determined in accordance with the following:

- (a) The assets of the Fund shall be deemed to include the following property:
  - (i) all cash on hand or on deposit, including any interest accrued thereon adjusted for accruals deriving from trades executed but not yet settled;
  - (ii) units of each of the Portfolio Funds;
  - (iii) all bills, notes and accounts receivable;
  - (iv) all bonds, debentures, shares, subscription rights and other securities owned by or contracted for the Fund including, without limitation, any units of the Trust;
  - (v) all shares, rights and cash dividends and cash distributions to be received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined so long as, in the case of cash dividends and cash distributions to be received by the Fund and not yet received by it when the Net Asset Value of the Fund is being determined, the shares are trading ex-dividend;
  - (vi) all interest accrued on any interest-bearing securities owned by the Fund other than interest, the payment of which is in default; and
  - (vii) prepaid expenses.
- (b) The market value of the assets of the Fund shall be determined as follows:
  - (i) notwithstanding the following, the value of any units of the Portfolio Funds shall be the Net Asset Value of such units, determined in accordance with the respective limited partnership agreement or trust agreement;
  - (ii) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to securityholders of record on a date before the date as of which the Net Asset Value of the Fund is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall

have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;

- (iii) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
  - (iv) the value of any security which is listed or dealt in upon a stock exchange shall be determined by (1) in the case of a security which was traded on the day as of which the Net Asset Value of the Fund is being determined, the closing sale price; (2) in the case of a security which was not traded on the day as of which the Net Asset Value of the Fund is being determined, a price which is the average of the closing recorded bid and ask prices; or (3) if no bid or ask quotation is available, the price last determined for such security for the purpose of calculating the Net Asset Value of the Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; provided, however, that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of securities necessary to effect any redemptions of Units, the Manager may place such value upon such securities as appears to the Manager to most closely reflect the fair value of such securities;
  - (v) the value of any security, the resale of which is restricted or limited, shall be the quoted market value less a percentage discount for illiquidity amortized over the length of the hold period;
  - (vi) the value of all assets and liabilities of the Fund valued in terms of a currency other than the currency used to calculate the Net Asset Value of the Fund shall be converted to the currency used to calculate the Net Asset Value of the Fund by applying the rate of exchange obtained from the best available sources to the Manager including, but not limited to, the Trustee or any of its affiliates; and
  - (viii) the value of any security or other property for which no price quotations are available or, in the opinion of the Manager, to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide.
- (c) The liabilities of the Fund shall be calculated on an accrued basis and shall be deemed to include the following:
- (i) all bills, notes and accounts payable;
  - (ii) all fees (including management fees) and administrative and operating expenses payable and/or accrued by the Fund;

- (iii) all contractual obligations for the payment of money or property, including distributions of net income and net realized capital gains, if any, declared, accrued or credited to the Unitholders but not yet paid on the day before the day as of which the Net Asset Value of the Fund is being determined;
  - (iv) all allowances authorized or approved by the Manager or the Trustee for taxes or contingencies; and
  - (v) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding Units.
- (d) Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the Net Asset Value of the Fund made after the date on which the transaction becomes binding.
- (e) The Net Asset Value of the Fund and Net Asset Value per Unit on the first business day following a Valuation Date shall be deemed to be equal to the Net Asset Value of the Fund (or per Unit, as the case may be) on such Valuation Date after payment of all fees, including administrative fees and management fees, and after processing of all subscriptions and redemptions of Units in respect of such Valuation Date.
- (f) The Net Asset Value of the Fund and the Net Asset Value per Unit established by the Manager in accordance with the provisions of this section shall be conclusive and binding on all Unitholders.
- (g) The Manager may determine such other rules as it deems necessary from time to time, which rules may deviate from International Financial Reporting Standards (“**IFRS**”).

The Net Asset Value of the Fund (or per Unit, as the case may be) calculated in this manner will be used for the purpose of calculating the Manager’s and other service providers’ fees and will be published net of all paid and payable fees. Such Net Asset Value of the Fund (or per Unit, as the case may be) will be used to determine the subscription price and redemption value of Units. To the extent that such calculations are not in accordance with IFRS, the financial statements of the Fund will include a reconciliation note explaining any difference between such published Net Asset Value of the Fund and Net Asset Value per Unit for financial statement reporting purposes (which must be calculated in accordance with IFRS).

The Net Asset Value for a particular class of Units (“**Class Net Asset Value**”) as at 4:00 p.m. (Toronto time) on a Valuation Date shall be determined for the purposes of subscriptions and redemptions in accordance with the following calculation:

- (a) the Class Net Asset Value last calculated for that class of Units; plus
- (b) the increase in the assets attributable to that class as a result of the issue of Units of that class or the redesignation of Units into that class since the last calculation; minus
- (c) the decrease in the assets attributable to that class as a result of the redemption of Units of that class or the redesignation of Units out of that class since the last calculation; plus or minus

- (d) the proportionate share of the Net Change in Non-Portfolio Assets (as defined below) attributable to that class since the last calculation; plus or minus
- (e) the proportionate share of the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date attributable to that class since the last calculation; plus or minus
- (f) the proportionate share of market appreciation or depreciation of the portfolio assets attributable to that class since the last calculation; minus
- (g) the proportionate share of the Fund expenses (other than class specific expenses) (“**Common Expenses**”) allocated to that class since the last calculation; minus
- (h) any expenses specific to that class since the last calculation.

“**Net Change in Non-Portfolio Assets**” on a Valuation Date means

- (a) the aggregate of all income accrued by the Fund as of that Valuation Date, including cash dividends and distributions, interest and compensation; minus
- (b) the Common Expenses to be accrued by the Fund as of that Valuation Date which have not otherwise been accrued in the calculation of the Net Asset Value of the Fund as of that Valuation Date; plus or minus
- (c) any change in the value of any non-portfolio assets or liabilities stated in any foreign currency accrued on that Valuation Date including, without limitation, cash, accrued dividends or interest and any receivables or payables; plus or minus
- (d) any other item accrued on that Valuation Date determined by the Manager to be relevant in determining the Net Change in Non-Portfolio Assets.

A Unit of a class of the Fund being issued or a Unit that has been redesignated as a part of that class shall be deemed to become outstanding as of the next calculation of the applicable Class Net Asset Value immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the issue price or redesignation basis of such Unit is determined and the issue price received or receivable for the issuance of the Unit shall then be deemed to be an asset of the Fund attributable to the applicable class.

A Unit of a class of the Fund being redeemed or a Unit that has been redesignated as no longer being a part of that class shall be deemed to remain outstanding as part of that class until immediately following the Valuation Date at which the applicable Class Net Asset Value per Unit that is the redemption price or redesignation basis of such Unit is determined; thereafter, the redemption price of the Unit being redeemed, until paid, shall be deemed to be a liability of the Fund attributable to the applicable class and the Unit which has been redesignated will be deemed to be outstanding as a part of the class into which it has been redesignated.

On any Valuation Date that a distribution is paid to Unitholders of a class of Units, a second Class Net Asset Value shall be calculated for that class, which shall be equal to the first Class Net Asset Value calculated on that Valuation Date minus the amount of the distribution. For greater certainty, the second Class Net Asset Value shall be used for determining the Class Net Asset Value per Unit on such Valuation Date for purposes of determining the issue price and redemption price for Units on such

Valuation Date, as well as the redesignation basis for Units being redesignated into or out of such class, and Units redeemed or redesignated out of that class as at such Valuation Date shall participate in such distribution while Units subscribed for or redesignated into such class as at such Valuation Date shall not.

The Class Net Asset Value per Unit for a particular class of Units as at any Valuation Date is the quotient obtained by dividing the applicable Class Net Asset Value as at such Valuation Date by the total number of Units of that class outstanding at such Valuation Date. This calculation shall be made without taking into account any issuance, redesignation or redemption of Units of that class to be processed by the Fund immediately after the time of such calculation on that Valuation Date. The Class Net Asset Value per Unit for each class for the purpose of the issue of Units or the redemption of Units shall be calculated on each Valuation Date by or under the authority of the Manager as at such time on every Valuation Date as shall be fixed from time to time by the Manager and the Class Net Asset Value per Unit so determined for each class shall remain in effect until the time as of which the Class Net Asset Value per Unit for that class is next determined.

The Net Asset Value per Unit of any one class of Units need not be equal to the Net Asset Value per Unit of any other class.

The Manager shall be entitled to delegate any of its powers and obligations to a valuation service provider, including, but not limited to, the Trustee or any of its affiliates, by entering into a valuation services agreement relating to the calculation of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. As of the date hereof, the Manager has retained RBC Investor Services Trust pursuant to the Administration Agreement to, among other things, provide valuation and financial reporting services to the Fund and to calculate the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. See “Administrator, Record-keeper and Fund Reporting”. For greater certainty, the calculation of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date pursuant to this section is for the purposes of determining subscription prices and redemption values of Units and not for the purposes of accounting in accordance with IFRS.

