CONFIDENTIAL OFFERING MEMORANDUM

*This confidential offering memorandum (the "**Offering Memorandum**") constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities 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 advertisement or a public offering of these securities. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has 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 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 as having been authorized by the Fund (as defined herein), the manager of the Fund or any of their respective directors, officers, employees, partners, shareholders, managers, agents or affiliates.

Continuous Offering **April 26, 2021**

AIP CONVERTIBLE PRIVATE DEBT FUND TRUST

Class 1 Series A Units
Class 1 Series F Units
Class 1 Series I Units
Class 1 Series A Dist Units
Class 1 Series F Dist Units
Class 1 Series I Dist Units

INITIAL OFFERING PRICE: $10.00 PER UNIT
SUBSEQUENT CLOSINGS: NET ASSET VALUE PER UNIT

Minimum Subscription: $10,000

AIP Convertible Private Debt Fund Trust (the "**Fund**") is an open-ended investment unit trust established under the laws of the Province of Ontario. The Fund was established on April 26, 2021 and is governed by the master declaration of trust dated April 26, 2021, as may be amended and restated from time to time (the "**Declaration of Trust**"). AIP Asset Management Inc. is the trustee, investment fund manager and portfolio manager of the Fund (the "**Trustee**" or "**Manager**").

The investment objective of the Fund is to seek to generate superior returns through investments that the Manager believes have the potential to provide substantial upside. To achieve its investment objective the Fund will invest a minimum of 80% of its assets at cost in the AIP Convertible Private Debt Fund LP (the "**Partnership**"). The Fund may invest all or substantially all of its assets in the Partnership. The Manager may choose to invest under 20% of the Fund's assets at cost in other investment funds or investment vehicles which the Manager believes have the potential for substantial upside.

The Fund is offering on a continuous basis (the "**Offering**") an unlimited number of Units on a private placement basis. The Units being offered by the Fund are Class 1 Series A Units, Class 1 Series F Units, Class 1 Series I Units, Class 1 Series A Dist Units, Class 1 Series F Dist Units and Class 1 Series I Dist Units (collectively, the "**Units**").

The Fund is considered a related and/or connected issuer of the Partnership, the general partner of the Partnership, AIP GP Ltd. (the "General Partner") and the Manager under National Instrument 33-105 *Underwriting Conflicts*. The Manager is the trustee, investment fund manager and portfolio manager of the Fund. The Fund will invest 80% or more of its assets at cost and may invest all or substantially all of its assets in the Partnership, which is also managed by the Manager**.** The Fund has retained the Manager to provide management services to the Fund. The General Partner has retained the Manager to management and portfolio management services to the Partnership. The General Partner and the Manager are affiliated. The Manager will earn Management Fees and Performance Fees in connection with the services it provides to the Partnership and the Fund. See "*Potential Conflicts of Interest"*.

The Units are only being distributed to investors in Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan pursuant to available prospectus exemptions under applicable securities laws. **As a result, the Units are also subject to the applicable resale restrictions under said law.**

Dealers and agents approved by the Manager will be allowed to offer the Units to investors resident in provinces that the dealers are registered in. The Manager may establish a minimum subscription amount from time to time as set out herein. Subscriptions may be accepted on the last Business Day of each month and on such other dates as the Manager may designate from time to time (each a "**Valuation Date**"). Units purchased pursuant to this Offering Memorandum may be redeemed with the consent of the Trustee, on each monthly Valuation Date, subject to certain conditions as set out herein. This offering is not currently subject to any minimum aggregate subscription level, and therefore any funds invested are available to the Fund and need not be refunded to the subscriber.

An investment in Units is intended to be a long-term investment. However, Unitholders may request that Units be redeemed at the Net Asset Value per Unit of each Series on any Valuation Date less any applicable Early Redemption Fees (as defined below), provided that a written request for redemption, in a form satisfactory to the Manager and all necessary documents relating thereto, are submitted to the Manager at least 180 calendar days prior to the applicable Valuation Date. See "*Redemptions*".

Units for which a Redemption Notice (as defined herein) is submitted prior to the first anniversary of the date of purchase of such Units shall be subject to an early redemption fee payable to the Fund equal to 5% of the redemption amount payable to the Unitholder on the applicable Valuation Date ("Early Redemption Fee").

The Fund and the Manager have retained Ninepoint Partners LP ("**Ninepoint**") to provide exempt market dealer, distribution and marketing services for the Fund with respect to offering Units. Ninepoint shall receive fees from the Manager in consideration for these services. Units are also distributed by certain other registered dealers, but it is anticipated that Units will generally be distributed by Ninepoint going forward.

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.

This Offering Memorandum contains a summary of selected terms and conditions of the Declaration of Trust and certain other documents referred to herein. However, the summaries set forth in this Offering Memorandum do not purport to be complete and they are subject to and qualified in their entirety by reference to the Declaration of Trust and such other documents, copies of which will be provided to prospective investors prior to closing upon request. In the event that the descriptions or terms in this Offering Memorandum are inconsistent with or contrary to the descriptions in or terms of the Declaration of Trust or such other documents, the Declaration of Trust and such other documents shall govern.

The securities offered hereby are offered exclusively by the Fund by way of private placement. No person is authorized to give away any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any other information contained in it.

Disclaimers

Purchasers of Units may sell their Units only with the consent of the Trustee. As there is no market through which the Units may be sold and none is expected to develop, it may be difficult or even impossible for the purchaser to sell them. The Units are also subject to resale restrictions under the Fund's Declaration of Trust and applicable securities legislation.

These securities are not a guaranteed investment. 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 Trust. In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering of Units, including the merits and risks involved. Prospective investors should not construe the contents of this Offering Memorandum as legal, tax, regulatory, financial, investment or accounting advice, and each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory financial and accounting consequences of its investment in the Fund.

Redemptions may be limited or suspended in certain circumstances. There are certain additional risk factors associated with investing in the Units. Please see "*Risk Factors*" and "*Resale Restrictions*."

In accepting a subscription, the Manager will be relying on the representations and warranties given by the subscriber as to the suitability of the investment and as to their understanding of the investment. Subscribers are urged to consult with an independent legal advisor and to carefully review the Declaration of Trust which forms part of this Offering Memorandum prior to signing the subscription form for the Units.

The information contained in this Offering Memorandum has been compiled as of April 26, 2021 (unless otherwise stated herein). The delivery of this Offering Memorandum does not imply that any information contained herein is correct as of any time subsequent to the date of this Offering Memorandum. Prior to the final closing of the Fund, the Trustee of the Fund reserves the right to modify any of the terms of the offering and the Units described herein.

Forward-Looking Statements

This Offering Memorandum contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. Forward-looking statements may be identified by the use of words like "believes", "intends", "expects', "may", "will", "should", or "anticipates", or the negative equivalents of those words or comparable terminology, and by discussions of strategies that involve risks and uncertainties. All forward-looking statements are based on the Fund's current beliefs as well as assumptions made by and information currently available to the Fund and relate to, among other things, anticipated financial performance; business prospects; strategies; the nature of the Fund's operations; sources of income; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Fund to raise capital; the Fund's business outlook; plans and objectives for future operations; forecast business results; anticipated financial performance; and the extent of the impact of the Covid-19 pandemic on the Fund, including the duration, spread, severity, and any recurrence of the Covid-19 pandemic, and the duration and scope of related government orders and restrictions, and those other risk factors described herein, that may cause actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Fund's plans and objectives are based on assumptions involving the success of the Offering described in this Offering Memorandum and the development of its business, including the economic and social impact, and management and duration, of the Covid-19 pandemic not becoming significantly more onerous on the Fund. Although the Manager believes that their assumptions are reasonable, any of the assumptions could prove inaccurate. Further, given the impact of the changing circumstances surrounding the Covid-19 pandemic and the related response from governments, regulatory authorities and businesses, there is inherently more uncertainty associated with these assumptions.

The risks and uncertainties of the Fund's business, including those discussed under "*Risk Factors*", could cause the Fund's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, the Fund bases forward-looking statements on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, prospective purchasers should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in this Offering Memorandum may not occur.

The Fund cannot assure prospective purchasers that its future results, levels of activity and achievements will occur as the Fund expects, and neither the Fund nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Fund assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

This summary is qualified by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

The Fund	AIP Convertible Private Debt Fund Trust (the "**Fund**") is an open-ended investment unit trust established under the laws of the Province of Ontario. The Fund was established on April 26, 2021 and is governed by the master declaration of trust dated April 26, 2021, as may be amended and restated from time to time (the "**Declaration of Trust**"). See "*The Fund*".
The Manager and Trustee:	AIP Asset Management Inc. is the trustee, investment fund manager and portfolio manager of the Fund (the "**Trustee**" or "**Manager**"). AIP Asset Management Inc., a corporation incorporated under the *Business Corporations Act* (Ontario). The Trustee was instrumental in the formation of the Fund and is responsible for appointing the Manager and monitoring the activities of the Trust. AIP Asset Management Inc. as the Manager directs the day to day business, operation and affairs of the Partnership, and provides investment advisory and distribution services to the Partnership. See "*Summary of the Declaration of Trust*" and "*The Manager and Trustee".*
The Underlying Partnership:	AIP Convertible Private Debt Fund LP (the "**Partnership**") is a limited partnership formed under the laws of the Province of Ontario. The Partnership was formed on October 15, 2013 and will continue until it is dissolved. AIP GP LTD. (the "**General Partner**") is the general partner of the Partnership and is an affiliate of the Manager. The General Partner has engaged the Manager to direct the business and affairs of the Partnership and act as the portfolio manager of the Partnership. Prior to January 22, 2020, the Partnership existed and operated under the name AIP Global Macro Fund LP. On February 22, 2021, the Partnership changed its investment objective and investment strategies with approval by special resolution from the limited partners of the Partnership and, as of the that date, is no longer an "investment fund" under applicable Canadian securities laws. See "*The Partnership*".
Investment Objective of the Fund:	The investment objective of the Fund is to seek to generate superior returns through investments that the Manager believes have the potential to provide substantial upside. See "*Investment Objective and Strategies of the Fund*".
Investment Strategies:	*Investment Strategies of the Fund* The Fund will invest a minimum of 80% of its assets at cost in the Partnership. The Fund may invest all or substantially all of its assets in the Partnership. The Manager may choose to invest under 20% of the Fund's assets at cost in other investment funds or investment vehicles investment vehicles which the Manager believes have the potential for substantial upside. See "*Investment Objective and Strategies of the Fund*". *Investment Strategies of the Partnership* The Manager's intention is that the Partnership will principally focus on investments in convertible private debt securities. The Manager will limit the cost of holdings of equity securities to twenty percent of the net asset value of the Partnership. The Manager adheres to socially responsible investing on a best-

efforts basis and has a broad mandate of identifying attractive investment opportunities that include, but are not limited to, seed capital, small capitalization investments, private placements, and debt instruments. In connection with its investment objective, the Partnership may acquire control positions (greater than 20% of the issued and outstanding voting securities) in investee issuers upon the conversion of its private debt investments. As a result, a material portion of the investments comprising the Partnership's investment portfolio may consist of securities that have limited or no liquidity.

The Partnership may invest in the following to seek to achieve its investment objective: private debt and senior secured convertible loans, activist investments, special situations, small capitalization securities, seed capital and private placements, initial public offerings and secondary offerings and options. The Partnership may also pursue the following courses of action to seek to achieve its investment objective: invest long in undervalued securities, short sell securities, engage in portfolio concentration, conduct capital structure arbitrage, conduct warrant arbitrage, engage in short term trading, and engage in the use of leverage. In addition to the foregoing, the Partnership may pursue other investment strategies from time to time in the discretion of the Manager. See "*Investment Objective and Strategies of the Fund – Investment Strategies of the Partnership*".

Continuous Offering:

Units of the Fund (the "**Units**") are being offered to investors resident in Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan (the "**Qualifying Jurisdictions**") pursuant to certain prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"). However, dealers and agents approved by the Manager will be allowed to offer the Units to investors resident in provinces that the dealers are registered in. See "*The Offering*".

Unit Classes:

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of classes of Units (each a "**Class**"), which may be divided into series (each a "**Series**") and subseries, having such terms and conditions as the Trustee may determine. The number of Units, Class of Units, Series or subseries of Units of the Fund that may be issued is unlimited. Additional Classes, Series or subseries of Units may be created and offered in the future at the sole discretion of the Manager and without notice to, or approval of, existing Unitholders of the Fund. The Fund currently offers Class 1 Series A Units ("**Series A Units**"), Class 1 Series F Units ("**Series F Units**"), Class 1 Series I Units ("**Series I Units**"), Class 1 Series A Dist Units ("**Series A Dist Units**"), Class 1 Series F Dist Units ("**Series F Dist Units**") and Class 1 Series I Dist Units ("**Series I Dist Units**"). The Series IT Units and Series IT Dist Units may be issued in subseries. See "*The Offering*".

Price per Unit:

On closing of the initial offering of Units of the Fund, Units will be issued at $10.00 per Unit. Thereafter, each Unit will be issued at a price equal to the Net Asset Value per Unit of the relevant Series (or subseries for certain Series I and Series I Dist Units) which is calculated in Canadian dollars on the last Business Day of each month and on such other dates as the Manager may designate from time to time (each, a "**Valuation Date**"). Fractional Units will be issued up to three decimal points (rounded down). See "*The Offering – Price Per Unit*".

Minimum Individual Subscriptions:

As of the date of this Offering Memorandum, the minimum initial net investment amount for the Series A Units, Series A Dist Units, Series F Units, Series F Dist Units, is $10,000. The minimum initial net investment amount for the Series I Units and Series I Dist Units is $1,000,000. The Units are offered to persons who qualify as "accredited investors" as defined under NI 45-106 ("**Accredited Investors**") or

in the *Securities Act* (Ontario), as applicable, or whose accounts are under full discretion of the Manager. The Manager may in its sole discretion waive, reduce, or increase the minimum initial investment amounts at any time, subject to applicable laws.