See the Trust Agreement for a full and complete description of the determination of the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date.

## **DISTRIBUTIONS**

The Manager intends to make a monthly distribution on the Class A Units, the Class F Units and the Class I Units, to holders of such Units, out of the net income of the Fund. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount. Purchasers should not confuse these distributions with the Fund’s rate of return or yield. The distributions on the Class A Units, the Class F Units and the Class I Units are not guaranteed.

Subject to applicable securities legislation, annual distributions will be automatically reinvested in additional Units of the Class at the Net Asset Value of such Class of Units on the date of distribution, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash. If a Unitholder does not elect to receive cash, all distributions will be automatically reinvested in additional units of the same Class at the Net Asset Value per Unit on the last Valuation Date of the fiscal year of the Fund.

The Fund will also distribute on the last Valuation Date in each year its net realized capital gains in such amount (and in addition to any distributions) as will result in the Fund paying no tax under the Tax Act. The net income and net realized capital gains of the Fund will be calculated as of such Valuation Dates

during the year as the Manager in its discretion may decide. Allocations and distributions of income/gains will generally be made by reference to the number of Units held as of the close of business on the last Valuation Date prior to such allocation or distribution (or such other distribution date as may be determined by the Manager); however, the Manager may make allocations in a manner to fairly reflect, as best as possible, subscriptions and redemptions made during the year.

**Investors should not confuse these distributions with the Fund's rate of return or yield.**

Any distributions to Unitholders shall be accompanied by a statement advising the Unitholders of the source of the funds so distributed so that distributions of ordinary income, dividends, return of capital and capital gains will be clearly distinguished, or, if the source of funds so distributed has not been determined, the communication shall so state, in which event the statement of the source of funds shall be forwarded to Unitholders promptly after the close of the fiscal year in which the distribution was made.

The Trustee may cause to be paid such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which the Fund has received, paid, declared payable or allocated to Unitholders and of expenses incurred by the Fund and of tax deductions of which the Fund may be entitled as the Trustee may, in its sole discretion, determine.

### **UNITHOLDER MEETINGS**

Meetings of Unitholders will be held by the Manager or the Trustee at such time and on such day as the Manager or the Trustee may from time to time determine for the purpose of considering the matters required to be placed before such meetings and for the transaction of such other matters as the Manager or the Trustee determines. Unitholders holding not less than 50% of the outstanding Units may requisition a meeting of Unitholders by giving a written notice to the Manager or the Trustee setting out in detail the reason(s) for calling and holding such a meeting.

Notice of the time and place of each meeting of Unitholders will be given not less than 21 days before the day on which the meeting is to be held to each Unitholder of record at the close of business on the day on which the notice is given. Notice of a meeting of Unitholders will state the general nature of the matters to be considered by the meeting. A meeting of Unitholders may be held at any time and place without notice if all the Unitholders entitled to vote thereat are present in person or represented by proxy or, if those not present or represented by proxy waive notice of, or otherwise consent to, such meeting being held.

A quorum for the transaction of business at any meeting of Unitholders shall be at least two Unitholders holding not less than 5% of the outstanding Units on such date present in person or represented by proxy and entitled to vote thereat. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting shall be adjourned to a date fixed by the chairman of the meeting not later than 14 days thereafter at which adjourned meeting the Unitholders present in person or represented by proxy shall constitute a quorum. The chairman at a meeting of Unitholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

At any meeting of Unitholders every person shall be entitled to vote who, as at the end of the business day immediately preceding the date of the meeting, is entered in the register of Unitholders, unless in the notice of meeting and accompanying materials sent to Unitholders in respect of the meeting a record date is established for persons entitled to vote thereat.

At any meeting of Unitholders a proxy duly and sufficiently appointed by a Unitholder shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him, the same voting rights that the Unitholder appointing him would be entitled to exercise if present at the meeting. A proxy need not be a Unitholder. An instrument appointing a proxy shall be in writing and shall be acted on only if, prior to the time of voting, it is deposited with the chairman of the meeting or as may be directed in the notice calling the meeting.

At any meeting of Unitholders every question shall, unless otherwise required by the Trust Agreement or applicable laws, be determined by the majority of the votes duly cast on the question. Subject to the provisions of the Trust Agreement or applicable laws, any question at a meeting of Unitholders shall be decided by a show of hands unless a poll thereon is required or demanded. Upon a show of hands every person who is present and entitled to vote shall have one vote. If demanded by any Unitholder at a meeting of Unitholders or required by applicable laws, any question at such meeting shall be decided by a poll. Upon a poll each person present shall be entitled, in respect of the Units which he is entitled to vote at the meeting upon the question, to one vote for each whole Unit held and the result of the poll so taken shall be the decision of the Unitholders upon the said question.

Any resolution consented to in writing by Unitholders holding 66  $\frac{2}{3}$ % of the Units then outstanding is as valid as if it had been passed at a meeting of Unitholders.

#### **AMENDMENTS TO THE TRUST AGREEMENT**

Any provision of the Trust Agreement may be amended, deleted, expanded or varied by the Manager, with the approval of the Trustee, upon notice to Unitholders, if the amendment, in the opinion of counsel for either the Trustee or the Manager, does not constitute a material change and does not relate to any of the matters specified below. Notwithstanding the foregoing, no amendment shall be made which adversely affects the pecuniary value of the interest of any Unitholder or restricts any protection provided to the Trustee or increases the responsibilities of the Trustee under the Trust Agreement.

Any provision of the Trust Agreement may be amended, deleted, expanded or varied with the consent of the Unitholders, for any of the following purposes:

- (a) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund;
- (b) the Manager is changed, unless the new manager is an affiliate of the current manager or the new manager occurs primarily as a result of restructuring corporations, limited partnerships or other entities under similar control and ownership and which results in no material change to the day-to-day management, administration or operation of the Fund;
- (c) the Fund undertakes a reorganization with, or transfers its assets to, another investment fund, if (i) the Fund ceases to continue after the reorganization or transfer of assets, and (ii) the transaction results in the Unitholders becoming unitholders in the other investment fund; or
- (d) the Fund undertakes a reorganization with, or acquires assets from, another investment fund, if (i) the Fund continues after the reorganization or acquisition of assets, (ii) the transaction results in the unitholders of the other investment fund becoming Unitholders in the Fund, and (iii) the transaction would be a material change to the Fund.

Notice of any amendment to the Trust Agreement shall be given in writing to Unitholders and any such amendment shall take effect on a date to be specified therein, which date shall be not less than 60 days after notice of the amendment is given to Unitholders, except that the Manager and the Trustee may agree that any amendment shall become effective at an earlier time if that seems desirable and the amendment is not detrimental to the interest of any Unitholder. See “Unitholder Meetings”.

### **TERMINATION OF THE FUND**

The Fund will be terminated and dissolved in the event of any of the following: (i) there are no outstanding Units; (ii) the Trustee or the Manager resigns and no successor is appointed within the time limits prescribed in the Trust Agreement; (iii) the Manager is, in the opinion of the Trustee, in material default of its obligations under the Trust Agreement and such default continues for 120 days from the date that the Manager receives notice of such material default from the Trustee; (iv) the Manager has been declared bankrupt or insolvent or has entered into liquidation or winding-up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction); (v) the Manager makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or (vi) the assets of the Manager have become subject to seizure or confiscation by any public or governmental authority.

The Manager may at any time terminate and dissolve the Fund by giving to the Trustee and each Unitholder written notice of its intention to terminate at least 90 days before the date on which the Fund is to be terminated. Notwithstanding the foregoing, the Manager may, in its sole discretion, may require the redemption of all or any part of the Units held by a Unitholder at any time.

In the event of the winding-up of the Fund, the rights of Unitholders to require redemption of any or all of their Units shall be suspended, the Manager shall make appropriate arrangements for converting the investments of the Fund into cash and the Trustee shall proceed to wind-up the affairs of the Fund in such manner as seems to it to be appropriate. The assets of the Fund remaining after paying or providing for all obligations and liabilities of the Fund shall be distributed among the Unitholders registered as at the close of business on the termination date in accordance with the Trust Agreement. Distributions of net income and net realized capital gains shall, to the extent not inconsistent with the orderly realization of the assets of the Fund, continue to be made in accordance with the Trust Agreement until the Fund has been wound up.

Notwithstanding the foregoing, if authorized by the holders of more than 50% of the outstanding Units, the assets of the Fund may be, in the event of the winding-up of the Fund, distributed to the Unitholders on the termination of the Fund *in specie* in whole or in part, and the Trustee shall have complete discretion to determine the assets to be distributed to any Unitholder and their values for distribution purposes.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is a general summary of the principal Canadian federal income tax considerations with respect to the tax status of the Fund and to Unitholders who are individuals (other than a trust) and who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length, and are not affiliated, with the Fund and hold their Units as capital property. Units will generally be considered capital property to a Unitholder unless the Unitholder holds the Units in the course of carrying on a business of trading or dealing in securities or has acquired the Units in a transaction or transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may be entitled to have their Units (and every other “Canadian security” owned by them in that taxation year or any subsequent taxation year) treated as capital property by making the

irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding the availability and the appropriateness of making this election.

This summary is not applicable to either a Unitholder that is a “financial institution” (as defined in the Tax Act for purposes of the “mark-to-market” rules), a “specified financial institution”(as defined in the Tax Act), a Unitholder to whom the functional currency reporting rules contained in section 261 of the Tax Act applies, a Unitholder an interest in which is a “tax shelter investment” (as defined in the Tax Act), or a Unitholder who has entered into a “derivative forward agreement” (as defined in the Tax Act) with respect to the Units. Any such Unitholder should consult its own tax advisor with regard to its income tax consequences.

This summary is also based on the assumption that (i) none of the issuers of the securities held by the Fund will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act, (ii) the Fund will not be a “SIFT trust” as defined in subsection 122.1(1) of the Tax Act (this is based on the assumption that the Units will at no time be listed or traded on a stock exchange or other “public market”) and (iii) the Fund is not subject to a “loss restriction event”, as defined in the Tax Act.

This summary is based on the current provisions of the Tax Act and the Income Tax Regulations, all specific proposals to amend the Tax Act and the Income Tax Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and the Manager’s understanding of the current administrative and assessing policies of the Canada Revenue Agency (“**CRA**”). There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that CRA will not change its administrative or assessing practices. This summary further assumes that the Fund will comply with the Trust Agreement and certificates issued to counsel regarding certain factual matters. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any change in the law, whether by legislative, governmental or judicial decision or action, which may affect adversely any income tax consequences described herein, and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein.

**This summary is not exhaustive of all possible Canadian federal tax considerations applicable to a Unitholder and is not intended to constitute legal or tax advice. The income and other tax consequences will vary depending on the Unitholder’s particular circumstances, including the province(s) or territory(ies) in which the Unitholder resides or carries on business. Accordingly, Unitholders should consult their own professional advisors to obtain advice on the income tax consequences that apply to their individual circumstances.**

### **Qualification as a Mutual Fund Trust**

This summary is based on the assumption that the Fund will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. One of the conditions to qualify as a mutual fund trust for purposes of the Tax Act is that the Fund was not established or is not maintained primarily for the benefit of non-residents and that not more than 50% (based on fair market value) of the Units will be held by non-residents of Canada, non-Canadian partnerships, or any combination thereof. The Fund has adopted mechanisms to ensure that the latter requirement with respect to restrictions on holdings by non-residents will be met.

**If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below and under “Eligibility for Investment” would, in some respects, be materially and adversely different.**

## **Taxation of the Fund**

In each taxation year, income of the Fund, including the taxable portion of capital gains, if any, that is not paid or payable to Unitholders in that year will be taxed in the Fund under Part I of the Tax Act. An amount will be considered payable to a Unitholder in a taxation year if it is paid by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. Provided the Fund distributes all of its net taxable income and net taxable capital gains to the Unitholders on an annual basis, it will not be liable for any income tax under Part I of the Tax Act. The Trust Agreement requires that sufficient amounts be paid or payable each year so that the Fund will not be liable for any income tax under Part I of the Tax Act. Income of the Fund which is derived from foreign sources may be subject to foreign taxes which may, within certain limits, be either deducted from taxable income in the Fund or allocated to Unitholders to potentially offset taxes payable on foreign source income.

The Manager has advised counsel that, generally, the Fund will include gains and deduct losses in connection with investments made through derivative instruments on income account (except where such derivatives are used to hedge securities held on capital account), and that the Fund will recognize such gains and losses for tax purposes at the time that they are realized. Gains and losses of the Fund in respect of the short sale of securities (other than the short sale of Canadian securities) are generally considered to be on income account; however, in certain instances, if the Fund has made an election under subsection 39(4) of the Tax Act and the short sale is of "Canadian securities" within the meaning of the Tax Act, the gain or loss will be a capital gain or loss. To the extent short positions are not used to hedge securities held on capital account, they will be treated on income account.

The Fund will be required to include in its income for each taxation year all interest that accrues or is deemed to accrue to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The Fund will also be required to include in its income for a taxation year all dividends and other distributions received in the year on shares of corporations.

Upon the actual or deemed disposition of an investment held by the Fund as capital property, the Fund will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of amounts otherwise included in income, exceed (or are less than) the adjusted cost base of such Fund investment and any reasonable costs of disposition, provided such Fund investment is capital property to the Fund. The Manager has advised that the Fund will make an election under subsection 39(4) of the Tax Act so that all Fund investments that are Canadian securities (as defined in the Tax Act) will be deemed to be capital property.

A distribution by the Fund of investments upon a redemption of Units will be treated as a disposition by the Fund of such investments so distributed for proceeds of disposition equal to their fair market value. The Fund will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition exceed (or are less than) the adjusted cost base of the distributed Fund investments and any reasonable costs of disposition. The Fund currently intends to treat as payable to and designate to a redeeming Unitholder any capital gain or income realized by the Fund as a result of the distribution of such property to the Unitholder.

In computing its income for tax purposes, the Fund may generally deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act, including interest on any borrowings generally to the extent borrowed funds are used for the purpose of earning income from its investments. All of the Fund's deductible expenses, including expenses common to all classes of Units and Management Fees and other expenses specific to a particular class of Units, will be taken into account in determining the income or loss of the Fund as

a whole and applicable taxes payable by the Fund as a whole.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (“**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with a redemption of Units.

Losses incurred by the Fund in a taxation year cannot be allocated to Unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

The Fund is required to compute all amounts, including interest, cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of income, expenses and capital gains for capital losses for the Fund may be affected by changes in the value of a foreign currency relative to the Canadian dollar.

### **Taxation of Unitholders**

Unitholders (other than Tax Deferred Plans) will be required to include in their income for tax purposes for a particular year the amount of net income and net taxable capital gains, if any, paid or payable to them, whether or not reinvested in additional Units. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the Unitholders the income and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, taxable dividends on shares of taxable Canadian corporations and net taxable capital gains paid or payable to Unitholders will be taxable as if such income had been received by them directly. Income of the Fund derived from foreign sources may be subject to foreign withholding taxes which, to the extent permitted by the Tax Act, may be claimed as a deduction or credit by Unitholders. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. To the extent that distributions to Unitholders exceed the net income and net realized capital gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in the hands of the Unitholder but will reduce the adjusted cost base to the Unitholder of such Unitholder's Units, except to the extent such amount is the non-taxable portion of a capital gain of the Fund the taxable portion of which was designated to the Unitholder. To the extent that the adjusted cost base of a Unit would be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base of the Units will be increased by the amount of such deemed capital gain.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the 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 costs of disposition. Under the Tax Act, one-half of capital gains are included in an individual's income and one-half of capital losses are generally deductible only against taxable capital gains. Any unused allowable capital losses may be carried back up to three years and forward indefinitely and deducted against net taxable capital gains realized in any such other year to the extent and under the circumstances described in the Tax Act.

Any front-end sales charges payable by Unitholders to registered dealers on the acquisition of Units are not deductible by Unitholders but are added to the adjusted cost base of the Units purchased. The cost of Units must be averaged with the adjusted cost base of all other Units held by the Unitholder at such time as capital property.

The reclassification of Units as Units of another class of the Fund will not be considered to be a disposition for tax purposes and, accordingly, the Unitholder will not realize a gain or a loss as a result of a reclassification. The Unitholder's adjusted cost base of the Units received for the Units of another class will equal the adjusted cost base of the former Units.

Unitholders will be advised each year of the amount of net income, net taxable capital gains and return of capital paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them. Individuals may be liable for alternative minimum tax in respect of dividends received from taxable Canadian corporations and realized net taxable capital gains.

A Unitholder's share of distributions paid by the Fund will be based on the number of Units held by the Unitholder on the record date of the distribution regardless of how long the Unitholder has owned his, her or its Units. Where a Unitholder buys Units, the Net Asset Value of the Units, and therefore the price paid for the Unit, may reflect income and gains that have accrued in the Fund which have not yet been realized or distributed. When such income and gains are distributed by the Fund, the Unitholder will be required to include the Unitholder's share of the distribution in the Unitholder's income even though some of the distribution the Unitholder received may reflect the purchase price paid by the Unitholder for the Units. This effect could be particularly significant if the Unitholder purchases Units just before a record date for distribution by the Fund.