Each additional investment amount for accredited investors must be in an amount that is not less than $1,000 for the Series A Units, Series A Dist Units, Series F Units and Series F Dist Units. Each Subsequent subscription amount for the Series I Units and Series I Dist Units is $10,000. For investors who are not accredited investors, an additional investment may be made in the Fund of not less than $50,000 provided that (a) the investor initially acquired Units for an acquisition cost of not less than $150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a Net Asset Value equal to at least $150,000; or (b) another exemption is available. The Manager may in its sole discretion waive, reduce, or increase the additional investment amount at any time, subject to applicable laws.

Any initial and subsequent investments shall be subject to applicable securities laws. See "*The Offering*".

Monthly Distributions:

The Manager intends to make monthly distributions on the Series A Dist Units, Series F Dist Units and Series I Dist Units at a target rate of 6% annually, with monthly payments equal to 1/12 of the annual target.

The Fund intends to make monthly cash distributions to Unitholders from the distributions it receives from the Partnership.

The monthly distributions of the Series A Dist Units, Series F Dist Units and Series I Dist Units will be based on the monthly distributions distributed to the Fund from the corresponding Class of units of the Partnership, namely:

(a) The Series A Dist Units' Net Asset Value will be dependent on the distributions on the Class AT Dist Units of the Partnership;
(b) The Series F Dist Units' Net Asset Value will be dependent on distributions on the Class FT Dist Units of the Partnership;
(c) Series I Dist Units' Net Asset Value will be dependent on distributions on the Class IT Dist Units of the Partnership.

The distributions may be paid in cash or reinvested in Series A Dist Units, Series F Dist Units and Series I Dist Units, as applicable, subject to the Unitholders written request upon subscription of the applicable Units. Notwithstanding, the Manager may make the distributions payable in cash or reinvestment at its sole discretion. The monthly distribution is not guaranteed on these classes of Units, it is only a target and is payable at the sole discretion of the Manager. The Manager will aim to make the monthly distribution 15 days following each Valuation Day. The monthly target distribution may be increased or decreased at the sole discretion of the Manger. See "*The Offering – Monthly Distributions*".

Subscriptions:

Subscriptions are accepted on each Valuation Date, subject to the Trustee's discretion to refuse subscriptions in whole or in part. The Unit price for subscriptions shall be at the Net Asset Value per Unit determined on the Valuation Date. See "*The Offering – Subscription Procedure*".

Redemptions:

An investment in Units is intended to be a long-term investment. However, Unitholders may request that Units be redeemed at the Net Asset Value per Unit of each Series (or subseries for Series I Units and Series I Dist Units) on any Valuation Date less any applicable Early Redemption Fees (as defined below),

provided that a written request for redemption, in a form satisfactory to the Manager (the "**Redemption Notice**") and all necessary documents relating thereto, are submitted to the Manager at least 180 calendar days prior to the applicable Valuation Date (the "**Redemption Notice Deadline**"). The Manager has the sole discretion to accept or reject redemption requests. However, the Manager intends to accept redemption requests in circumstances where it would not be prejudicial to the Fund to do so. See "*Redemptions*".

If a Redemption Notice is received and deemed acceptable by the Manager prior to the Redemption Notice Deadline, Units will be redeemed at the Net Asset Value per Unit for the applicable class determined on the applicable Valuation Date multiplied by the number of Units to be redeemed and less any applicable Early Redemption Fee (as defined herein) (the "**Redemption Amount**"). Payment of the Redemption Amount will generally be made to the redeeming Unitholder not later than the 30th day following the applicable Valuation Date (or 60 days following the Valuation Date if such Valuation Date is the Fund's fiscal year-end) for which such redemption is effective. On direction from the Manager, the record-keeper of the Fund may hold back up to 20% of the Redemption Amount on any redemption of Units to provide for an orderly disposition of the assets of the Fund. Any portion of a Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

If during any three-month period, the Manager has received from one or more Unitholders an acceptable Redemption Notice to redeem in aggregate 5% or more of the outstanding Units, the Manager may, in its discretion, choose to redeem such Units in cash or in kind in equal Unit amounts over a period of up to 12 months beginning on the first Valuation Date which is at least 180 calendar days following receipt of such Redemption Notice, or in one aggregated payment at any time during the period of 12 months beginning on the first Valuation Date which is at least 180 calendar days following receipt of such Redemption Notice. Each such redemption shall be made on a Valuation Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during this period and calculated on each Valuation Date in respect of the payment to be made on such date.

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 record-keeper 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 in connection with such redemption which are not reflected in the Net Asset Value of the Units for which redemption has been requested. See "*Summary of the Declaration of Trust – Fees and Expenses*".

The Manager may suspend the right to redeem Units of the Fund, (i) for any period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities which represent more than 50% of the underlying market exposure of the total assets of such Fund, without allowance for liabilities, are listed and traded, (ii) during any other period in which the Manager determines, in its sole discretion, that the sale of assets is not reasonably practicable, or (iii) during any other period in which the Manager determines, in its sole discretion, that it is not reasonably practicable to determine fairly the value of any of the Fund's assets.

See "*Redemptions*".

Early Redemption Fees:

Units for which a Redemption Notice is submitted prior to the first anniversary of the date of purchase of such Units shall be subject to an early redemption fee payable to the Fund equal to 5% of the redemption amount payable to the Unitholder on the applicable Valuation Date. See "*Redemptions*".

Transfer or Resale Restrictions:

Units may only be transferred with the consent of the Manager. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. Investors are advised to consult with legal counsel concerning such resale restrictions. It is not anticipated that a market will develop for the Units. Accordingly, redemption of the Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in the Fund and redemption is subject to Manager consent in certain circumstances. See "*Resale Restrictions*."

Management Fees and Performance Fees Payable by the Fund:

No management fees or performance fees are payable by the Fund nor will any management fees or performance fees be payable by the Fund if the Fund only invests in investment vehicles managed by the Manager. With respect to the Fund's investment in the Partnership, all management fees and performance fees are paid to the Manager from the Partnership.

The Net Asset Value of the Units will decrease to the extent a management fee and performance fee is charged to the class of limited partner units ("**LP Units**") held by the Fund. As such, holders of Units will indirectly bear their pro rata portion of the management fee and performance fee charged to the Partnership. See "*Management Fees and Performance Fees – Management Fees and Performance Fees Payable by the Fund*".

The Net Asset Value of each of the Series of Units will decrease as a result of the management fee and performance fee charged to the to the corresponding Class of units of the Partnership, namely:

(a) The Series A Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class AT Units of the Partnership;

(b) The Series A Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class AT Dist Units of the Partnership;

(c) The Series F Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class FT Units of the Partnership;

(d) The Series F Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class FT Dist Units of the Partnership;

(e) The Series I Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class IT Units of the Partnership;

(f) Series I Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class IT Dist Units of the Partnership.

If the Fund invests in any investment vehicles managed by a third party the manager of that investment vehicle may charge a performance fee from that investment vehicle but the Manager will not charge a performance fee with respect to that investment from the Fund. However, if the Fund invests in any investment vehicles managed by a third party the Manager may charge a management fee to the Fund with respect to that investment. There will be no duplications of management fees

or performance fees between the Fund and any investment vehicle the Fund invests in.

Management Fees payable by the Partnership:

The Manager will receive the following monthly management fee from the Partnership for portfolio and other management services provided to the Partnership. See "*Management Fees and Performance Fees – Management Fee Payable by the Partnership*".

Class AT Units and Class AT Dist Units of the Partnership

The Partnership will pay the Manager, monthly on the last Business Day of each month, a fee (the "**Management Fee**") equal to 1/12 of 2% of the aggregate net asset value of all Class A Units or Class AT Units, as applicable, of the Partnership then outstanding. A **"Business Day"** is a day on which the Toronto Stock Exchange and the New York Stock Exchange are open for business.

Class FT Units and Class FT Dist Units of the Partnership

The Partnership will pay the Manager, monthly on the last Business Day of each month, the Management Fee equal to 1/12 of 1% of the aggregate net asset value of all Class F Units or Class FT Units, as applicable, of the Partnership then outstanding.

Class IT Units and Class IT Dist Units of the Partnership

The Partnership will pay the Manager, monthly on the last Business Day of each month, the Management Fee as stipulated in the agreement negotiated with and payable by the investor in the Class IT Units and Class IT Dist Units of the Partnership.

The Manager may choose the Management Fee to be paid in Units of the Partnership at its sole discretion.

The Management Fee will be subject to HST.

Performance Fees Payable by the Partnership:

The Partnership will pay the Manager a performance fee (the "**Performance Fee**") in respect of LP Units of each class of the Partnership outstanding, payable on the last Business Day of March, June, September and December in each year (each a "**Performance Valuation Date**"), equal to 20% of the increase in the net asset value of each LP Unit (the "**Net Asset Value per Unit**") from the High Water Mark for such LP Unit. The "High Water Mark" For Class AT Units, Class AT Dist Units, Class FT Units, Class FT Dist Trust Units, Class IT Units and Class IT Dist Units means: (a) for a Unit issued more than 12 months after the issuance of the first Unit of the applicable Class, the highest Net Asset Value per Unit of the applicable Class on each of the four previous Performance Valuation Dates for that Class; and (b) for a Unit issued less than 12 months after the issuance of the first Unit of the applicable Class, the highest of the Net Asset Value per Unit for that Class on the date the first Unit of such Class was issued and on each subsequent Performance Valuation Date for that Class, if any, prior to the applicable Performance Valuation Date on which the Performance Fee is to be paid.

All Performance Fees are subject to HST and will be deducted as an expense of the Partnership for each particular Class in the calculation of the Net Asset Value of the Partnership and the net profits of the Partnership. Different Classes of Units may be subject to different High Water Mark calculations.

For Class I and Class I Dist Units of the Partnership, the Performance Fee may be negotiated and stipulated by the agreement with the investor.

The Fund, as a limited partner of the Partnership, will effectively share in net profits and net losses of the Partnership by increases or decreases in the net asset value of the classes of LP Units held by the Fund. See "*Management Fees and Performance Fees – Performance Fee Payable by the Partnership".*

The Performance Fee will be subject to HST.

Registered Dealers and Service Fees:

The Fund and the Manager have retained Ninepoint Partners LP ("**Ninepoint**") to provide exempt market dealer, distribution and marketing services for the Fund with respect to offering Series A Units, Series F Units, Series A Dist Units, Series F Dist Units and certain subseries of Series I Units and Series I Dist Units in the Qualifying Jurisdictions. Ninepoint shall receive fees from the Manager in consideration for these services. Units are also distributed by certain other registered dealers, but it is anticipated that Units will generally be distributed by Ninepoint going forward. See "*Registered Dealers – Ninepoint Partners LP*".

Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Units and LP Units. See "*Registered Dealers – Service Fees*".

Fund Expenses:

The Fund shall be responsible for payment of all costs and expenses relating to the daily operation of the Fund including, but not limited to:

(a) administrative fees and expenses of the Fund, management fees and performance fees (if any), expenses related to the net asset value calculations and any third party administrator's fees, accounting and legal costs, custodial fees, registrar and transfer agency fees and expenses, costs and expenses relating to the issue and redemption of Units, expenses related to continuous disclosure filings, Unitholder communication expenses including the cost of meetings of all Unitholders, the cost of soliciting votes and the cost of providing information to Unitholders (including financial and other reports), initial cost of expenses for organizing the Fund and all reasonable extraordinary or non-recurring expenses; and

(b) fees and expenses relating to the Fund's portfolio investments, including trading and brokerage fees, commissions and expenses, the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders, prime brokers and counterparties (if applicable) and banking fees. See "*Fund Expenses*".

Eligibility for Investment:

The Fund is expected to qualify as a "unit trust" and "mutual fund trust" under the Tax Act, effective from the date of its creation in 2021 and at all times thereafter. Provided that the Fund so qualifies, Units will be qualified investments under the Tax Act for trusts governed by Tax Deferred Plans.

Investors are urged to consult with their own tax advisers as to whether Units would be a "prohibited investment" under the Tax Act in their particular circumstances. Furthermore, there could be adverse tax consequences to a Tax Deferred Plan or annuitant, beneficiary, subscriber or holder thereof upon a redemption should redemption proceeds be paid in kind. Please see "*Eligibility for Investment*".