### **Eligibility for Investment**

Provided the Fund qualifies at all relevant times as a "mutual fund trust" under the Tax Act and the Income Tax Regulations, Units will be "qualified investments", as defined in the Tax Act, for Tax Deferred Plans. A fee of up to \$125 may be charged for each transfer or deregistration of Units held directly with the Manager in a Tax Deferred Plan.

Notwithstanding that Units will be qualified investments for an RRSP, RRIF or a TFSA the annuitant of an RRSP, RRIF or the holder of a TFSA, as the case may be, will be subject to penalty taxes in respect of the Units if such properties are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF or the TFSA, as applicable. The Units will not be a "prohibited investment" provided that the annuitant or holder, as the case may be: (i) deals at arm's length with the Fund, and (ii) does not have a "significant interest" in the Fund (within the meaning of the Tax Act). Generally, an annuitant or holder, as the case may be, will not have a significant interest in the Fund unless the annuitant or holder, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with whom the holder or annuitant, as the case may be, does not deal at arm's length. In addition, the Units will generally not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act for RRSPs, RRIFs or TFSAs.

### **Tax Exempt Unitholders**

In the event that on a redemption of Units, a Unitholder that is a Tax Deferred Plan receives a distribution in kind from the Fund, including LP Units, such property may not be, and in the case of LP Units, will not be, a qualified investment for a Tax Deferred Plan. Where the LP Units are non-qualified investments for Unitholders that are Tax Deferred Plans, a penalty tax will apply as follows: (i), where a Unitholder is an RRSP, RRIF or TFSA, the annuitant or holder, as the case may be, would be subject to a penalty tax equal to 50% of the fair market value of the non-qualified investment acquired by such Tax Deferred Plan; (ii) a Unitholder that is a DPSP will be liable to a penalty tax equal to 100% of the fair market value of the non-qualified investment acquired by the DPSP; and (iii) where the Unitholder is a DPSP or an

RESP, the Unitholder would be subject to a penalty tax equal to 1% of the fair market value of the LP Units at the end of every month that it holds the non-qualified investment. The penalty tax paid by an RRSP, RRIF, TFSA or DPSP may be refunded under certain limited circumstances where such Tax Deferred Plan disposes of the non-qualified investment within the times prescribed by the Tax Act. In addition, a Tax Deferred Plan (other than a DPSP and an RESP) would be subject to tax on any income and capital gains from non-qualified investments. Investors are urged to consult with their tax advisors in respect of purchases of Units made through a Tax Deferred Plan.

## **RISK FACTORS**

**An investment in Units involves certain risks, including risks associated with the investment objective and strategies of the Fund and of the Partnership.** The Partnership is also subject to the risks inherent in each of the Portfolio Funds as disclosed in their applicable prospectus or offering memorandum, if available. **The following risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Prospective investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining whether to invest in Units.**

### **Risks Associated with an Investment in the Fund**

AN INVESTMENT IN THE FUND IS NOT GUARANTEED AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. A SUBSCRIPTION FOR UNITS SHOULD BE CONSIDERED ONLY BY PERSONS FINANCIALLY ABLE TO MAINTAIN THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF LOSS ASSOCIATED WITH AN INVESTMENT IN THE FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS TO BE UTILIZED BY THE FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

#### *Fund of Funds Risk*

The Fund's ability to achieve its investment objective will depend largely, in part, on: (i) the performance of the Portfolio Funds, expenses and ability to meet their respective investment objectives; and (ii) properly rebalancing assets among the Portfolio Funds. The Fund is also subject to risks related to: (i) layering of fees of such funds; and (ii) conflicts of interest associated with the Manager or Sub-Advisor's, as the case may be, ability to allocate assets without limit to other funds it advises and/or other funds advised by affiliates. There is no assurance that either the Fund or the Portfolio Funds will achieve their investment objectives.

#### *Not a Public Mutual Fund*

The Fund is not subject to the securities regulatory restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio securities.

#### *Limited Operating History for the Fund*

Although all persons involved in the management and administration of the Fund, including the service providers to the Fund, have significant experience in their respective fields of specialization, the Fund has a limited operating or performance history upon which prospective investors can evaluate the Fund's likely performance. Notwithstanding the foregoing, prospective investors may wish to consider the Partnership's operating and performance history.

### *Class Risk*

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

### *Charges to the Fund*

The Fund is obligated to pay commissions and trustee, custodian, record-keeper, legal, accounting, filing and other expenses regardless of whether the Fund realizes any profits. See "Fees and Expenses – Operating Expenses Payable by the Fund".

### *Changes in Investment Objective, Strategies and Restrictions*

The Manager may alter the Fund's investment objective, strategies and restrictions without the prior approval of the Unitholders to adapt to changing circumstances.

### *Unitholders not Entitled to Participate in Management*

Unitholders are not entitled to participate in the management or control of the Fund or its operations. Unitholders do not have any input into the Fund's trading activities. The success or failure of the Fund will ultimately depend on the indirect investment of the assets of the Fund by the Partnership Manager with whom the Unitholders will not have any direct dealings.

### *Lack of Operating History of the Manager*

The Manager is a newly established entity with no previous operating or investment history.

### *Dependence of the Manager on Key Personnel*

The Manager will depend, to a great extent, on the services of a limited number of individuals in the management and administration of the Fund's activities. The loss of one or more of such individuals for any reason could impair the ability of the Manager to perform its investment management activities on behalf of the Fund.

### *Reliance on the Manager*

The Fund will be relying on the ability of the Manager to actively manage the assets of the Fund. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager will not terminate the Fund, but will expose investors to the risks involved in whatever new investment management arrangements the Fund is able to negotiate.

### *Resale Restrictions*

This offering of Units is not qualified by way of prospectus and, consequently, the resale of Units is subject to restrictions under applicable securities legislation. There is no formal market for the Units and one is not expected to develop. In addition, Unit transfers are subject to approval by the Manager. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of a

redemption of their Units on a Valuation Date, subject to the limitations described under “Redemption of Units”.

#### *Illiquidity*

Holders of Units may not be able to liquidate their investment in a timely manner and Units may not be readily accepted as collateral for a loan. There can be no assurance that the Fund will be able to dispose of its investments in order to honour requests to redeem Units.

#### *Possible Effect of Redemptions*

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

#### *Redemptions in Kind*

Provided the Fund qualifies at all relevant times as a “mutual fund trust” for the purposes of the Tax Act, Units will be qualified investments under the Tax Act for Tax Deferred Plans. Tax Deferred Plans will generally not be liable for tax in respect of any distributions received from the Fund. In the event that on a redemption of Units, a Unitholder that is a Tax Deferred Plan receives a distribution in kind from the Fund, including LP Units, such property may not be, and in the case of LP Units will not be, a qualified investment for a Tax Deferred Plan. Where the LP Units are non-qualified investments for Unitholders that are Tax Deferred Plans, a penalty tax will apply as follows: (i), where a Unitholder is an RRSP, RRIF or TFSA, the annuitant or holder, as the case may be, would be subject to a penalty tax equal to 50% of the fair market value of the non-qualified investment acquired by such Tax Deferred Plan; (ii) a Unitholder that is a DPSP will be liable to a penalty tax equal to 100% of the fair market value of the non-qualified investment acquired by the DPSP; and (iii) where the Unitholder is a DPSP or an RESP, the Unitholder would be subject to a penalty tax equal to 1% of the fair market value of the LP Units at the end of every month that it holds the non-qualified investment. The penalty tax paid by an RRSP, RRIF, TFSA or DPSP may be refunded under certain limited circumstances. In addition, a Tax Deferred Plan (other than a DPSP and an RESP) would be subject to tax on any income and capital gains from non-qualified investments. Investors are urged to consult with their tax advisors in respect of purchases of Units made through a Tax Deferred Plan.

#### *Distributions*

The Fund is not required to distribute its profits. If the Fund has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be distributed to Unitholders in accordance with the provisions of the Trust Agreement as described under “Distributions” and will be required to be included in computing the Unitholder’s income for tax purposes, irrespective of the fact that cash may not have been distributed to such Unitholders. Since Units may be acquired or redeemed on a monthly basis and distributions of income and losses of the Fund to Unitholders are anticipated only to be made on an annual basis, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

#### *Liability of Unitholders*

The Trust Agreement provides that no Unitholder will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the

Fund and all such persons shall look solely to the Fund's assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Trust Agreement, for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Fund will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

#### *Potential Indemnification Obligations*

Under certain circumstances, the Fund might be subject to significant indemnification obligations in favour of the Trustee, the Manager or certain parties related to them. The Fund will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund and, by extension, the Net Asset Value per Unit for each class of Units.

#### *Lack of Independent Experts Representing Unitholders*

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

#### *No Involvement of Unaffiliated Selling Agent*

No outside selling agent unaffiliated with the Manager has made any review or investigation of the terms of this offering, the structure of the Fund or the background of the Manager.

#### **Risks Associated with an Investment in the Portfolio Funds**

The Fund's investments will be primarily direct investment in units of the Portfolio Funds. The following risk factors, associated with an investment in each of the Portfolio Funds, will indirectly impact Unitholders in the Fund.

AN INVESTMENT IN THE PORTFOLIO FUNDS IS NOT GUARANTEED AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. A SUBSCRIPTION FOR UNITS SHOULD BE CONSIDERED ONLY BY PERSONS FINANCIALLY ABLE TO MAINTAIN THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF LOSS ASSOCIATED WITH AN INVESTMENT IN A PORTFOLIO FUND. INVESTORS SHOULD REVIEW CLOSELY THE INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS TO BE UTILIZED BY THE PORTFOLIO FUND AS OUTLINED HEREIN TO FAMILIARIZE THEMSELVES WITH THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE PORTFOLIO FUND.

#### *Public Mutual Fund Regulatory Restrictions*

Other than the Ninepoint Diversified Bond Fund, none of the other Portfolio Funds are subject to the securities regulatory restrictions placed on public mutual funds to ensure diversification and liquidity of the Portfolio Fund's portfolio securities.

#### *Limited Operating History for the Portfolio Funds*

Although all persons involved in the management of the Portfolio Funds and the service providers to the Portfolio Funds have had long experience in their respective fields of specialization, it has to be considered that each of the Portfolio Funds has a limited operating and performance history upon which prospective investors can evaluate performance.

#### *Class Risk*

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

#### *Charges to the Portfolio Fund*

The Portfolio Fund is obligated to pay Management Fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Portfolio Fund realizes any profits.

#### *Changes in Investment Objective, Strategies and Restrictions*

The Portfolio Fund may alter its investment objective, strategies and restrictions without the prior approval of the Limited Partners or Unitholders, as the case may be, if the manager of such Portfolio Fund determines that such changes are in the best interests of the Portfolio Fund.

#### *Not Entitled to Participate in Management*

Unitholders of a Portfolio Fund are not entitled to participate in the management or control of the Portfolio Fund or its operations. Unitholders do not have any input into the Portfolio Fund's trading activities. The success or failure of the Portfolio Fund will ultimately depend on the investment of the assets of the Portfolio Fund by the Manager whom the unitholders will not have any direct dealings. Notwithstanding the foregoing, the Manager of the Fund is also the manager of the Portfolio Funds and, as such, will have direct, ongoing knowledge of the operations of the Portfolio Funds.

#### *Dependence of the Manager on Key Personnel*

The Manager depends, to a great extent, on the services of a limited number of individuals in the management and administration of the Portfolio Fund's trading activities. The loss of such services for any reason could impair the ability of the Manager to perform its investment management activities on behalf of the Portfolio Fund.

#### *Reliance on the Manager*

The Portfolio Fund relies on the ability of the Manager to actively manage the assets of the Portfolio Fund. The Manager will make the actual trading decisions upon which the success of the Portfolio Fund will depend significantly. No assurance can be given that the trading approaches utilized by the Manager will prove successful. There can be no assurance that satisfactory replacements for the Manager will be available, if needed. Termination of the Management Agreement will not terminate the Portfolio Fund, but will expose investors to the risks involved in whatever new investment management arrangements are negotiated for and on behalf of the Portfolio Fund. In addition, the liquidation of securities positions held by the Portfolio Fund as a result of the termination of the Management Agreement may cause substantial losses to the Portfolio Fund.

#### *Dependence of Sub-Advisor on Key Personnel*

The Sub-Advisor depends, to a great extent, on the services of a limited number of individuals in the investment management of the assets of the Portfolio Fund. The loss of such services for any reason could impair the ability of the Sub-Advisor to perform its investment management activities on behalf of the Portfolio Fund.

#### *Reliance on Sub-Advisor*

The Portfolio Fund relies on the ability of the Sub-Advisor to actively manage the assets of the Portfolio Fund. The Sub-Advisor will make the actual trading decisions upon which the success of the Portfolio Fund will depend significantly. No assurance can be given that the trading approaches utilized by the Sub-Advisor will prove successful. There can be no assurance that satisfactory replacements for the Sub-Advisor will be available, if needed. Termination of the Sub-Advisory Agreement will not terminate the Portfolio Fund, but will expose investors to the risks involved in whatever new investment management arrangements the Manager is able to negotiate for and on behalf of the Portfolio Fund. In addition, the liquidation of securities positions held by the Portfolio Fund as a result of the termination of the Sub-Advisory Agreement may cause substantial losses to the Portfolio Fund.

#### *Resale Restrictions*

The offering of the units of a Portfolio Fund is not qualified by way of prospectus and, consequently, the resale of the units is subject to restrictions under applicable securities legislation. There is no formal market for such units and one is not expected to develop. Accordingly, it is possible that unitholders, including the Fund, may not be able to resell their units other than by way of redemption of their uUnits on an applicable Valuation Date, subject to the applicable limitations.

#### *Illiquidity*

Holders of units, including the Fund, may not be able to liquidate their investment in a timely manner and units may not be readily accepted as collateral for a loan. There can be no assurance that the Portfolio Fund will be able to dispose of its investments in order to honour requests to redeem units.

#### *Possible Effect of Redemptions*

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

#### *Distributions and Allocations*

The Portfolio Fund is not required to distribute its profits. If the Portfolio Fund has income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to the unitholders (including the Fund) in accordance with the provisions of the applicable governing document of the Portfolio Fund and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to unitholders (including the Fund). Allocations for tax purposes to the Fund, may not correspond to the economic gains and losses which the Fund may experience.

#### *Repayment of Certain Distributions*

Other than with respect to the possible loss of limited liability as outlined in the risk factor below, no unitholder will be obligated to pay any additional assessment on the units held or subscribed. However, if the available assets of the Portfolio Fund are insufficient to discharge obligations to creditors incurred by the Portfolio Fund, the Portfolio Fund may have a claim against a unitholder (including the Fund) for the repayment of any distributions or returns of contributions received by such unitholder (including upon redemption of units), to the extent that such obligations arose before the distributions or returns of contributions sought to be recovered by the Portfolio Fund.

#### *Possible Loss of Limited Liability*

The Portfolio Fund may, by virtue of its offering of the units or otherwise, be carrying on business in Offering Jurisdictions other than the jurisdiction under which it was formed. A Portfolio Fund that is a limited partnership may be registered as an extra-jurisdictional limited partnership in those Offering Jurisdictions where the Portfolio Fund has been advised that it will be carrying on business by virtue of its offering of the units or otherwise and where there is provision for registration as an extra-jurisdictional limited partnership in those Offering Jurisdictions. However, there is a risk that Limited Partners (including the Fund) may not be afforded limited liability in such Offering Jurisdictions to the extent that principles of conflicts of law recognizing the limitation of liability of Limited Partners have not been authoritatively established with respect to limited partnerships formed under laws of one jurisdiction but carrying on business in another jurisdiction.

#### *Potential Indemnification Obligations*

Under certain circumstances, the Portfolio Fund might be subject to significant indemnification obligations in respect of the Manager or certain related parties. The Portfolio Fund will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which the Portfolio Fund has agreed to indemnify them. Any indemnification paid by the Portfolio Fund would reduce the Net Asset Value of the Portfolio Fund and the Net Asset Value per unit for each class of units and, by extension, the Net Asset Value of the Fund and the Net Asset Value per Unit for each class of Units.

#### *Valuation of the Partnership's Investments*

Valuation of the Portfolio Fund's portfolio securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Portfolio Fund and the Net Asset Value per unit for each class of units could be adversely affected. Independent pricing information may not at times be available regarding certain of the Portfolio Fund's portfolio securities and other investments. Valuation determinations will be made in good faith in accordance with the governing document of the Portfolio Fund.

The Portfolio Fund may have some of its assets in investments which, by their very nature, may be extremely difficult to value accurately. To the extent that the value designated by the Portfolio Fund to

any such investment differs from its actual value, the Net Asset Value per unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a unitholder who redeems all or part of his or her units while the Portfolio Fund holds such investments will be paid an amount less than such unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Portfolio Fund. Similarly, there is a risk that such unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Portfolio Fund. In addition, there is risk that an investment in the Portfolio Fund by a new unitholder (or an additional investment by an existing unitholder) could dilute the value of such investments for the other unitholders if the actual value of such investments is higher than the value designated by the Portfolio Fund. Furthermore, there is a risk that a new unitholder (or an existing unitholder that makes an additional investment) could pay more to purchase units than he or she might otherwise be required to pay if the actual value of such investments is lower than the value designated by the Portfolio Fund. The Portfolio Fund does not intend to adjust the Net Asset Value per unit of any class of units retroactively.