Tax Considerations:

Persons investing in the Fund should be aware of the tax consequences of investing in, holding and/or redeeming Units. **Investors are urged to consult with their**

	tax advisers to determine the tax consequences of an investment in the Trust. See "*Certain Canadian Federal Income Tax Considerations*".
Distributions:	Distributions may be made at the discretion of the Manager. The Fund will distribute sufficient net income (including, if applicable, net capital gains) so that the Fund will generally not be liable for income tax in any given year. The Manager intends, but is under no obligation, to make such distributions on a quarterly basis. All distributions will be automatically reinvested on behalf of each Unitholder in additional Units.
Fiscal Year End:	December 31 in each year or such other date as the Trustee may determine.
Term:	The Fund has no fixed term.
Amendments to Declaration of Trust:	Subject to applicable securities laws and approvals requiring a Special Resolution, the Trustee may amend the Declaration of Trust at any time without the approval of Unitholders of a Fund provided that thirty (30) days prior written notice of any such amendment is given to Unitholders of the Fund prior to their becoming effective. See *"Summary of the Declaration of Trust – Amendments to the Declaration of Trust*".
Reports to Unitholders:	Within ninety (90) days after the end of each fiscal year, the Manager will send or cause to be sent to each Unitholder (subject to standing instructions obtained from each Unitholder), an annual report for such fiscal year consisting of audited financial statements for each fiscal year together with a report of the auditors on such financial statements. Within sixty (60) days following the end of the first six months of each fiscal year, the Trustee will send or cause to be sent to each Unitholder (subject to standing instructions from each Unitholder), unaudited semi-annual financial statements. In addition, the Manager will furnish or cause to be furnished to Unitholders such other statements and/or reports as the Trustee may decide in its sole discretion or as are from time to time required by applicable law or as provided in the Declaration of Trust. Unitholders may receive, on request and free of charge, a copy of the offering memorandum of the Partnership and, on request and free of charge, the annual and interim financial statements relating to the Partnership. See "*Reports to Unitholders*".
Risk Factors:	Investors should consider a number of factors in assessing the risks associated with investing in Units, including those generally associated with the investment techniques used by the Manager. See "*Risk Factors*".
Legal Counsel:	AUM Law Professional Corporation
Administrator:	SS&C Fund Administration Company
Auditors:	KPMG LLP (Canada)

GLOSSARY OF DEFINED TERMS

"**Accredited Investors**" means persons who qualify as "accredited investors" as defined under NI 45-106;

"**Affiliated Funds**" has the meaning ascribed thereto under "*Fees and Expenses*";

"**allowable capital loss**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders – Taxation of Capital Gains and Capital Losses*";

"**Business Day**" means a day on which the Toronto Stock Exchange and the New York Stock Exchange are open for business;

"**capital gains refund**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Taxation of the Fund*";

"**Class**" means a class of Units of the Fund;

"**CRS**" means Common Reporting Standard;

"**Declaration of Trust**" means the master declaration of trust of the Fund dated April 26, 2021, as may be amended and restated from time to time;

"**Early Redemption Fee**" has the meaning ascribed thereto under "*Redemptions*";

"**Effective Date**" means April 26, 2021, being the date the Partnership changed its investment objective and investment strategies with approval by special resolution from the limited partners of the Partnership and, as of the Effective Date, the Partnership is no longer an "investment fund" under applicable Canadian securities laws;

"**Fund**" means AIP Convertible Private Debt Fund Trust;

"**General Partner**" means AIP GP Ltd., the general partner of the Partnership;

"**IGA**" means Canada-US Intergovernmental Agreement;

"**Investee Issuer**" means an issuer which the Partnership invests in;

"**Limited Partner**" means each person who is a limited partner as of the date hereof and each other person who is admitted to the Partnership as a limited partner;

"**Limited Partnership Agreement**" means the Amended and Restated Limited Partnership Agreement of the Partnership dated as of February 22, 2021;

"**LP Act**" means *Limited Partnerships Act* (Ontario);

"**LP Class**" means a class of LP Units of the Partnership;

"**LP Series**" means a series of a Class of LP Units of the Partnership;

"**LP Units**" means limited partner units of the Partnership;

"**Management Fee**" has the meaning ascribed thereto under "*Management Fees and Performance Fees – Management Fee Payable by the Partnership*";

"**Manager**" means AIP Asset Management Inc.;

"**Manager Party**" means the Manager, its directors, officers, employees, agents and consultants;

"**material fact**" has the meaning assigned under the securities act of each offering jurisdiction, but generally means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units;

"**misrepresentation**" has the meaning assigned under each offering jurisdiction's respective securities act, but generally means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made;

"**Net Asset Value per Unit**" has the meaning ascribed thereto under "*Management Fees and Performance Fees – Performance Fee Payable by the Partnership*";

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

"**Ninepoint**" means Ninepoint Partners LP;

"**Nova Scotia Act**" means *Securities Act* (Nova Scotia);

"**Offering**" means the offering of Units in the capital of the Fund pursuant to this Offering Memorandum;

"**Offering Memorandum**" means this confidential offering memorandum dated April 26, 2021;

"**Ontario Act**" means *Securities Act* (Ontario);

"**Other Accounts**" has the meaning ascribed thereto under "*The Summary Declaration of Trust – Fees and Expenses*";

"**Partnership**" means AIP Convertible Private Debt Fund LP;

"**Performance Fees**" has the meaning ascribed thereto under "*Management Fees and Performance Fees – Performance Fee Payable by the Partnership*";

"**Performance Valuation Date**" has the meaning ascribed thereto under "*Management Fees and Performance Fees – Performance Fee Payable by the Partnership*";

"**Proposals**" means all specific proposals to amend the Tax Act or the regulations publicly announced by the federal Minister of Finance prior to the date hereof;

"**Qualifying Jurisdictions**" means Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan;

"**Redemption Amount**" has the meaning ascribed thereto under "*Redemptions*";

"**Redemption Notice**" means a written request for redemption, in a form satisfactory to the Manager;

"**Redemption Notice Deadline**" has the meaning ascribed thereto under "*Redemptions*";

"**Series**" means a series of Units of the Fund;

"**Series A Units**" means the Class 1 Series A Units of the Fund;

"**Series A Dist Units**" means the Class 1 Series A Dist Units of the Fund;

"**Series F Units**" means the Class 1 Series F Units of the Fund;

"**Series F Dist Units**" means the Class 1 Series F Dist Units of the Fund;

"**Series I Units**" means the Class 1 Series I Units of the Fund;

"**Series I Dist Units**" means the Class 1 Series I Dist Units of the Fund;

"**Service Fee**" has the meaning ascribed thereto under "*Registered Dealers – Service Fee*";

"**Subscription Agreement**" means the subscription agreement for a specified series in the form prescribed by the Fund from time to time and obtainable from the Manager;

"**Tax Act**" means the *Income Tax Act* (Canada), and the regulations thereunder, as amended or replaced from time to time;

"**Tax Deferred Plans**" means registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts;

"**taxable capital gain**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders – Taxation of Capital Gains and Capital Losses*";

"**Termination Date**" has the meaning ascribed thereto under "*The Summary Declaration of Trust – Termination of the Fund*";

"**Termination Event**" has the meaning ascribed thereto under "*The Summary Declaration of Trust – Termination of the Fund*";

"**Trustee**" means AIP Asset Management Inc.;

"**Trustee Party**" means the Trustee, its directors, officers, employees, agents and consultants;

"**Units**" means the Series A Units, Series F Units, Series I Units, Series A Dist Units, Series F Dist Units and Series I Dist Units of the Fund; and

"**Valuation Date**" means the last Business Day of each month and such other dates as the Manager may designate from time to time.

THE FUND

The Fund

AIP Convertible Private Debt Fund Trust (the "**Fund**") is an open-ended investment unit trust established under the laws of the Province of Ontario. The Fund was established on April 26, 2021 and is governed by the master declaration of trust dated April 26, 2021, as may be amended and restated from time to time (the "**Declaration of Trust**"). See "*The Manager and Trustee*" and "*Investment Objective and Strategies of the Fund and the Partnership*".

The Manager and Trustee

AIP Asset Management Inc. is the trustee, investment fund manager and portfolio manager of the Fund (the "**Trustee**" or "**Manager**"). The principal office of the Funds is Royal Bank Plaza, South Tower, Suite 3240, 200 Bay Street, Toronto, Ontario M5J 2J1.AIP Asset Management Inc., a corporation incorporated under the *Business Corporations Act* (Ontario).

The Trustee was instrumental in the formation of the Fund and is responsible for appointing the Manager and monitoring the activities of the Trust. AIP Asset Management Inc. as the Manager directs the day to day business, operation and affairs of the Partnership, and provides investment advisory and distribution services to the Partnership.

See "*Summary of the Declaration of Trust*" and "*The Manager and Trustee*".

THE PARTNERSHIP

The Partnership

The Partnership was formed under the laws of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the "**LP Act**") on October 15, 2013 under the name "AIP Global Macro Fund LP". The Partnership was renamed AIP Convertible Private Debt Fund LP effective as of January 22, 2020. The Partnership is currently governed by the Amended and Restated Limited Partnership Agreement dated as of February 22, 2021 (the "**Limited Partnership Agreement**"), made between AIP GP Ltd., as general partner (the "**General Partner**") and each person who is a limited partner as of the date hereof and each other person who is admitted to the Partnership as a limited partner ("**Limited Partner**"). The current principal place of business of the Partnership and of the General Partner is Royal Bank Plaza, South Tower, Suite 3240, 200 Bay Street, Toronto, Ontario M5J 2J1. The fiscal year of the Partnership ends on December 31 in each calendar year or such other date as the General Partner may determine.

On February 22, 2021, (the "**Effective Date**") the Partnership changed its investment objective and investment strategies with approval by special resolution from its Limited Partners and, as of the Effective Date, is no longer be considered an "investment fund" under applicable Canadian securities laws. The objective of the foregoing change was to provide the Partnership with the ability to effect meaningful change in the business of Investee Issuers through a combination of: (i) the acquisition of control positions in Investee Issuers that allow the Partnership to exercise significant voting power; and (ii) allowing the Manager, on behalf of the Partnership, to become actively involved in the business and operations of the Investee Issuers through board representation and the provision of professional services and advice in order to increase the enterprise value of the Investee Issuers and, as a result, the value of the Partnership's investment portfolio and the return to Limited Partners. See "*Investment Objective and Strategies of the Fund and the Partnership – Investment Objective and Strategy of the Partnership*".

The General Partner

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on October 15, 2013.

The Manager owns 100% of the issued and outstanding common shares and is the sole shareholder of the General Partner. The General Partner is generally responsible for management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement. The General Partner has engaged the Manager to carry out its duties, including directing the day to day business, operation and affairs of the Partnership, management of the Partnership's portfolio and distribution of the Units of the Partnership, but remains responsible for supervising the Manager's activities on behalf of the Partnership.

The General Partner may act as the general partner of other limited partnerships. The General Partner and/or Manager may also become a Limited Partner by purchasing Units.

THE MANAGER AND TRUSTEE

The Manager is AIP Asset Management Inc., a corporation incorporated under the *Business Corporations Act* (Ontario) on February 21, 2013 and registered with Ontario Securities Commission as Investment Fund Manager, Portfolio Manager and Exempt Market Dealer. The current principal place of business of the Manager is Royal Bank Plaza, South Tower, Suite 3240, 200 Bay Street, Toronto, Ontario M5J 2J1. The Manager is owned by Jayahari Balasubramaniam and Alex Kanayev, who each own a one-half interest in the Manager. The Manager will direct the business, operations and affairs of the Fund and is responsible for the day-to-day business and affairs of the Fund.

The Manager is also the Trustee of the Fund. The Manager is also the investment fund manager and portfolio manager of the Partnership.

The duties of the Manager as manager and trustee of the Fund are set out in the Declaration of the Trust. Please see "*Summary of the Declaration of Trust*".

Officers and Directors of the Manager

The following individual is the director and officer of the Manager who is principally responsible for the investment fund management of the Fund:

Jayahari Balasubramaniam (Jay Bala) CFA, Senior Portfolio Manager

Jay Bala is the founder, a Director, the President, Chief Executive Officer, and a Portfolio Manager of the Manager and serves on the Credit Committee of the Manager. From December 2009 to July 2013, Jay Bala held the position of Associate Portfolio Manager/Dealing Representative with Kingsmont Investment Management Inc., a Toronto-based investment management firm. From November 2007 to December 2009, he was a Senior Investment Analyst with Third Eye Capital Corporation, a private investment management company that advises the Third Eye Capital Credit Opportunities Fund and an advisor to the Sprott Private Credit Trust. Prior to that he worked as a Research Analyst at Mackie Research Capital and worked at a family office for Dundee. He obtained a Bachelor of Commerce degree from the University of Toronto and is a Chartered Financial Analyst (CFA).

Alex Kanayev, CPA, MBA, ICD.D, Chairman

Alex Kanayev is a co-founder and Chairman of the Manager and serves on the Credit Committee of the Manager. Alex Kanayev runs AIP Private Capital and sits on the boards of several companies. Previously, he worked as a Senior Vice President at a hedge fund, as a sub-advisor to a Sprott Fund and was a Portfolio Manager at BMO Financial Group. He received an MBA from Schulich School of Business at York University, is a CPA charter holder and holds an ICD.D designation from the Institute of Corporate Directors.

INVESTMENT OBJECTIVE AND STRATEGIES OF THE FUND AND THE PARTNERSHIP

Investment Objective of the Fund

The investment objective of the Fund is to seek to generate superior returns through investments that the Manager believes have the potential to provide substantial upside.

Investment Strategies of the Fund

The Fund will invest a minimum of 80% of its assets at cost in the Partnership. The Fund may invest all or substantially all of its assets in the Partnership. The Manager may choose to invest under 20% of the Fund's assets at cost in other investment funds or investment vehicles which the Manager believes have the potential for substantial upside.

The portfolio, at any particular time, may hold some cash and/or cash equivalents.

Investment Objective and Strategy of the Partnership

The investment objective of the Partnership is to seek to generate superior returns through activist investments in investee issuers ("**Investee Issuers**") that the Manager believes have the potential to provide substantial upside. The Manager's intention is that the Partnership will principally focus on investments in convertible private debt securities. The Manager will limit the cost of holdings of equity securities to twenty percent of the net asset value of the Partnership. The Manager adheres to socially responsible investing on a best-efforts basis and has a broad mandate of identifying attractive investment opportunities that include, but are not limited to, seed capital, small capitalization investments, private placements, and debt instruments. In connection with its investment objective, the Partnership may acquire control positions (greater than 20% of the issued and outstanding voting securities) in investee issuers upon the conversion of its private debt investments. As a result, a material portion of the investments comprising the Partnership's investment portfolio may consist of securities that have limited or no liquidity.

Current Portfolio Composition

A material portion of the Partnership's investments will consist of convertible private debt securities. As of December 31, 2020, the portfolio of the Partnership is made up of the following types of investments in the percentages shown: convertible domestic loans (22%), foreign loans (44%), equity securities (5%), and cash and cash equivalents (29%). The portfolio of the Partnership, its asset allocation, and the accompanying percentages are subject to change over time and are provided for herein reference purposes only. Prospective subscribers may request a current breakdown of the percentages of different investments as a proportion of the Partnership's portfolio from the Manager.

As the Manager looks at investments in an opportunistic way, the portfolio, at any particular time, may hold a substantial amount of cash and/or cash equivalents.

Investment Strategies of the Partnership

A description of each of the Partnership's principal investment strategies are summarized below. The Manager may change the Partnership's investment strategies at its discretion without notice to or approval of unitholders if the General Partner and the Manager determine that such change is in the best interest of the Partnership.

Private Debt and Senior Secured Convertible Loans

The Manager conducts top-down industry analysis to identify favorable sectors for investment based on prevailing macroeconomic themes. Once a favorable sector is identified, the Manager seeks to provide secured convertible loans that can be converted to publicly traded common shares to companies operating in such

sectors. The Manager will hold convertible debt, which is a type of lending instrument that gives the holder the option to convert its investment to equity at a pre-specified price and also has the benefit of capturing upside market potential while maintaining the principal protection properties of debt.