#### *Lack of Independent Experts Representing Unitholders*

Each of the Portfolio Fund, the General Partner (as applicable) and the Manager have consulted with a single legal counsel regarding the formation and terms of the Portfolio Fund and the offering of the units. The unitholders have not, however, been independently represented. Therefore, to the extent that the Portfolio Fund, the unitholders or the offering of the units could benefit by further independent review, such benefit will not be available. Each prospective investor should consult with his or her own legal, tax and financial advisors regarding the desirability of purchasing units and the suitability of investing in the Portfolio Fund.

#### *No Involvement of Unaffiliated Selling Agent*

No outside selling agent unaffiliated with the Manager has made any review or investigation of the terms of the offering of the units, the structure of the Portfolio Fund or the background of the Manager.

#### *Tax Liability*

Each unitholder is taxable in respect of the income of the Portfolio Fund allocated to him or her. Income will be allocated to unitholders according to the terms of the governing document and without regard to the acquisition price of such units. Unitholders may have an income tax liability in respect of profits not distributed.

The income or loss of the Portfolio Fund will be computed as if the Portfolio Fund were a separate person resident in Canada. CRA has stated that it will permit certain taxpayers to report their gains and losses from commodities-related transactions as capital gains and losses (rather than as ordinary income or losses from a business), but has also stated that it will not extend such treatment to a partnership whose prime activity is trading in commodities or commodities futures where the facts support the proposition that the partnership is carrying on a business of trading such items. CRA's administrative practices with respect to trading activities (other than commodities) to be undertaken by the Portfolio Fund may be applied in a similar manner. In the event that the Portfolio Fund treats certain of its gains and losses from trading in equities and equity derivative securities as giving rise to capital gains and capital losses, it is possible that CRA may recharacterize such gains and losses as being on income account.

#### **Risks Associated with the Partnership's Underlying Investments**

The Fund's investment will be primarily an investment in units of the Portfolio Funds. The following risk factors, associated with the Portfolio Fund's underlying investments, will indirectly impact Unitholders in the Fund.

#### *General Economic and Market Conditions*

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

#### *Assessment of the Market*

The Manager intends to invest in opportunities that provide what the Manager, at the time of investment, believes to be the best reward per unit of risk. The Manager also intends to optimize the reward per unit of risk of the Portfolio Fund's investment portfolio by varying the allocation of long and short positions depending on the Manager's view of the domestic and international economy, market trends and other considerations. The Portfolio Fund's portfolio will be positioned in accordance with the Manager's market view. There is no assurance that the Manager's assessment of the market will be correct and result in positive returns. Losses may occur as a result of any incorrect assessment.

#### *Concentration*

The Manager may take more concentrated securities positions than a typical mutual fund or concentrate investment holdings in specialized industries, market sectors or in a limited number of issuers. Investment in the Portfolio Fund involves greater risk and volatility since the performance of one particular sector, market or issuer could significantly and adversely affect the overall performance of the entire Portfolio Fund.

#### *Foreign Investment Risk*

To the extent that the Portfolio Fund invests in securities of foreign issuers, it will be affected by world economic factors and, in many cases, by the value of the Canadian dollar as measured against foreign currencies. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, the Net Asset Value of the Portfolio Fund may fluctuate to a greater degree by investing in foreign equities than if the Partnership limited its investments to Canadian securities.

#### *Illiquidity of Underlying Investments*

Due to the nature of the Portfolio Fund's investment strategy and portfolio, certain investments may have to be held for a substantial period of time before they can be liquidated to the Portfolio Fund's greatest advantage or, in some cases, at all. The Portfolio Fund will generally hold investments that are illiquid and for which no ready market exists. Illiquid investments carry the risk that a buyer may not be found for such investments. Also, certain of the investments owned by the Portfolio Fund may be subject to legal or contractual restrictions which may impede the Portfolio Fund's ability to dispose of its investments which it might otherwise desire to do. To the extent that there is no liquid trading market for

these investments, the Portfolio Fund may be unable to liquidate these investments or may be unable to do so at a profit.

#### *Credit Risk*

The investments of the Bridging Partnership in Asset-Based Investments and Factoring Investments will expose the Bridging Partnership to the credit risk of the borrower or counterparty, as applicable, including the risk of default by the borrower or counterparty, as applicable, on the interest, principal and other payment amounts owing on the debt. Although the Sub-Advisor will seek to moderate risk through the careful selection of investments within the parameters of the investment strategy, and such investments in the portfolio will generally be secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower's obligation in the event of default or that such collateral could be readily liquidated under such circumstances. In the event of bankruptcy of a borrower, delays or limitations could be experienced with respect to the ability to realize the benefits of any collateral securing an Asset-Based Investment or Factoring Investments.

#### *Impaired Loans; No Insurance*

The Portfolio Fund may from time to time have one or more impaired loans in its portfolio. Loans are impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which specific loss provisions have been established. Any Asset-Based Investments which are secured by buildings and/or land will not generally be insured by a mortgage insurer in whole or in part. Consequently, the performance of such impaired loans may affect the overall performance of the Portfolio Fund.

#### *Joint Ventures and Co-Investments*

The Portfolio Fund may enter into joint venture or co-investment arrangements with other entities when making investments, which may include other vehicles or accounts organised or sponsored by the Manager, the Sub-Advisor, or their respective affiliates. These may involve incentive-based management agreements. The Manager may, from time to time, in its sole discretion, offer unitholders or third parties opportunities to co-invest with the Portfolio Fund in particular investments. Co-investment opportunities may result in additional benefits for those who so invest. As the Manager retains discretion as to how co-investment opportunities are allocated among unitholders, the benefits of an investment in which the Manager has made co-investment opportunities available will be received only by the unitholders selected by the Manager for such opportunities and not by any of the other unitholders.

#### *Litigation*

Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Portfolio Fund may be engaged in litigation both as plaintiff and as a defendant. In certain cases, borrowers may bring claims and/or counterclaims against the Portfolio Fund, the Manager, the Sub-Advisor, and/or their respective principals and affiliates. The expense of defending against claims made against the Portfolio Fund by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that the Portfolio Fund has not been able to protect itself by indemnification or other rights against the portfolio companies, be borne by the Portfolio Fund and reduce the Net Asset Value of the Portfolio Fund.

In recent years, certain judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “**lender liability**”). Generally, lender liability is founded upon the premise that an institutional lender has violated a fiduciary duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creating a fiduciary duty owed to the borrower or its other creditors or shareholders. Due to the nature of the Portfolio Fund’s investments, the Portfolio Fund could be subject to allegations of lender liability.

#### *Fixed Income Securities*

To the extent that the Portfolio Fund holds fixed income investments in its portfolio, it will be influenced by financial market conditions and the general level of interest rates in Canada. In particular, if fixed income investments are not held to maturity, the Portfolio Fund may suffer a loss at the time of sale of such securities.

#### *Equity Securities*

To the extent that the Portfolio Fund holds equity investments in its portfolio, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Portfolio Fund are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Portfolio Fund. Additionally, to the extent that the Portfolio Fund holds any foreign investments in its portfolio, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Portfolio Fund.

#### *Possible Correlation With Traditional Investments*

Although the Portfolio Fund’s portfolio will not typically be comprised of a material amount of equity securities, there can be no assurance that the performance of the Portfolio Fund will not, in fact, be positively correlated to the performance of traditional stock and bond investments, especially if multiple markets move in tandem, thereby reducing the overall portfolio benefits of an investment in the Portfolio Fund.

#### *Idle Cash*

While the Sub-Advisor will typically endeavour to keep the assets of the Portfolio Fund invested, there may be periods of time when the Portfolio Fund has a significant portion of its assets in cash or cash equivalents. The investment return on such “idle cash” may not meet the overall return objective the Sub-Advisor seeks for the Portfolio Fund.

#### *Currency Risk*

Investment in securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Thus, the value of securities within the Portfolio Fund’s portfolio may be worth more or less depending on their susceptibility to foreign exchange rates.

To the extent that the Portfolio Fund directly or indirectly holds assets in local currencies, the Portfolio Fund will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of investments in the Portfolio Fund. In addition, the Portfolio Fund will incur costs in connection with conversions between various currencies. The

Portfolio Fund may seek to hedge the foreign currency exposure, but such hedging strategies may not necessarily be available or effective and may not always be employed, since the Portfolio Fund may choose to enhance returns through direct currency exposure.

#### *Suspension of Trading*

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render it impossible to liquidate positions and could thereby expose the Portfolio Fund to losses.

#### *Leverage*

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

**In light of the foregoing there can be no assurance that the Fund's or the Portfolio Fund's investment objective will be achieved or that the Net Asset Value per Unit at redemption will be equal to or more than a purchaser's original cost.**

### **CONFLICTS OF INTEREST**

The Manager has established one independent review committee ("IRC") for all of the investment funds that it manages. The Manager must refer certain conflict of interest matters for the Fund to the IRC for its review or approval, if necessary. The conflict of interest matters to be referred to the IRC for the Fund are set out in three applicable exemptive relief orders for the Manager on July 27, 2010, August 27, 2010 and September 30, 2010 and are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) (collectively, the "Exemptive Relief"). The Manager has established written policies and procedures for dealing with conflict of interest matters set out in the Exemptive Relief, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The IRC is comprised of a minimum of three independent members and is required to conduct regular assessments and provide reports to the Manager in respect of its functions. The fees and expenses of the IRC are borne and shared by all of the investment funds in the Manager's family of funds, including expenses associated with insuring and indemnifying each IRC member.

Various potential conflicts of interest exist between the Fund and the Manager and Ninepoint GP. These potential conflicts of interest may arise as a result of common ownership and certain common directors, partners, officers and personnel and, accordingly, will not be resolved through arm's length negotiations but through the exercise of judgment consistent with fiduciary responsibilities to the Fund and its Unitholders generally.

The Manager manages, and may in the future manage, the trading for other limited partnerships, trusts, corporations, investment funds or managed accounts in addition to the Fund. In the event that the Manager elects to undertake such activities and other business activities in the future, the Manager and its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Manager and its principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one pool or account over another and will conduct their activities in accordance with the Manager's fair allocation policy.

In executing its duties on behalf of the Fund, the Manager will be subject to the provisions of the Trust Agreement and the Manager's Code of Ethics (a copy of which is available for review by Unitholders upon request at the offices of the Manager), which provide that the Manager will exercise its duties in good faith and with a view to the best interests of the Fund and its Unitholders.

From time to time the Manager may receive a portion of a sourcing or structuring fee from issuers in connection with securities acquired by the Portfolio Fund pursuant to certain financing transactions.

The Fund and the Portfolio Funds may in the future execute a portion of their portfolio transactions through SP Wealth LP, which is a registered investment dealer that is an affiliate of the Manager. The Manager believes, if so engaged, SP Wealth LP will offer competitive rates and will only execute trades as an investment dealer for the Fund and the Portfolio Funds when the executions obtained would be on terms and conditions no less favourable to the Fund and the Portfolio Funds than would otherwise be obtainable if the orders were placed through independent brokers or dealers and at commission rates equal or comparable to rates that would have been charged by independent brokers or dealers.

In addition, SP Wealth LP may participate in the offering of the Units to its clients for which it will receive a service commission with respect to Class A Units. The Fund, the Portfolio Funds, the Partnership and the Related Issuers that are managed by the Manager may be considered at such time to be "connected issuers" and "related issuers" of SP Wealth LP and the Manager under applicable securities legislation. The Manager, Ninepoint GP, SP Wealth LP and 2573323 Ontario Inc. (the general partner of SP Wealth LP) are controlled, directly or indirectly, by John Wilson and James Fox. See "Interest of Management and Others in Material Transactions".

#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Ninepoint GP is a directly wholly-owned subsidiary of Ninepoint Financial Group Inc., the parent company of the Manager. John Wilson and James Fox are the principal shareholders of Ninepoint Financial Group Inc. Certain senior officers and directors of Ninepoint Financial Group Inc. are also senior officers, directors and/or partners of the Manager and Ninepoint GP. See "Conflicts of Interest".

Certain senior officers and directors of the Manager and/or its affiliates and associates may purchase and hold Units and units of the Portfolio Fund from time to time.

The Manager may receive compensation and/or reimbursement of expenses from the Fund as described under "Management of the Fund – The Manager" and "Fees and Expenses – Management Fees Payable by the Fund". SP Wealth LP, a registered investment dealer that is an affiliate of the Manager, may participate in the offering of the Units to its clients for which it will receive a service commission with respect to Class A Units as described under "Dealer Compensation". In addition, the Fund and the Portfolio Funds may execute a portion of their portfolio transactions through SP Wealth LP. From time to time the Manager may receive a portion of a sourcing or structuring fee from issuers in connection with securities acquired by the Portfolio Fund pursuant to certain financing transactions. See "Conflicts of Interest".

#### **TRUSTEE**

Pursuant to the Trust Agreement, RBC Investor Services Trust is the trustee of the Fund. The Trustee is a trust company continued under the federal laws of Canada. The principal office of the Trustee is located at 155 Wellington St. W., 2nd Floor, RBC Centre, Toronto, Ontario, M5V 3L3.

As compensation for its services, the Trustee will receive an annual fee (as well as recovery of its out-of-pocket expenses), the amount of which shall be settled in writing by the Trustee and the Manager.

### **ADMINISTRATOR, RECORD-KEEPER AND FUND REPORTING**

Pursuant to the Administration Agreement, RBC Investor Services Trust. is also the administrator and record-keeper to the Fund to maintain a record of Unitholders. Pursuant to the Administration Agreement, any fees required to be paid to the record-keeper for services rendered, other than in respect of a transfer of Units, will be the responsibility of the Fund.

The Administrator also provides, among other things, valuation and financial reporting services to the Fund and to calculate the Net Asset Value of the Fund and the Class Net Asset Value for each class of Units on each Valuation Date. See "Computation of Net Asset Value of the Fund".

### **AUDITORS**

The auditors of the Fund are KPMG LLP, Chartered Professional Accountants, with its principal offices located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. The auditors of the Fund may only be changed with the approval of the Unitholders in accordance with the provisions of the Trust Agreement.

### **UNITHOLDER REPORTING**

The Manager will forward to Unitholders a copy of the audited annual financial statements of the Fund within 90 days of each fiscal year-end as well as unaudited interim financial statements of the Fund within 60 days of the end of the first six month period in each fiscal year. Within 60 days of the end of each fiscal quarter, the Manager will make available to Unitholders an unaudited schedule of the Net Asset Value per Unit for each class of Units and a short written commentary outlining highlights of the Fund's activities.

Confirmations will also be sent to Unitholders following each purchase or redemption of Units by them. On or before March 31 of each year, or in the case of a leap year on or before March 30 in such year, if applicable, Unitholders will also receive all information pertaining to the Fund, including all distributions, required to report their income under the Tax Act or similar legislation of any province or territory of Canada with respect to the immediately preceding year.

The Manager will also cause to be furnished to the Unitholders and the Trustee any notice it receives of: (i) any assignment of the Management Agreement for any Portfolio Fund by the Manager to an affiliate thereof; (ii) any change to the investment objective and strategies of the Portfolio Fund and the applicable Restrictions; (iii) the desire to change the fiscal year-end of the Portfolio Fund; (iv) any change in the location of the principal office of the Portfolio Fund; (v) any person designated as transfer agent of the Portfolio Fund; (vi) any proposed change to the method of calculation of the Management Fee which would result in an increase in such fees being payable by the Portfolio Fund; (vii) any meeting of the unitholders; (viii) the intention to dissolve the Portfolio Fund; and (ix) any material amendment to the governing documents of Portfolio Fund, together with a written explanation for the reasons for such amendment.

### **MATERIAL CONTRACTS**

The only material contract of the Fund is the Trust Agreement referred to under "The Fund".

## **PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION**

In order to comply with federal legislation aimed at the prevention of money laundering, the Manager may require additional information concerning each prospective investor and Unitholder. If, as a result of any information or other matter which comes to the Manager's attention, any director, partner, officer or employee of the Manager, or their respective professional advisors, knows or suspects that a prospective investor or a Unitholder is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report will not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

## **PRIVACY POLICY**

In connection with the offering and sale of Units, personal information (such as address, telephone number, social insurance number, birth date, asset and/or income information, employment history and credit history, if applicable) about Unitholders is collected and maintained. Such personal information is collected to enable the Manager to provide Unitholders with services in connection with their investment in the Fund, to meet legal and regulatory requirements and for any other purpose to which Unitholders may consent in the future. Attached hereto as Schedule "A" is the Fund's Privacy Policy. By completing a subscription form for Units, subscribers consent to the collection, use and disclosure of his or her personal information in accordance with such policy.

## **PURCHASERS' 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**

#### **Purchasers 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 Fund, 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 Fund, 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.

### **Purchasers 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) every director of the Fund at the date of the Offering Memorandum (each a “**Director**” and collectively, the “**Directors**”), 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 Directors 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 Directors 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 Directors 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.

Directors 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 Director 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 Directors 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.

### **Purchasers 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 or director of the Fund 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.

### **Purchasers 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 director of the Fund 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.

### **Purchasers 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.

### **Purchasers 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.

### **Purchasers 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 director of the Fund 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.