The investment in debt securities offered by companies on a private placement basis may provide a higher yield, equity convertibility, special debt holder rights or other special terms that make the investment attractive.

Activist Investments

The investment strategies to be implemented by the Manager on behalf of the Partnership in relation to Investee Issuers may include, but are not limited to:

(a) acquiring control positions (greater than 20% of the issued and outstanding voting securities) of Investee Issuers as a result of conversion of its private debt investments;

(b) obtaining representation on the board of directors of Investee Issuers for one or more representatives of the Manager or General Partner;

(c) entering into consultation arrangements with Investee Issuers to provide strategic business advisory services;

(d) requisitioning shareholder meetings in relation to Investee Issuers for the purposes of effecting changes to the board of directors or business of the Investee Issuer; and

(e) making shareholder proposals in relation to business or asset acquisitions, divestitures, business combinations or similar transactions for Investee Issuer.

Special Situations

The Manager may buy shares privately and take positions (either long or short) in currencies and in securities whose value is dependent upon corporate restructurings, mergers, hostile takeovers, distressed situations, bankruptcies, leveraged buy outs, spin offs, legislative changes, legal challenges, and other factors.

Over the life of the Partnership, it is expected that the Manager will vary the allocation of assets among the various asset classes and sectors based on its analysis of relative return potential. From time to time, the Partnership may also opportunistically invest up to 100% of the Partnership's assets in debt securities convertible into equity securities, dividend paying equity securities, and other income generating securities (collectively "**special situations**") to take advantage of special situations as they present themselves.

The Manager will act as security agent for the Partnership when it invests in private debt, convertible loan, and other special situation transactions. The Manager does not receive separate compensation for such services. The Manager may retain other persons to assist the Manager with its responsibilities related to procuring, servicing, administering, and monitoring, such transactions in which the Partnership invests. (See the section captioned "*Statement of Policies – Related Party Transactions*", which describes the Manager's retention of an affiliated party in such instances. See the section captioned "*Statement of Policies – Facility and Other Fees*", which describes fees the Manager may receive in connection with such special situation transactions.)

Investing Long in Undervalued Securities

By using and performing fundamental analysis of both company and industry information, the Manager will make investments in those securities whose value, in the opinion of the Manager, is below its fair value and whose growth prospects support a long position. The Manager will invest in many types of securities and is not limited to any one type but will mainly focus on equity securities, options and equity derivatives. The Manager will not be restricted from investing in securities for which there is no public market, including securities of an issuer that is not a reporting issuer in any jurisdiction.

Short Selling of Securities

By using and performing fundamental analysis of both company and industry information, the Manager will sell short any security whose value, in the opinion of the Manager, is above its fair value and whose growth prospects support a short position. The Manager may short many types of securities and is not limited to any one type but will mainly focus on equity securities, options and equity derivatives. The Manager will also look at securities of companies where the fundamentals are deteriorating or where complex accounting policies may be masking deteriorating fundamentals. The Manager will not be restricted from investing in securities for which there is no public market, including securities of an issuer that is not a reporting issuer in any jurisdiction. Short selling of overvalued securities will occur as a means to seek to generate positive investment returns but may also be used as a hedge against some component of risk related to one or more long positions.

Small Capitalization Securities

Given the investment objective of the Partnership, the Manager may establish both long and short positions in small capitalization securities that may have limited market liquidity or limited available public information. This may include some early stage companies where value may be realized over a longer period.

Portfolio Concentration

The Manager has the discretion to decide to concentrate the portfolio on a limited number of positions in order to take advantage of high conviction ideas that could generate superior returns. There are no position limits set for the Partnership and the degree of concentration will depend on the attractiveness of investment ideas. The Manager also has the discretion to concentrate the portfolio on a specific type of investment, including convertible private loans or in special situation investments. Further, the Partnership may take concentrated positions in specialized industries, market sectors, countries or regions. Historically, the Manager has exercised its discretion to concentrate a significant proportion of the value of the portfolio of the Partnership on a single issuer and in special situations. This concentration increases the risk to the Partnership, and therefore the Limited Partners, in the event such investments lose value, because there is less diversification. Concentration can lead to more rapid or dramatic changes in value than would be the case if the Partnership were required to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes. The Manager may continue to use its discretion in a comparable manner going forward, however concentration risk may vary over time.

Seed Capital and Private Placements

The investment in select seed capital opportunities and private placement of securities that have the potential for returns that more than compensate for the lack of liquidity and where the potential may be realized at an initial public offering.

Capital Structure Arbitrage

Similar to pairs trading, the Manager will seek to establish both long and short positions in the securities of related issuers or the same issuer where the market valuation of one security is mispriced relative to the value of other securities within the same or related issuer. This may also include structuring positions in same or related issuers where the sum of the parts approach has identified an arbitrage opportunity that should be eliminated over time.

Initial Public Offerings and Secondary Offerings

Investing in initial public offerings and secondary offerings where the Manager believes the pricing of the new issuance is below that which will be reflected in future prices due to supply/demand imbalances.

Options

The investment in either Puts or Calls or a combination of both of underlying securities where the option price is either mispriced or where the option is mispriced considering the volatility of the underlying security. Options can be used to enhance returns and to hedge certain risks associated with long or short positions in the underlying securities. Options can be used to hedge specific investments or as an overall hedge against the portfolio and risks associated with it.

Warrant Arbitrage

An investment that captures the potential miswriting between a security and an associated warrant for the security. The warrant is usually a long position and the security is a short position.

Short-Term Trading

The Manager may take long and short positions in securities where they feel the short-term volatility in the security will move the price either up or down in a short time frame based on factors that are not fundamentally driven. This could include supply/demand scenarios in less liquid securities or market sentiment driven opportunities. Unlike fundamentally based long or short investing described above, the Manager may not have the same fundamental opinion of these securities but expects the short term returns to outweigh the short-term risks. Securities gains and losses are generally realized on a systematic basis.

Use of Leverage

The Partnership intends to use leverage, subject to limits on margin imposed by the Partnership's prime broker.

Investment Process

The Manager will follow a highly opportunistic investment approach by meeting with management teams of early stage companies that are seeking capital to grow and expand their businesses. The Manager will also consider private placement opportunities. The Partnership will strategically hold cash until appropriate opportunities are presented to the Manager.

General

There can be no assurances that the Partnership will achieve its investment objective.

The Manager may at any time adopt new strategies or deviate from the foregoing guidelines as market conditions dictate.

While the Manager typically will try to minimize risk in selecting investments, it should be understood that the risk management techniques utilized by the Manager cannot provide any assurance that the Partnership will not be exposed to risks of significant investment losses. Please refer to "*Risk Factors*" for more information.

Statutory Caution

The foregoing disclosure of the Manager's investment strategies and intentions may constitute "forward-looking information" for the purpose of applicable securities legislation, as it contains statements of the Manager's intended course of conduct and future operations of the Partnership. These statements are based on assumptions made by the Manager of the success of its investment strategies 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 mitigating 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 urged to read "*Risk Factors*"

below for a discussion of other factors that will impact the operations and success of the Partnership.

THE OFFERING

Class 1 Series A Units ("**Series A Units**"), Class 1 Series F Units ("**Series F Units**"), Class 1 Series I Units ("**Series I Units**"), Class 1 Series A Dist Units ("**Series A Dist Units**"), Class 1 Series F Dist Units ("**Series F Dist Units**") and Class 1 Series I Dist Units ("**Series I Dist Units**") (collectively, the "**Units**") are being offered to investors resident in Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan (the "**Qualifying Jurisdictions**") pursuant to prospectus and registration exemptions available under NI 45-106, which has been adopted by the securities regulatory authorities in each of the Qualifying Jurisdictions. Unless a subscriber can establish to the Manager's satisfaction that another exemption is available, this will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is an "accredited investor" as defined in NI 45-106 or the *Securities Act* (Ontario), as applicable. Investors that are accredited investors solely on the basis that they have net assets of at least $5,000,000, must also represent to the Manager (and may be required to provide additional evidence at the request of the Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. In the Qualifying Jurisdictions, the so-called "Offering Memorandum Exemption" (i.e., section 2.9 of NI 45-106) is not being relied on. Units may be sold from time to time in reliance on the minimum amount investment exemption described in section 2.10 of NI 45-106.

The Offering may only be made or accepted in the Qualifying Jurisdictions.

There is no commission payable by the purchaser to the Manager upon the purchase of the Units, nor does the Fund pay any commissions in connection with the sale of Units when the Manager acts as dealer. Subscribers may pay a negotiated sales commission charged by their dealers.

Units of the Trust

All of the Series have the same investment objective and strategies and expenses in the Trust, but the Series (and certain Series I Units and Series I Dist Units) differ in respect of management fees and whether they offer Monthly Distributions. The Manager will seek to achieve the Fund's investment objective by investing a minimum of 80% of its assets at cost in the Partnership, and thereby gain exposure to the Partnership's investment strategy. See "The Partnership." The Fund may invest all or substantially all of its assets in the Partnership. The Manager may choose to invest under 20% of the Fund's assets at cost in other investment funds or investment vehicles which the Manager believes have the potential for substantial upside. The primary investing strategy of each Series is to use the proceeds from the offering of Series A Units, Series A Dist Units, Series F Units, Series F Dist Units, Series I Units and Series I Dist Units of the Trust to purchase the corresponding Class AT Units, Class FT Units, Class AT Dist Units, Class FT Dist Units Class I T Units and Class IT Dist Units. The Series IT Units and Series IT Dist Units may be issued in subseries.

As a Limited Partner (as defined below) of the Partnership, the return of the Fund will be primarily dependent upon the performance of the Partnership and the Partnership's investments by virtue of the Fund investing 80% or more of its assets at cost in units of the Partnership. The return of the Units of the Fund will depend upon the performance of the Class AT Units, Class FT Units, Class AT Dist Units, Class FT Dist Units Class I T Units and Class IT Dist Units of the Partnership, respectively, by virtue of the Fund investing 80% or more of its assets at cost attributable to Series A Units, Series A Dist Units, Series F Units, Series F Dist Units, Series I Units and Series I Dist Units of the Fund to purchase Class AT Units, Class FT Units, Class AT Dist Units, Class FT Dist Units Class I T Units and Class IT Dist Units of the Partnership, respectively. See "*The Partnership*" below.

Price Per Unit

On closing of the initial offering of Units of the Fund, Units will be issued at $10.00 per Unit. Thereafter, each Unit will be issued at a price equal to the Net Asset Value per Unit of the relevant Series (or subseries for certain Series I and Series I Dist Units) which is calculated in Canadian dollars on the last Business Day of each month and on such other dates as the Manager may designate from time to time (each, a "**Valuation Date**"). Fractional Units will be issued up to three decimal points (rounded down).

Minimum Individual Subscription

As of the date of this Offering Memorandum, the minimum initial net investment amount for the Series A Units, Series A Dist Units, Series F Units, Series F Dist Units, is $10,000. The minimum initial net investment amount for the Series I Units and Series I Dist Units is $1,000,000. The Units are offered to persons who qualify as "accredited investors" as defined under NI 45-106 ("**Accredited Investors**") or in the *Securities Act* (Ontario), as applicable, or whose accounts are under full discretion of the Manager. The Manager may in its sole discretion waive, reduce, or increase the minimum initial investment amounts at any time, subject to applicable laws.

Each additional investment amount for accredited investors must be in an amount that is not less than $1,000 for the Series A Units, Series A Dist Units, Series F Units and Series F Dist Units. Each Subsequent subscription amount for the Series I Units and Series I Dist Units is $10,000. For investors who are not accredited investors, an additional investment may be made in the Fund of not less than $50,000 provided that (a) the investor initially acquired Units for an acquisition cost of not less than $150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a Net Asset Value equal to at least $150,000; or (b) another exemption is available. The Manager may in its sole discretion waive, reduce, or increase the additional investment amount at any time, subject to applicable laws.

Any initial and subsequent investments shall be subject to applicable securities laws.

Monthly Distributions

The Manager intends to make monthly distributions on the Series A Dist Units, Series F Dist Units and Series I Dist Units at a target rate of 6% annually, with monthly payments equal to 1/12 of the annual target.

The Fund intends to make monthly cash distributions to Unitholders from the distributions it receives from the Partnership.

The monthly distributions of the Series A Dist Units, Series F Dist Units and Series I Dist Units will be based on the monthly distributions distributed to the Fund from the corresponding Class of units of the Partnership, namely:

(a) The Series A Dist Units' Net Asset Value will be dependent on the distributions on the Class AT Dist Units of the Partnership;
(b) The Series F Dist Units' Net Asset Value will be dependent on distributions on the Class FT Dist Units of the Partnership; and
(c) Series I Dist Units' Net Asset Value will be dependent on distributions on the Class IT Dist Units of the Partnership.

The distributions may be paid in cash or reinvested in Series A Dist Units, Series F Dist Units and Series I Dist Units, subject to the Unitholders written request upon subscription of the applicable Units. Notwithstanding, the Manager may make the distributions payable in cash or reinvestment at its sole discretion. The monthly distribution is not guaranteed on these classes of Units, it is only a target and is payable at the sole discretion of the Manager. The Manager will aim to make the monthly distribution 15 days following each Valuation Day. The monthly target distribution may be increased or decreased at the sole discretion of the Manager.

Subscription Procedure

Subscriptions for Units will be accepted, at the discretion of the Manager, on the last Business Day of each month and on such other dates as the Manager may designate from time to time (each a "**Valuation Date**").

Every Unit subscribed for is issued for a purchase price equal to the Net Asset Value per Unit determined on that Valuation Date.

Subscriptions for Units must be made by completing the subscription and power of attorney form (the "**Subscription Agreement**") provided by the Manager and by forwarding such form together with funds provided via an electronic order system such as FundSERV or a cheque or bank draft for payment of the subscription price directly to the Manager. Subscription funds provided prior to a Valuation Date will be kept in a segregated account pending investment in the Fund. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction.

Purchasers will be required to make certain representations in the Subscription Agreement and the Manager will rely on such representations to establish the availability of the exemptions from prospectus requirements described above. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws. Investors who qualify as "accredited investors" will be required to complete the applicable "Certificate of Accredited Investor" in the form attached to the Subscription Agreement as part of their subscription for Units.

After the required initial minimum investment in the Fund, Unitholders of Series A Units, Series F Units, Series A Dist Units, Series F Dist Units may make additional investments in the Fund in any amount but not less than $1,000, provided that, at the time of the subscription for additional Units, the Unitholder is an accredited investor or can establish to the Manager's satisfaction that another exemption is available. At the time of making each additional investment in the Fund, each investor will be deemed to have repeated the covenants and representations contained in the Subscription Agreement delivered by the investor at the time of the initial subscription unless a new Subscription Agreement is signed by the investor and received by the Manager. Subsequent additional investments are subject to acceptance or rejection by the Manager.

REDEMPTIONS

Redemptions

An investment in Units is intended to be a long-term investment. However, Unitholders may request that Units be redeemed at the Net Asset Value per Unit for the applicable Series (or subseries for Series I Units and Series I Dist Units) on (determined in accordance with the provisions of the Declaration of Trust) on any Valuation Date less any applicable Early Redemption Fees (as defined below), provided that a written request for redemption, in a form satisfactory to the Manager (a "**Redemption Notice**") and all necessary documents relating thereto, are submitted to the Manager at least 180 calendar days prior to the applicable Valuation Date (the "**Redemption Notice Deadline**"). The Manager, in its sole discretion, may accept or reject redemption requests. However, the Manager intends to accept redemption requests in circumstances where it would not be prejudicial to the Fund to do so.

A Redemption Notice shall be irrevocable (except as otherwise provided in the Declaration of Trust and shall contain a clear request by the Unitholder that a specified number or dollar amount of Units be redeemed. A Unitholder's signature on a Redemption Notice may be required by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager.

Any Units for which a Redemption Notice is submitted prior to the first anniversary of the date of purchase of such Units shall be subject to an early redemption fee (an "**Early Redemption Fee**") payable to the Fund equal to 5% of the redemption amount payable to the Unitholder on the applicable Valuation Date.

If a Redemption Notice is received and deemed acceptable by the Manager prior to the Redemption Notice Deadline, Units will be redeemed at the Net Asset Value per Unit for the applicable class determined on the applicable Valuation Date multiplied by the number of Units to be redeemed together with the Unitholder's

proportionate share of any distribution of net income and net realized capital gains of the Fund which has been declared in respect of such Units and not paid prior to the applicable Valuation Date and less any applicable Early Redemption Fee (the "**Redemption Amount**"). Payment of the Redemption Amount will generally be made to the redeeming Unitholder not later than the 30th day following the applicable Valuation Date (or 60 days following a Valuation Date if such Valuation Date is the Fund's fiscal year-end) for which such redemption is effective.

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

If during any three-month period, the Manager has received from one or more Unitholders an acceptable Redemption Notice to redeem in aggregate 5% or more of the outstanding Units, the Manager may, in its discretion, choose to redeem such Units in cash or in kind in equal Unit amounts over a period of up to 12 months beginning on the first Valuation Date which is at least 180 calendar days following receipt of such Redemption Notice, or in one aggregated payment at any time during the period of 12 months beginning on the first Valuation Date which is at least 180 calendar days following receipt of such Redemption Notice. Each such redemption shall be made on a Valuation Date. The Redemption Amount payable to Unitholders will be adjusted by changes in the Net Asset Value of the Fund during this period and calculated on each Valuation Date in respect of the payment to be made on such date.

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 change a minimum amount for Unitholders to have invested in the Fund (the "**Minimum Investment Amount**") and thereafter may, in its sole discretion, give notice to any Unitholder whose Units have an aggregate Net Asset Value of less than the Minimum Investment Amount that all such Units will be redeemed on the next Valuation Date following the 30th day after the date of the notice. A Unitholder may avoid such redemption by subscribing for additional Units within the 30-day notice period of a sufficient number of additional Units to increase the Unitholder's investment in the Fund to an amount equal to or greater than the Minimum Investment Amount. *See* "*The Offering – Minimum Individual Subscription*".

The record-keeper 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 in connection with such redemption which are not reflected in the Net Asset Value of the Units for which redemption has been requested. See "*The Summary Declaration of Trust – Fees and Expenses*".

The Manager may suspend the right to redeem Units of the Fund, (i) for any period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities which represent more than 50% of the underlying market exposure of the total assets of such Fund, without allowance for liabilities, are listed and traded, (ii) during any other period in which the Manager determines, in its sole discretion, that the sale of assets is not reasonably practicable, or (iii) during any other period in which the Manager determines, in its sole discretion, that it is not reasonably practicable to determine fairly the value of any of the Fund's assets.

A suspension of redemptions shall apply to all Redemption Notices received prior to the suspension for which payment of the Redemption Amount has not been made, as well as to all Redemption Notices received during the period when 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 of redemptions has been terminated. The Manager will not accept subscriptions for the purchase of Units during any period where redemptions of Units have been limited or suspended.

A suspension of redemptions will terminate as of the first day on which the condition giving rise to the suspension ceases to exist, provided that no other condition under which a suspension is authorized exists at such time. Subject to applicable laws, any declaration of suspension made by the Manager shall be conclusive.

On a redemption of Units, including where the Units are redeemed in kind, a Unitholder will be considered to have disposed of a redeemed Unit on the date of the redemption for purposes of the Tax Act. A Unitholder will be required to include in income for the taxation year in which the redemption occurred any taxable capital gain realized by such Unitholder, notwithstanding that the Unitholder may not receive cash proceeds for the redemption until a later taxation year.

Property received by Unitholders on a redemption in kind may not be a qualified investment for Tax Deferred Plans. Adverse tax consequences apply when a Tax Deferred Plan holds a non-qualified investment. See "*Eligibility for Investment*".

RESALE RESTRICTIONS

Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under applicable securities legislation. The resale of these securities by investors is subject to restrictions. An investor should refer to applicable provisions in consultation with a legal advisor. Furthermore, no transfers of Units may be affected unless the Manager, in its sole discretion, approves the transfer and the proposed transferee. There is no market for Units and no market is expected to develop, therefore it may be difficult or even impossible for a purchaser to sell Units. Subscribers are advised to consult with their 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 legislation and the Declaration of Trust.

MANAGEMENT FEES AND PERFORMANCE FEES

Management Fees and Performance Fees Payable by the Fund

No management or performance fees are payable by the Fund nor will any management fees or performance fees be payable by the Fund if the Fund only invests in investment vehicles managed by the Manager. With respect to the Fund's investment in the Partnership, all management and performance fees are paid to the Manager from the Partnership.

The Net Asset Value of the Units will decrease to the extent a management fee and performance fee is charged to the class of limited partner units ("**LP Units**") held by the Fund. As such, holders of Units will indirectly bear their pro rata portion of the management fee and performance fee charged to the Partnership.

The Net Asset Value of each of the Series of Units will decrease as a result of the management fee and performance fee charged to the to the corresponding Class of units of the Partnership, namely:

(d) The Series A Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class AT Units of the Partnership;
(e) The Series A Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class AT Dist Units of the Partnership;
(f) The Series F Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class FT Units of the Partnership;
(g) The Series F Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class FT Dist Units of the Partnership;
(h) The Series I Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class IT Units of the Partnership; and
(i) Series I Dist Units' Net Asset Value will be subject to the management fees and performance fees charged on the Class IT Dist Units of the Partnership.

If the Fund invests in any investment vehicles managed by a third party, the manager of that investment vehicle may charge a performance fee from that investment vehicle but the Manager will not charge a performance fee with respect to that investment from the Fund. However, if the Fund invests in any investment vehicles managed by a third party the Manager may charge a management fee to the Fund with respect to that investment. There will be no duplications of management fees or performance fees between the Fund and any investment vehicle the Fund invests in.

Management Fee Payable by the Partnership:

The Manager will receive the following monthly management fees from the Partnership for portfolio and other management services provided to the Partnership.

Class AT Units and Class AT Dist Units of the Partnership
The Partnership will pay the Manager, monthly on the last Business Day of each month, a fee (the "**Management Fee**") equal to 1/12 of 2% of the aggregate net asset value of all Class A Units or Class AT Units, as applicable, of the Partnership then outstanding.

Class FT Units and Class FT Dist Units of the Partnership
The Partnership will pay the Manager, monthly on the last Business Day of each month, the Management Fee equal to 1/12 of 1% of the aggregate net asset value of all Class F Units or Class FT Units, as applicable, of the Partnership then outstanding.

Class IT Units and Class IT Dist Units of the Partnership
The Partnership will pay the Manager, monthly on the last Business Day of each month, the Management Fee as stipulated in the agreement negotiated with and payable by the investor in the Class IT Units and Class IT Dist Units of the Partnership.

The Manager may choose the Management Fee to be paid in Units of the Partnership at its sole discretion.

The Management Fee will be subject to HST.

Performance Fee Payable by the Partnership:

The Partnership will pay the Manager a performance fee (the "**Performance Fee**") in respect of LP Units of each class of the Partnership outstanding, payable on the last Business Day of March, June, September and December in each year (each a "**Performance Valuation Date**"), equal to 20% of the increase in the net asset value of each LP Unit (the "**Net Asset Value per Unit**") from the High Water Mark for such LP Unit. The "High Water Mark" For Class AT Units, Class AT Dist Units, Class FT Units, Class FT Dist Trust Units, Class IT Units and Class IT Dist Units means: (a) for a Unit issued more than 12 months after the issuance of the first Unit of the applicable Class, the highest Net Asset Value per Unit of the applicable Class on each of the four previous Performance Valuation Dates for that Class; and (b) for a Unit issued less than 12 months after the issuance of the first Unit of the applicable Class, the highest of the Net Asset Value per Unit for that Class on the date the first Unit of such Class was issued and on each subsequent Performance Valuation Date for that Class, if any, prior to the applicable Performance Valuation Date on which the Performance Fee is to be paid.

All Performance Fees are subject to HST and will be deducted as an expense of the Partnership for each particular Class in the calculation of the Net Asset Value of the Partnership and the net profits of the Partnership. Different Classes of Units may be subject to different High Water Mark calculations.

The General Partner may negotiate or renegotiate the Manager's fees from time to time so long as any change, which could result in Limited Partners paying increased fees, must be approved by a Special Resolution of Limited Partners so affected and Limited Partners must be given not less than 60 days notice of the proposed change before it becomes effective.

For Class I and Class I Dist Units of the Partnership, the Performance Fee may be negotiated and stipulated by

the agreement with the investor.

The Fund, as a limited partner of the Partnership, will effectively share in net profits and net losses of the Partnership by increases or decreases in the net asset value of the classes of LP Units held by the Fund. See "*Management Fees and Performance Fees– Performance Fee Payable by the Partnership".*

The Performance Fee will be subject to HST.

FUND EXPENSES

The Fund shall be responsible for payment of all costs and expenses relating to the daily operation of the Fund including, but not limited to:

(a) administrative fees and expenses of the Fund, management fees and performance fees (if any), expenses related to the net asset value calculations and any third party administrator's fees, accounting and legal costs, custodial fees, registrar and transfer agency fees and expenses, costs and expenses relating to the issue and redemption of Units, expenses related to continuous disclosure filings, Unitholder communication expenses including the cost of meetings of all Unitholders, the cost of soliciting votes and the cost of providing information to Unitholders (including financial and other reports), initial cost of expenses for organizing the Fund and all reasonable extraordinary or non-recurring expenses; and

(b) fees and expenses relating to the Fund's portfolio investments, including trading and brokerage fees, commissions and expenses, the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders, prime brokers and counterparties (if applicable) and banking fees.

The Manager or any other AIP party may provide similar services to other affiliated funds or vehicles (the **"Affiliated Funds"**) and the Manager and their respective affiliates may manage other accounts (the **"Other Accounts"**). To the extent that any services are provided to the Fund, the Partnership, the Affiliated Funds and the Other Accounts, the General Partner will allocate, or cause to be allocated, the related costs and expenses of the the Manager, or any other AIP party, as applicable, in respect of the provision of any such services to the Fund, the Partnership, the Affiliated Funds or the Other Accounts to which such services are provided in a fair and equitable manner.

Organizational and start-up expenses will be amortized by the Fund over a five-year period.

WHO SHOULD INVEST

The Fund is designed for sophisticated investors seeking consistent absolute returns throughout various market conditions. As the Fund is subject to various risks as outlined under "*Risk Factors*," it is recommended that an investment in the Fund should not constitute the major portion of an individual's portfolio. The Fund is designed to attract investment capital which is surplus to an investor's basic financial requirements. See "*Eligibility for Investment*".

Any Unitholder whose status changes with respect to the foregoing or who fails to provide evidence satisfactory to the Manager of such status when requested to do so, from time to time, shall be removed as a Unitholder by the redemption of his Units at the end of the month in which such status changes.

The Fund is expected to qualify as a "unit trust" and "mutual fund trust" under the Tax Act, effective from the date of its creation in 2021 and at all times thereafter. Provided that the Fund so qualifies, Units will be qualified investments under the Tax Act for trusts governed by Tax Deferred Plans. See "*Eligibility for Investment*".

NET ASSET VALUE OF THE UNITS

Net Asset Value of Units

Units may be designated by the Manager as being Units of a Class, Series or subseries. Units of each Series may be issued at a Net Asset Value per Unit as the Manager may in its discretion assign, and the Net Asset Value per Unit of any one Series need not be equal to the Net Asset Value per Unit of any other Series.

Upon the designation of a new Series of Units by the Manager, the Net Asset Value per Unit for such Series shall initially be as designated by the Manager as described above and the Net Asset Value of such Series shall initially be such Net Asset Value per Unit multiplied by the number of Units of such Series issued on the first Subscription Date for such Series. After the initial issue of Units of a Series, the Net Asset Value of such Series on a Valuation Date shall be calculated by the Manager having regard to the Net Asset Value of such Series relative to the Net Asset Value of the Fund on the previous Valuation Date (following payment of fees payable to the Manager, and adjusted for subsequent subscriptions, redemptions, conversions and redesignations), the increase or decrease in Net Asset Value of the Fund from the previous Valuation Date to the current Valuation Date, and any fees payable to the Manager in respect of Units of such series.

Net Asset Value per class and Net Asset Value per Unit for Units of a Class shall be calculated in a similar manner, with necessary adjustments, if there is only one Series (or no Series designated) for such Class. If there is more than one Series in a class, then the Net Asset Value for such Class shall be the aggregate of the Net Asset Values of all Series in such class, and Net Asset Value per Unit shall be calculated in respect of each series only.

Notwithstanding these provisions and for greater certainty: (i) on a Valuation Date, Net Asset Value of the Fund shall first be calculated in accordance with the aforementioned rules but without deduction of Management Fees and Performance Fees payable on such date to the Manager for the purpose of determining the increase or decrease in the Net Asset Value of the Fund to such date; (ii) on such Valuation Date, Net Asset Value of each subseries, Series or Class, as applicable, shall then be determined by deducting (Y) such Management Fees and/or Performance Fees payable in respect of Units of such subseries, Series or Class, as applicable, and (Z) for any Units which may be entitled to regular distributions including the Class 1 Series A Dist Units, Class 1 Series F Dist Units and Class 1 Series I Dist Units such distributions payable in respect of Units of such subseries, Series or Class, as applicable, on such date and (iii) on any date, the Manager may wish to deduct all fees calculated as at such date, as if such fees were then payable, and any distributions payable on any Units of the Fund as at such date, as if such distributions were then payable, for the purpose of reporting Net Asset Value of the Fund and/or Net Asset Value per Unit of each subseries, Series or Class, as applicable, on such date.

Valuation Methodology

The following rules will be applied by the Manager to the determination of the Net Asset Value of the Fund:

(a) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value of the Fund and each class and series are being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the reasonable value thereof.

(b) The value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a Business Day, on the last Business Day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued on the

basis of the market quotation which, in the opinion of the Manager,, most closely reflects their fair value.

(c) Any securities which are not listed or dealt in upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date.

(d) The value of any restricted security shall be the lesser of (i) the value thereof based on any available reported quotations in common use and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, warranty or agreement or by law, equal to the percentage that the acquisition cost thereof was of the market value of such securities at the time of acquisition thereof.

(e) All Fund property valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager or to the third party engaged by the Manager to calculate Net Asset Value.

(f) Securities held in private issuers are recorded at cost unless an upward adjustment is considered appropriate and supported by persuasive and objective evidence such as a significant equity financing by an unrelated investor at a transaction price higher than the valuation price. Downward adjustments to valuation price are made when there is evidence of other than a temporary decline in value as indicated by the assessment of the financial condition of the investment based on third-party financing, operational results, forecasts, and other developments since the previous valuation price was established. Options and warrants held in private issuers are carried at cost unless there is an upward or downward adjustment of the underlying privately-held company supported by persuasive and objective evidence such as significant subsequent equity financing by an unrelated investor at a transaction price higher or lower than the valuation price.

(g) Each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the Net Asset Value of the Fund on the trade date.

(h) The value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the Manager may from time to time determine based on standard industry practice.

(i) Short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above.

(j) All other liabilities shall include only those expenses paid or payable by the Fund, including accrued contingent liabilities; however expenses and fees allocable only to a class and series of Units shall not be deducted from the Net Asset Value of the Fund for the purpose of determining the Net Asset Value of each class and series, and shall thereafter be deducted from the Net Asset Value so determined for each such class and series.

The Manager may determine such other rules as they deem necessary from time to time.

SUMMARY OF THE DECLARATION OF TRUST

The rights and obligations of the Unitholders are governed by the Declaration of Trust.

The following is a summary of the Declaration of Trust. Each investor should carefully review the Declaration of Trust itself for full details of these provisions. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Declaration of Trust.

The Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of Classes of Units, which may be divided into Series and subseries, having such terms and conditions as the Trustee may determine. The number of Units, Class of Units, Series or subseries of Units of the Fund that may be issued is unlimited. Additional Classes, Series or subseries of Units may be created and offered in the future at the sole discretion of the Manager and without notice to, or approval of, existing Unitholders of the Fund. Units are issued without nominal or par value. Each whole Unit of a Series entitles the holder of that Unit to one vote for each Unit owned by such Unitholder at all meeting of Unitholders of the Fund where all Unitholders vote together, and to one vote at all meetings of Unitholders of the Fund where that particular Series votes separately as a Series.

Each whole Unit of a particular Class, Series or subseries entitles its holder to participate pro rata, in accordance with the provisions of the Declaration of Trust, with respect to all distributions (other than Special Distributions) of the same Class, Series or subseries to that Class, Series or subseries and, upon liquidation of the Fund, to participate pro rata with the other Unitholders of that same Class, Series or subseries in the Class, Series or subseries Net Asset Value, remaining after the satisfaction of outstanding liabilities of the Fund and the Class, Series or subseries.

Once the Series Net Asset Value per Unit, has been paid, Units shall be non-assessable so that there shall be no liability for future calls or assessments with respect to the Units.

Units are not transferable by a Unitholder except by operation of law or with the written consent of the Manager.

Meetings of Unitholders

The Trustee may, at any time, convene a meeting of Unitholders of a Fund as a whole or of any Series of Units. In the event a request to call a meeting of Unitholders is made by Unitholders of a Fund holding not less than 30% of the Net Asset Value of all outstanding Units of the Fund where all Unitholders vote together or by Unitholders holding not less than 30% of the Net Asset Value of a particular Series where that particular Series votes separately as a Series, the Trustee shall convene a meeting of Unitholders and provide notice of such meeting within fifteen (15) days of the receipt of the request for such meeting. Despite the foregoing, the Trustee is not be obliged to call any such meeting until it has been or agreed to be indemnified by such Unitholders against all costs of calling and holding such meeting. Meetings of Unitholders shall be held at the head office of the Fund, or such other place within the Province of Ontario as the Trustee shall determine and designate.

Notice of all meetings of Unitholders of the Fund shall be given by mail or electronically to each Unitholder at his, her, or its address of record, not less than ten (10) days nor more than sixty (60) days before the meeting unless the Trustee in its sole discretion decides to vary the time period for the notice requirement.

Certain amendments to the Declaration of Trust may only be made with the consent of Unitholders. See "*Summary of the Declaration of Trust – Amendments to the Declaration of Trust"*.

Calculation of Net Asset Value of a Fund

Valuation methodology to be applied by the Manager to the determination of the Net Asset Value of the Fund is described under the heading "*Net Asset Value of Units – Valuation Methodology"*.

Calculation of Net Asset Value per Unit

The calculation of Net Asset Value per Unit is described under the heading "*Net Asset Value of Units"*.

Redemptions

Redemption rights are described under the heading "*Redemptions"*.

Distributions

On the last day of each Taxation year of a Fund or, if a Taxation year ends on December 15, on the last day of the calendar year in which such Taxation year ends, an amount equal to the Net Income of the Fund for such Taxation year not previously paid or made payable in respect of the Taxation year to Unitholders shall be automatically payable to Unitholders at the close of business on such day. Each Unitholder of record as of the close of business on such day shall be entitled to enforce payment of its share of such amount at the time the amount became payable by the Fund.

On the last day of each Taxation year or, if a Taxation year ends on December 15, on the last day of the calendar year in which such Taxation year ends, an amount equal to the net realized capital gains of the Fund for such Taxation year not previously paid or made payable in respect of the Taxation year, if any, shall be automatically payable to Unitholders at the close of business on such day, except to the extent that any tax payable on nNet realized Capital Gains retained by the Fund would be refundable as a "capital gains refund" for the Taxation year for the purposes of the Tax Act. Each Unitholder of record as of the close of business on such day shall be entitled to enforce payment of its share of such amount at the time the amount became payable by the Fund.

All distributions to a Unitholder pursuant to this section (less any tax required to be withheld therefrom) shall be automatically reinvested in additional Units of the same Class or Series of Units of the Fund. Immediately following such reinvestment, the number of Units of the relevant Class or Series of Units outstanding shall, if the Trustee determines, be consolidated so that the Class or Series Net Asset Value per Unit after the reinvestment shall be the same as it was immediately before the amount was considered to have been declared as due and payable by the Fund (before any redesignation of Units from one Class or Series to another). For these purposes, any taxes withheld from, or paid or payable on account of income, shall be considered to have been paid or be payable on behalf of Unitholders to the extent that related income is allocated to such Unitholders for income tax purposes. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

Unitholders will be required to include all such distributions (including any monthly or quarterly distributions) in computing their income for tax purposes (even though distributions are to be reinvested in additional Units).

See also "*The Offering – Monthly Distributions*".

Liability and Indemnification of Unitholders

The Declaration of Trust provides that no Unitholder shall be held to have any personal liability as such and no resort shall be had to any Unitholder's private property for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Fund or Trustee or any obligation over which a Unitholder would otherwise have to indemnify the Trustee for any personal liability incurred by the Trustee as such, but rather, only the Fund Property is intended to be liable and subject to levy or execution for such satisfaction.

The Declaration of Trust provides that a Fund shall indemnify and hold each of its Unitholders harmless from and against all claims and liabilities to which any such Unitholder may become subject by reason of being or having been a Unitholder of the Fund and shall reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. The rights accruing to a Unitholder under the Declaration of Trust shall not exclude any other right to which such Unitholder may be lawfully entitled nor shall anything contained in the Declaration of Trust restrict the right of the Fund to indemnify or reimburse a Unitholder in any appropriate situation even though not specifically provided for in the Declaration of Trust; provided, however, that the Fund shall not have liability to reimburse Unitholders for taxes assessed against them by reason of their ownership of Units nor for any losses suffered by reason of changes in the value of Units.

Manager's Duties

The Trustee shall appoint or retain a Manager to provide, or arrange for the provision of, management and administrative services to the Funds on such terms and conditions as the Trustee shall determine.

The Manager has full authority and responsibility to manage the undertaking and affairs of the Funds, to administer and manage the day-to-day operations of the Funds, act as agent for the Funds, execute documents on behalf of the Funds and to make decisions which conform to general policies and general principles set forth herein or established by the Trustee, including without limitation to provide or arrange for the provision to the Fund of all necessary investment management and all clerical, administrative, and operational services or elsewhere in the Declaration of Trust. The Manager may delegate any of its powers hereunder to third parties where, in the discretion of the Manager, it is in the best interest of the Unitholders to do so, without liability to the Manager except as specifically provided in this Declaration of Trust.

The Manager has the exclusive power to manage and direct the investment of property of the Fund and the powers necessary to perform its duties in this Declaration of Trust and has authority to bind the Funds.

Manager's Standard of Care

The Manager shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Funds 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 shall adopt policies and procedures to identify and avoid, or address and disclose, conflicts between its own interests and the interests of the Funds and/or the Unitholders, in accordance with Securities Legislation.

Liability and Indemnification of the Manager

The Manager, its directors, officers, employees, agents and consultants (each a "**Manager Party**") shall not be liable to a Fund, to any Unitholder or any other person for any loss, damage, cost, charge, judgment or expense (including reasonable legal costs) relating to any matter regarding the Fund, including without restriction or limitation any loss or diminution in the value of the Fund or of the Fund Property, for any reason except to the extent attributed to the Manager Party's own breach of their standard of care as described above.

Each Manager Party shall at all times be indemnified and saved harmless out of the assets of the applicable Fund from and against:

all claims whatsoever (including costs, charges and expenses in connection therewith) brought, commenced or prosecuted against any of them for or in respect of any act, deed matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Manager Party's duties, and

all other costs, charges, and expenses which any of them sustain or incur in or about or in relation to the affairs of the Fund.

The Manager Party's indemnification summarized above does not apply to the extent the Manager Party did not meet the standard of care described above.

Trustee's Standard of Care

The Trustee shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Funds and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustee shall adopt policies and procedures to identify and avoid, or address and disclose, conflicts between its own interests and the interests of the Funds and/or the Unitholders, in accordance with Securities Legislation.

Liability and Indemnification of the Trustee

The Trustee, its directors, officers, employees, agents and consultants (each a "**Trustee Party**") shall not be liable to a Fund, to any Unitholder or any other person for any loss, damage, cost, charge, judgment or expense (including reasonable legal costs) relating to any matter regarding a Fund, including without restriction or limitation any loss or diminution in the value of a Fund or of the Fund Property, for any reason except to the extent attributed to the Trustee Party's own breach of their standard of care noted above.

Each Trustee Party shall at all times be indemnified and saved harmless out of the assets of a Fund from and against:

(a) all claims whatsoever (including costs, charges and expenses in connection therewith) brought, commenced or prosecuted against any of them for or in respect of any act, deed matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Trustee Party's duties in respect of the Fund, and
(b) all other costs, charges, and expenses which any of them sustain or incur in or about or in relation to the affairs of the Fund.

The Trustee Party's indemnification summarized above does not apply to the extent the Trustee Party did not meet the standard of care described above.

Removal or Resignation of the Manager and Trustee

The Manager may be removed by 75% of the votes cast at a meeting of Unitholders of a Fund in the event that the Manager is in material breach or material default of the provisions of the Declaration of Trust as they apply to such Fund, and if capable of being cured, such breach or default has not been cured within thirty (30) Business Days' of the Manager being made aware of such breach or default. The Unitholders' resolution documenting the vote to remove the Manager shall specify the date of removal of the Manager, which shall not be less than sixty (60) days from the date of the vote removing the Manager. If the Manager is the trustee of the Fund, a removal of the Manager by a vote of Unitholders shall constitute a removal of the Manager as trustee and a Termination Event (as defined below) unless a new trustee has been appointed by the date of removal of the Manager and such appointment been accepted by the new trustee pursuant to the terms and conditions of the Declaration of Trust.

The Manager or Trustee or any successor manager or trustee may resign as Manager or Trustee of a Fund, as applicable, by giving written notice to the Unitholders of that Fund ninety (90) days prior to the date when such resignation shall take effect provided, however, that no such resignation shall be effective until the appointment of, and acceptance of such appointment by, a new manager or trustee, as applicable, pursuant to the terms and conditions of the Declaration of Trust in the place of the resigning manager or trustee, as applicable.

The resignation shall take effect on the date specified in such notice unless, at or prior to such date, a successor manager or trustee shall be appointed by the Trustee, in which case such resignation shall take effect immediately upon the appointment of such successor manager or trustee, as applicable.

The liabilities, duties and obligations of the Manager and Trustee shall automatically terminate when it ceases to be the Manager or Trustee, as applicable, as provided in the Declaration of Trust, subject to such predecessor manager or trustee, as applicable, being liable for the exercise of its powers and the discharge of its duties as provided in the Declaration of Trust provided while in office.

The Manager and Trustee shall be deemed to have resigned without notice if

(a) an order is made, a corporate resolution is passed, or other proceeding is taken for the dissolution of the Manager or Trustee;

(b) the Manager or Trustee consents to or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency laws, or is declared bankrupt, or if a liquidator or trustee

in bankruptcy, custodian or receiver or receiver and administrator or interim receiver or other officer with similar powers is appointed in respect of the Manager or Trustee;

(c) the Manager or Trustee ceases to be resident in Canada for the purposes of the Tax Act or ceases to carry out its function of managing any Fund in Canada; or

(d) in accordance with the provisions of Applicable Law, the Manager or Trustee ceases to be qualified to act as trustee under the Declaration of Trust.

In any such situation, the Manager or Trustee may appoint a successor manager and trustee and notify the Unitholders about the appointment of the successor manager and trustee.

Amendments to the Declaration of Trust

Subject to certain restrictions, the Trustee may amend the Declaration of Trust at any time without the approval of Unitholders of a Fund provided that thirty (30) days prior written notice of any such amendment is given to Unitholders of the Fund prior to their becoming effective.

The Trustee may amend the Declaration of Trust without notice to or the approval of Unitholders of a Fund in order: (i) to provide additional protection for the Unitholders; (ii) change the name of the Fund, (iii) to make any changes or correction in the Declaration of Trust of the Fund which are typographical corrections or changes or are required for the purpose of curing or correcting any ambiguity, defective or inconsistent provisions, clerical omissions, mistakes or manifest errors contained therein and which will not, in the opinion of the Trustee, prejudice the rights of Unitholders; (iv) to make any technical amendments to the Declaration of Trust of the Fund which are required to proceed with a reorganization, a merger or similar transaction of a Fund; (v) to permit separate pooled investment trusts, Classes or Series of a Fund to be established or continued; (vi) to adapt the Fund to current practice or to ensure compliance and continuing compliance with Applicable Laws, rules and requirements or any Governmental Authorities having authority over the Trustee, the Manager or the Funds; (vii) if, applicable, to maintain or establish, as applicable, the status of a Fund as a "unit trust" or "mutual fund trust" under the Tax Act (as it may be amended from time to time) or under any applicable provincial taxation law; and (viii) to maintain or establish the status of any Fund under the Tax Act or make changes that may be necessary or desirable in order to comply with or as a result of provisions of (including proposed amendments to) the Tax Act or the taxation authorities' administrative practices under the Tax Act in such manner as the Trustee, after consultation with the Manager, may determine from time to time.

No amendment may be made which would materially adversely affect the interest of Unitholders of a Fund except as follows:

(a) the approval by special resolution of Unitholders of that Fund or that Series duly called for the purpose of considering the proposed change, or by written resolution; or
(b) after sixty (60) days written notice provided that if a proposed change also affects Unitholders of other Funds that are governed by the Declaration of Trust then sixty (60) days written notice of the proposed change has been given to all Unitholders and to give each Unitholder the opportunity to redeem all of such Unitholder's Units prior to the effective date of such change.

For certainty, a change in investment objective, an increase in management fees or performance fees, or a change of Trustee or Manager (other than to an affiliate of the Trustee) will be deemed a material adverse change.

All Persons remaining or becoming Unitholders after the effective date of such change shall be bound by such change.

No amendment to the Declaration of Trust may be made without the consent of the Trustee.

Termination of the Fund

The Trustee in its discretion may terminate a Fund or a particular Class or Series of a Fund at any time, with

such termination to be effective as of the date determined by the Trustee (the "**Termination Date**") subject to the delivery of a Fund Termination Notice to Unitholders and satisfaction of other conditions required under Securities Legislation, and is empowered to take all steps necessary to effect such termination, including ceasing the distribution or redemption of Units and liquidating the assets of such Fund or attributable to such Series of Units of such Fund, as the case may be or redesignating all of the Series of Units of a Fund into another Series of Units of the same Fund in accordance with the Declaration of Trust. Prior to termination of a Fund, the Trustee shall discharge the liabilities of the Fund and distribute the net assets of the Fund to Unitholders entitled thereto, which distribution may be made at such time or times and in cash or in kind or partly in both, all as the Trustee in its discretion may determine. After all liabilities have been discharged and all distributions have been made to Unitholders entitled thereto, or the redesignation of all Units of a Series into another Series of Units has been effected, as the case may be, the Fund or the Series, shall be deemed to be terminated.

A Fund may be automatically terminated upon a "**Termination Event**". Each of the following events shall be a "**Termination Event**":

(a) a Fund Termination Notice is delivered in accordance with the notice and delivery requirements herein by the Trustee to the Unitholder;
(b) the Trustee or successor trustee have been voted to be removed by 75% of the votes cast at a meeting of Unitholders as described in the Declaration of Trust unless a new trustee has been appointed as of the date of removal of the Trustee and such appointment accepted by the new Trustee pursuant to the terms and conditions of the Declaration of Trust;
(c) the Trustee or successor trustee 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);
(d) the Trustee or successor trustee makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or
(e) the assets of the Trustee or successor trustee have become subject to seizure or confiscation by any public or Governmental Authority.

SUMMARY OF THE LIMITED PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners are governed by the Limited Partnership Agreement (as amended from time to time) and the LP Act. The following is a summary of the material provisions of the Limited Partnership Agreement not otherwise described in this Offering Memorandum. This summary is not intended to be complete and each investor should carefully review the Limited Partnership Agreement itself for full details of these provisions. The Limited Partnership Agreement is available for review at the offices of the General Partner. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Limited Partnership Agreement.

The LP Units

An investment in the Partnership is represented by LP Units. The Partnership is permitted to have an unlimited number of LP Units having such terms and conditions as the General Partner may determine. Currently, Class A, Class A Dist, Class F, Class F Dist, Class I, Class I Dist, Class AT, Class AT Dist, Class FT, Class FT Dist, Class IT and Class IT Dist LP Units may be issued in classes (each a "**LP Class**") or series (each a "**LP Series**"). The Class A, Class A Dist, Class F, Class F Dist, Class I and Class I Dist LP Units are currently offered under Partnership offering memorandum. The Class A, Class A Dist, Class F, Class F Dist, Class I and Class I Dist LP Units will be issued in series in order to facilitate the calculation of the General Partner's performance fee payable in respect of each LP Unit. See "*Management Fees and Performance Fees – Performance Fee Payable by the Partnership*".

The Class AT, Class AT Dist, Class FT, Class FT Dist, Class IT and Class IT Dist are currently only offered to other investment vehicles managed by the Manager. The Fund is currently the only authorized investor in these LP Units.

No LP Unit shall have any preference, conversion, exchange, pre-emptive or redemption rights in any circumstances over any other LP Unit (except as provided in the Limited Partnership Agreement). Each Limited Partner will be entitled to one vote for each whole LP Unit, or fraction thereof, in respect of all matters to be voted on by the Limited Partners.

The General Partner, in its discretion, determines the number of LP Classes of LP Units and LP Series of LP Units of a LP Class and establishes the attributes of each LP Class and LP Series, including the designation of each LP Class and LP Series, the initial closing date and initial offering price for the first issuance of LP Units of the LP Class or LP Series, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the LP Class or LP Series, sales or redemption charges payable in respect of the LP Class or LP Series, redemption rights and any additional LP Class or LP Series specific attributes. The General Partner may add additional LP Classes or LP Series of LP Units at any time without the prior approval of Limited Partners. The General Partner may also redesignate LP Units of a LP Class or LP Series issued to the Limited Partners as LP Units of another LP Class or LP Series having an aggregate equivalent Net Asset Value, provided that such redesignation will not result in an increase in fees payable by that Limited Partner.

Management and Performance Fees

See "*Management Fees and Performance Fees*".

Allocations

Limited Partners effectively share in Net Profit and Net Loss of the Partnership, generally in accordance with their respective Proportionate Interests, through changes to the Net Asset Value of LP Units held by them. The General Partner shall be entitled to certain distributions from time to time as provided herein and shall thereby participate in Net Profit of the Partnership. Net Loss of the Partnership shall be allocated to the General Partner in accordance with its Proportionate Interest.

As of the end of each fiscal year, the income or loss (and/or taxable capital gains or allowable capital losses) of the Partnership (as determined for purposes of the Tax Act) shall be allocated to the General Partners and Limited Partners. Such allocations shall be from ordinary income or loss and taxable capital gains or allowable capital losses, if any. The General Partner may adopt and amend an allocation policy from time to time intended to allocate income or loss (and/or taxable capital gains or allowable capital losses) in such a manner as to account for LP Units which are purchased or redeemed throughout such fiscal year, the class and/or series of such LP Units, the tax basis of such LP Units, the fees payable by the Partnership in respect of each such class and/or series of LP Units, and the timing of receipt of income or realization of gains or losses by the Partnership during such year, among other factors deemed relevant by the General Partner.

Distributions

Net profit of the Partnership allocated to the Limited Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner.

Each LP Class of LP Units may have unique target distributions as determined by the General Partner in its sole discretion.

Authority and Duties of the General Partner

The General Partner has the full power and authority to do such acts and things and to execute and deliver such documents as it considers necessary or desirable in connection with the offering and sale of the LP Units and for carrying on the business of the Partnership for the purposes summarized herein and described more fully in

the Limited Partnership Agreement. The General Partner shall exercise the powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The General Partner shall be entitled to retain advisers, experts or consultants to assist in the exercise of its powers and the performance of its duties.

Management Services

The General Partner is entitled to engage one or more service providers to provide management, advisory, administrative or other services to the Partnership from time to time. The Manager has been so engaged. The General Partner may negotiate or renegotiate the Manager's fees from time to time so long as any change, which could result in Limited Partners paying increased fees, must be approved by a special resolution of Limited Partners so affected and Limited Partners must be given not less than 60-day notice of the proposed change before it becomes effective. Fees charged by the Manager may vary as between classes of LP Units. Fees actually paid and charged to a series of LP Units may vary from time to time so long as the method of calculating such fees is the same for all series of the same class of LP Units. Any agreement between the General Partner and the Manager or other service provider must automatically terminate upon termination of the Limited Partnership Agreement.

Liability

Subject to the provisions of the LP Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees to contribute to the Partnership. However, a Limited Partner may lose his, her or its status as a limited partner if such Limited Partner takes part in the control of the business of the Partnership or if certain provisions of the LP Act are contravened. The General Partner shall be responsible and liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the LP Act and as set forth in the Limited Partnership Agreement.

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of such Limited Partner not having unlimited liability as set out in the Partnership Agreement, other than any liability caused by or arising out of any act or omission of such Limited Partners. See Article 8 "Liabilities of Partners" in the Limited Partnership Agreement.

Reports to Limited Partners

Within 90 days after the end of each fiscal year or such shorter period as may be practical in the circumstances or required by law, the General Partner will forward to each Limited Partner an annual report for such fiscal year consisting of (i) audited financial statements for such fiscal year; (ii) a report of the auditors on such financial statements; (iii) a report on allocations to the Limited Partners' Capital Accounts and taxable income or loss and distributions of cash to the General Partner and the Limited Partners for such fiscal period; and (iv) tax information to enable each Limited Partner to properly complete and file his or her tax returns in Canada in relation to an investment in LP Units. The General Partner will forward to each Limited Partner unaudited internally prepared interim financial statements for the first six months of each fiscal year within 60 days of the end of such period upon request.

Term

The Partnership has no fixed term. Dissolution may only occur (i) through a Special Resolution of the Limited Partners, or (ii) at any time on 30 days written notice by the General Partner to each Limited Partner.

Meetings and Quorum

The Partnership will not hold regular meetings.

The General Partner may convene a meeting of Limited Partners as it considers appropriate or advisable from time to time. The General Partner must also call a meeting of the Limited Partners on the written request of the Limited Partners holding not less than two thirds (2/3) of the outstanding LP Units of the Partnership in accordance with the Limited Partnership Agreement, provided that in the event of a request to call a meeting of the Limited Partners made by such Limited Partners, the General Partner shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Limited Partners against all costs of calling and holding such meeting.

Not less than 21 days' notice will be given of any meeting of Limited Partners. The quorum at any meeting at which an Ordinary Resolution (as defined in the Limited Partnership Agreement) is to be voted on is two or more Limited Partners present in person or by proxy representing not less than 10% of the LP Units then outstanding. The quorum at any meeting at which a Special Resolution (as defined in the Limited Partnership Agreement) is to be voted on is two or more Limited Partners present in person or by proxy representing not less than one third (1/3) of the LP Units then outstanding. If no quorum is present at such meeting when called, the meeting will be adjourned by the Manager to a date and time determined by the Manager, and at the adjourned meeting the Limited Partners then present in person or represented by proxy will form the necessary quorum if notice of the adjourned meeting is given.

The consent of Limited Partners to an Ordinary Resolution must be given by at least 50% of the votes cast. The consent of Limited Partners to a Special Resolution must be given by at least 2/3 two thirds of the votes cast.

Amendment

The General Partner may, without prior notice or consent from any Limited Partner, amend the Limited Partnership Agreement (i) in order to protect the interests of the Limited Partners, if necessary; (ii) to cure any ambiguity or clerical error or to correct or supplement any provision contained in the Limited Partnership Agreement which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner; (iii) to reflect any changes to any applicable legislation; or (iv) in any other manner, if such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner. The Limited Partners may, by Special Resolution and with the concurrence of the General Partner, amend the Limited Partnership Agreement. See Article 13 "Amendment of Agreement" in the Limited Partnership Agreement. Special Resolutions may be passed by Limited Partners holding LP Units with a Net Asset Value of at least two-thirds of the Net Asset Value of LP Units voted at a meeting duly called for such purpose or by a written resolution signed by Limited Partners holding LP Units with a Net Asset Value of at least two-thirds of the Net Asset Value of all LP Units. See Article 9 "Partnership Meetings" in the Limited Partnership Agreement.

REGISTERED DEALERS

Ninepoint Partners LP

The Partnership and the Manager have retained Ninepoint Partners LP ("**Ninepoint**") to provide exempt market dealer, distribution and marketing services for the Partnership with respect to offering Series A Units, Series F Units, Series A Dist Units, Series F Dist Units and certain subseries of Series I Units and Series I Dist Units in the Qualifying Jurisdictions. Ninepoint shall receive fees from the Manager in consideration for these services. Units are also distributed by certain other registered dealers, but it is anticipated that Units will generally be distributed by Ninepoint going forward. See "*Registered Dealers – Service Fees*".

Service Fees

The Manager has entered into various arrangements with dealers for the distribution of Units to subscribers. The method for determining the compensation payable to dealers for the services they provide varies among dealers, as does the amount of such compensation.

The following is a summary of the compensation arrangements with dealers which exist as of the date of this Offering Memorandum:

- The Manager will pay to Ninepoint one half of the net Management Fees and Performance Fees that the Manager receives in respect of each Series A Units, Series F Units, Series A Dist Units, Series F Dist Units and certain subseries of Series I Units and Series I Dist Units that were purchased through Ninepoint.

- The Manager will pay to certain other dealers a negotiated portion of the net Management Fees and Performance Fees that the Manager receives in respect of each Series A Units, Series F Units, Series A Dist Units, Series F Dist Units and certain subseries of Series I Units and Series I Dist Units that were purchased through such dealers.

- The Manager will pay to certain other dealers whose clients have purchased Series A Units and Series A Dist Units a quarterly service fee (the "**Service Fee**") in respect of each Series A Units and Series A Dist Units of the Partnership that was purchased through that dealer and which was held by the client for three full months during such fiscal quarter. The Service Fee payable to a dealer will be an amount calculated on the last business day of each fiscal quarter based on an annual rate equal to 1.0% of the Class Net Asset Value of each Series A Units and Series A Dist Units purchased by a Unitholder through that dealer. Purchasers of Units subject to a Service Fee may pay a negotiated fee above the Service Fee if purchasing through a dealer. The Service Fee may be rebated to the purchaser at the sole discretion of the dealer.

Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of the Units.

REPORTS TO UNITHOLDERS

Within ninety (90) days after the end of each fiscal year, the Manager will send or cause to be sent to each Unitholder (subject to standing instructions obtained from each Unitholder), an annual report for such fiscal year consisting of audited financial statements for each fiscal year together with a report of the auditors on such financial statements.

Within sixty (60) days following the end of the first six months of each fiscal year, the Trustee will send or cause to be sent to each Unitholder (subject to standing instructions from each Unitholder), unaudited semi-annual financial statements.

In addition, the Manager will furnish or cause to be furnished to Unitholders such other statements and/or reports as the Trustee may decide in its sole discretion or as are from time to time required by applicable law or as provided in the Declaration of Trust.

The Trustee shall send, or cause to be sent, to all Unitholders information required by applicable law for income tax purposes within the time prescribed by applicable law.

Unitholders may receive, on request and free of charge, a copy of the offering memorandum of the Partnership and, on request and free of charge, the annual and interim financial statements relating to the Partnership.

ELIGIBILITY FOR INVESTMENT

The Fund is expected to qualify as a unit trust and mutual fund trust under the Tax Act, effective from the date of its creation in 2021 and at all times thereafter. Provided that the Fund so qualifies, Units will be qualified investments for trusts governed by Tax Deferred Plans.

Provided the Fund is and continues to qualify as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act and remains an eligible investment for Tax Deferred Plans, then provided that the annuitant or holder of a

registered retirement savings plan, registered retirement income fund or tax-free savings account does not hold a "significant interest" (as defined in the Tax Act) in the Fund or any person or partnership that does not deal at arm's length with the Fund, and provided that such annuitant or holder deals at arm's length with the Fund, Units will not be a prohibited investment for a trust governed by a registered retirement savings plan, registered retirement income fund or tax-free savings account. Investors should consult their tax advisors with respect to whether Units will be a prohibited investment for their Tax Deferred Plans.

Property received by Unitholders on a redemption in kind may not be a qualified investment for Tax Deferred Plans. Adverse tax consequences apply when a Tax Deferred Plan holds a non-qualified investment, including a penalty tax. The penalty tax may be refunded where the non-qualified investment is disposed of before the end of the calendar year after the year in which the tax arose. However, no refund is available if it is reasonable to consider that the controlling individual of the Registered Plan knew or ought to have known that the investment was or would become non-qualified. Accordingly, each annuitant, beneficiary, subscriber or holder under or of a Tax Deferred Plan that owns Units should consult with his or her own tax advisors where Units are redeemed in kind.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Investors are urged to consult with their tax advisers respecting the purchase, holding and disposition of Units of the Fund. Investors should be aware of the tax considerations and consequences associated with an investment in a trust.

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act to an investor acquiring, holding and disposing of Units. This summary only applies to an investor who acquires Units pursuant to the Offering Memorandum, and who, for the purposes of the Tax Act and at all relevant times:

(a) is or is deemed to be a resident of Canada;
(b) deals at arm's length and is not affiliated with the Fund, the Partnership, the General Partner or the Manager;
(c) is the initial investor in the Units;
(d) acquires and holds Units as capital property; and
(e) is not exempt from tax under Part I of the Tax Act.

Generally, Units will be considered to be capital property of a Unitholder if acquired for investment purposes and not acquired or held in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade. Unitholders should consult their own tax advisors as to whether they will hold their Units as capital property for purposes of the Tax Act. Provided the Fund is and continues to qualify as a mutual fund trust, Unitholders may be eligible to make an irrevocable election under subsection 39(4) of the Tax Act to deem their Units and every other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year the election is made, and in all subsequent taxation years, to be capital property.

This summary does not apply to a taxpayer that is a "financial institution", a "specified financial institution" or a "restricted financial institution" as defined in the Tax Act or to a person or partnership an interest in which would be a "tax shelter investment" for purposes of the Tax Act. This summary also does not apply to a taxpayer that makes a functional currency reporting election pursuant to the Tax Act.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act or the Regulations publicly announced by the federal Minister of Finance prior to the date hereof (the "**Proposals**") and the current published administrative policies and assessing practices of the CRA. Except for the Proposals, this summary does not take into account or anticipate any changes in the law whether by judicial, regulatory, governmental or legislative action, nor does it take into account tax laws of any province or territory of Canada, or of any jurisdiction outside Canada. Provisions of provincial income tax legislation vary from province to province in Canada and may differ from federal income tax legislation. No assurance can be given that the Proposals will be implemented in their current form, or at all.

This summary is of a general nature only and is not intended to constitute, nor should it be relied upon or construed as, tax advice to any particular Unitholder, nor is it exhaustive of all possible Canadian federal income tax considerations. This summary does not describe the income tax considerations relating to the deductibility of interest on money borrowed by a Unitholder to acquire Units. Unitholders should consult with their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Units having regard to their particular circumstances.

A reference to a limited partner under this section means the Fund in its capacity as a limited partner of the Partnership.

Status of the Fund

Subject to the "redeemable on demand" requirement discussed below, this summary assumes that the Fund will qualify as a "unit trust" and a "mutual fund trust" under the Tax Act at all material times and will validly elect under the Tax Act to be a mutual fund trust from the date it was established. In order to so qualify as a mutual fund trust, the Fund must, among other things, have at least 150 unitholders of a class each of whom owns Units of that class with a fair market value of not less than $500, and the Fund must restrict its assets and undertakings to those permitted under the Tax Act for mutual fund trusts. If the Fund were not to so qualify at any time, certain of the income tax considerations described below would, in some respects, be materially and adversely different.

The Tax Act contains rules which apply to "specified investment flow-through trusts" ("**SIFT trusts**"), "specified investment flow-through partnerships" ("**SIFT partnerships**") and their unitholders (generally referred to as the SIFT Rules). This summary is based on the assumption that the Fund is not and will not be a "SIFT trust" and the Partnership is not and will not be a "SIFT partnership" for purposes of the Tax Act. Provided that no Units, LP Units, or other "investments", within the meaning of the Tax Act, in the Fund or the Partnership are listed or traded on any stock exchange or public market, within the meaning thereof in subsection 122.1(1) of the Tax Act, the Fund should not be a SIFT trust and the Partnership should not be a SIFT partnership. If the Fund were to be a SIFT trust or the Partnership were to be a SIFT Partnership, the Canadian federal income tax considerations would be materially different from those described in this summary.

This summary is based on the assumption that none of the issuers of the securities held directly or indirectly by the Fund will be "foreign affiliates" of the Fund or of any Unitholder. This summary is also based on the assumption that the Fund will not invest in offshore investment fund property, or interests in a non-resident trust other than an exempt foreign trust within the meaning of the Tax Act.

Mutual Fund Trust Status and Redeemable on Demand Requirement

In order to qualify as a mutual fund trust under the Tax Act, the Fund must comply with various requirements contained in the Tax Act, including that the Units must be redeemable at the demand of the holder. The Tax Act does not define the meaning of the expression "redeemable at the demand of the holder" and the CRA and Canadian jurisprudence have provided limited guidance on the interpretation of the term.

In particular, the CRA and Canadian jurisprudence have not provided clear guidance on appropriate notice periods for redemptions in this context. In general terms, the CRA has stated that it will accept conditions attached to redemptions to the extent the conditions are acceptable to the appropriate securities commissions that oversees the issuance of mutual fund units. In this regard, where applicable, securities regulators have generally taken the position that securities must be redeemable more frequently than once a year in order to be considered redeemable on demand and, accordingly, the CRA has previously accepted a redemption schedule that provides for no less than two redemptions annually. As the Notice Redemption Deadline continues to permit no less than two redemptions annually, and the Redemption Notice requirement is intended to address liquidity concerns, it is more likely than not that the Redemption Notice requirement should be acceptable for purposes of Units being characterized as redeemable on demand.

The Fund is also permitted to defer redemptions up to 12 months beginning on the first Valuation Date which is at least 180 calendar days following receipt of a Redemption Notice. The CRA generally accepts that the

mere ability to postpone or suspend redemptions of units for valid reasons does not in and of itself result in units not being redeemable at the option of the holder. Moreover, where such a right is exercised and redemptions are postponed or suspended, the trust will generally cease to meet the requirement only after the postponement or suspension exceeds a period of one year. Therefore, in the case of the Fund, the mere presence of the deferred redemption condition should not adversely affect the Fund's mutual fund trust status. In addition, because the deferred redemption condition is limited to a 12-month period during which redemptions will be restricted, the exercise of such condition should not have an adverse effect on the mutual fund trust status. However, any extension beyond this 12-month period could have an adverse effect.

Notwithstanding the foregoing, as there is limited guidance from the CRA or Canadian jurisprudence, there is a risk that the characterization of the Units as being redeemable on demand may be challenged. If the CRA were to assess or reassess the Fund on the basis that the Units were not redeemable on demand, the Fund would not qualify as a mutual fund trust and certain of the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the Fund

The Fund is subject to tax on its income in each taxation year, including net realized taxable capital gains, dividends and interest received or receivable, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Fund in computing its income for the purposes of the Tax Act. An amount will generally be considered to be payable to a Unitholder in a taxation year if the Funds pays it to the Unitholder in the year, or if the Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Fund is the calendar year.

In general, the Fund will be required to include in computing its income or loss for tax purposes each year, its share of the income or loss of the Partnership, as applicable for that year as well as income or loss from its other investments. The Fund, generally, will also realize capital gains and losses when it disposes of LP Units to the extent that the proceeds received exceed the adjusted cost base of the interest. The tax consequences to the Fund of holding and disposing of LP Units will generally be as described below under "*Certain Canadian Federal Income Tax Considerations – Taxation of the Fund as a Limited Partner of the Partnership*".

The Declaration of Trust which governs the Fund requires that the Fund distribute or make payable to Unitholders its net income and net realized capital gains, (net of non-capital and capital loss carry forwards, if any, but excluding capital gains in respect of which the Fund is entitled to a "capital gains refund" (defined below)), if any, for each taxation year of the Fund. As a result, taking into account the deduction to the Fund in respect of amounts distributed to or made payable to Unitholders, the Fund should not be liable in any year for income tax under Part I of the Tax Act.

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 the redemption of Units.

If the Fund realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, all or a portion of the amount received by the Unitholder may be designated and treated for income tax purposes as a distribution to the Unitholder out of such capital gains rather than being treated as proceeds of disposition of the Units. The Proposals include amendments to the Tax Act that would deny the Fund a deduction for the portion of a capital gain designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholders' proceeds of disposition are reduced by the designation.

If such proposed amendments to the Tax Act are enacted in their current form, any taxable capital gains that would otherwise have been designated to redeeming unitholders may be made payable to the remaining, non-redeeming Unitholders to ensure the Fund will not be liable for non-refundable income tax thereon.

Accordingly, the amounts of taxable distributions made to Unitholders of the Fund may be greater than they would have been in the absence of such amendments.

All of the Fund's deductible expenses, including expenses common to all series of Units of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole. In certain circumstances, losses of the Fund may be suspended or restricted, and therefore would not be available to shelter capital gains or income.

Taxation of Unitholders

Computation of Income and Loss

Unitholders will generally be required to include in computing their income for a particular taxation year all net income and the taxable portion of net realized capital gains of the Fund, if any, paid or payable to them in the taxation year, and deducted by the Fund in computing its income for tax purposes, whether or not reinvested in additional Units. To the extent applicable, the Fund intends to make designations to ensure that such portion of: (i) the taxable capital gains of the Fund (net of applicable losses), (ii) income of the Fund from foreign sources, and (iii) dividends (including eligible dividends) received on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply, including the enhanced dividend gross-up and tax credit for dividends designated as "eligible dividends" for purposes of the Tax Act.

In the