### **Purchasers 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 and director of the Fund 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.

### **Purchasers 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 director of the Fund 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 director of the Fund 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**

#### **Purchasers Resident in British Columbia or Québec or Purchasers 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 Manager 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.

**CERTIFICATE**

**TO: ALBERTA RESIDENTS PURCHASING UNITS IN RELIANCE ON THE EXEMPTION IN SECTION 2.10 (\$150,000 MINIMUM AMOUNT INVESTMENT) OF NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS**

This Offering Memorandum does not contain a misrepresentation.

**DATED** as of the 11<sup>th</sup> day of July, 2018.

**NINEPOINT ALTERNATIVE INCOME FUND,**  
by its Manager, Ninepoint Partners LP, and by  
its general partner, Ninepoint Partners GP Inc.

By: (signed) John Wilson  
John Wilson  
Chief Executive Officer

By: (signed) Shirin Kabani  
Shirin Kabani  
as Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
NINEPOINT PARTNERS GP INC.**

By: (signed) James R. Fox  
James R. Fox  
Director

By: (signed) Kirstin H. McTaggart  
Kirstin H. McTaggart  
Director

**SCHEDULE A**  
**NINEPOINT ALTERNATIVE INCOME FUND**  
**PRIVACY POLICY**

The privacy of our investors is very important to us. Ninepoint Alternative Income Fund (the “**Fund**”) is committed to protecting your privacy and maintaining confidentiality of your personal information. This Privacy Policy may be updated from time to time without notice.

The Fund complies with the requirements of Part 1 and Schedule 1 of the *Personal Information Protection and Electronic Documents Act* (Canada) (“**PIPEDA**”) and all applicable provincial personal information laws. Below is an overview of the privacy principles set out in Schedule 1 of PIPEDA.

**What is personal information?**

The term “personal information” refers to any information that specifically identifies you, including information such as your home address, telephone numbers, social insurance number, birth date, assets and/or income information, employment history and credit history.

**How do we collect your personal information?**

We collect your personal information directly from you or through your financial advisor and/or dealer in order to provide you with services in connection with your investment in the Fund, to meet legal and regulatory requirements and for any other purposes to which you consent. Your personal information may be collected from a variety of sources, including:

- (a) subscription forms, applications, questionnaires or other forms that you submit to us or agreements and contracts that you enter into with us;
- (b) your transactions with us;
- (c) meetings and telephone conversations with you;
- (d) e-mail communications with us; and
- (e) the website of Ninepoint Partners LP (the “**Manager**”), the manager of the Fund ([www.ninepoint.com](http://www.ninepoint.com)).

**How do we use your personal information?**

We collect and maintain your personal information in order to give you the best possible service and to allow us to establish your identity, protect us from error and fraud, comply with applicable law and assess your eligibility to purchase securities of the Fund. In addition, we may use your personal information for:

- (a) executing your transactions;
- (b) verifying and correcting your personal information; and
- (c) providing you and/or your financial advisor and/or dealer with confirmations, tax receipts, proxy mailings, financial statements and other reports.

### **Who do we share your personal information with?**

We may transfer your personal information, when necessary, to our third party service providers and to our agents in connection with the services we provide relating to your investment in the Fund, however, please note that these third party service providers and agents will not share this information with others. Such information is only used for the purposes identified above. The Fund will use contractual or other means to provide a comparable level of protection while the information is being handled by a third party service provider or agent. The following is a list of such third party service providers and agents:

- (a) your financial advisor/dealer;
- (b) financial service providers such as investment dealers, custodians, prime brokers, banks and others used to finance or facilitate transactions by, or operations of, the Fund;
- (c) other service providers such as accounting, legal or tax preparation services; and
- (d) registrar and transfer agents, portfolio managers, brokerage firms and similar service providers.

We may also be required by law to disclose information to government regulatory authorities (for example, we may be required to report your income to taxation authorities). We may also be required to disclose your personal information to self-regulatory organizations (“SROs”), which collect, use and disclose such personal information for regulatory purposes, including trading surveillance, audits, investigations, maintenance of regulatory databases and enforcement proceedings. SROs may, in turn, disclose such personal information when reporting to securities regulators or when sharing information with other SROs and law enforcement agencies.

We do not sell, lease, barter or otherwise deal with your personal information with third parties.

The Fund may be involved in the sale, transfer or reorganization of some or all of its business at some time in the future. As part of that sale, transfer or reorganization, the Fund may disclose your personal information to the acquiring organization, however, the Fund will require the acquiring organization to agree to protect the privacy of your personal information in a manner that is consistent with this Privacy Policy.

### **How do we obtain your consent to the collection, use and disclosure of your personal information?**

By signing a subscription form or an application form and/or continuing to do business with us, you are consenting to the collection, use and disclosure of your personal information for the purposes identified in this Privacy Policy. The Fund will not, as a condition of the supply of services, require you to consent to the collection, use or disclosure of your personal information beyond that required to fulfill those purposes.

### **Can you withdraw your consent?**

You may withdraw all or part of your consent for us to collect, use or disclose your personal information subject to legal restrictions and reasonable notice. The Fund will inform you of the implications of such withdrawal of consent for the continued provision of services to you.

### **How do we safeguard your personal information?**

We carefully safeguard your personal information and, to that end, restrict access to personal information about you to those employees and other persons who need to know the information to enable the Fund to provide services to you. Each employee of the Fund, the Manager and Ninepoint Partners GP Inc., the general partner of the Manager, is responsible for ensuring the confidentiality of all personal information they may access. Annually, each such employee is required to sign a code of conduct, which contains policies on the protection of personal information.

### **Where is your personal information kept?**

Your personal information is maintained on our networks or on the networks of our service providers accessible at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. Your information may also be stored on a secure off-site storage facility.

### **How can you access your personal information?**

You may request access to your personal information by writing to the Fund at Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1. We will respond to your written request promptly. The Fund may be unable to provide you with full access to your personal information if we are prohibited by law or regulatory reasons or it has been destroyed. The Fund will provide you with an explanation if we are unable to fulfill your access request.

### **Who do you contact if you have any questions or concerns?**

If you have any questions with respect to this Privacy Policy, please contact our Chief Privacy Officer by telephone at (416) 943-6707 or toll free at 1-866-299-9906, by e-mail to [compliance@ninepoint.com](mailto:compliance@ninepoint.com) or by mail to Ninepoint Alternative Income Fund, Suite 2700, South Tower, Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J1 Attention: Chief Privacy Officer.

### **Summary of Privacy Principles set out in Schedule 1 of PIPEDA**

1. *Accountability:* The Fund is responsible for personal information under its control and the Chief Privacy Officer is accountable for the Fund's compliance with the principles described in this Privacy Policy.
2. *Identifying Purpose:* The purposes for which personal information is collected will be identified by the Fund at or before the time the information is collected. The Fund will also document the purposes for which personal information is collected at or before the time the information is collected.
3. *Consent:* The knowledge and consent of the individual, express or implied, are required for the collection, use or disclosure of personal information by the Fund, except where inappropriate.
4. *Limiting Collection:* The Fund will limit the amount and type of personal information collected to that which is necessary for the purposes identified by the Fund. The personal information will be collected by fair and lawful means.
5. *Limiting Use, Disclosure and Retention:* The Fund will not use or disclose personal information for purposes other than those for which it was collected, except with the consent of the individual or as required or permitted by applicable law. Personal information will be retained only as long as necessary for the fulfillment of those purposes.

6. *Accuracy:* The Fund will keep personal information as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used. The Fund will minimize the possibility that inappropriate information is used to make a decision about the individual.
7. *Safeguards:* The Fund will protect personal information with security safeguards appropriate to the sensitivity of the information.
8. *Openness:* The Fund will be open about its policies and procedures with respect to the management of personal information. The Fund will ensure that individuals are able to acquire information about the Fund's policies and procedures without unreasonable effort. The Fund will make this information available in a form that is generally understandable.
9. *Individual Access:* Upon a request in writing, the Fund will inform the individual of the existence, use and disclosure of his or her personal information and the individual will be given access to that information, except where the law requires or permits the Fund to deny access.
10. *Questions and Concerns:* An individual will be able to direct a challenge concerning compliance with the above principles to the Fund's Chief Privacy Officer.

Your personal information may be delivered to the Ontario Securities Commission and is thereby being collected indirectly by the Ontario Securities Commission under the authority granted to it under applicable securities legislation for the purposes of the administration and enforcement of the securities legislation of the Province of Ontario. The public official in Ontario who can answer questions about the Ontario Securities Commission's indirect collection of personal information is the Inquiries Officer at the Ontario Securities Commission, 20 Queen Street West, 22nd Floor, Toronto, Ontario, M5H 2S8, by telephone at (416) 593-8314 or by e-mail to [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca).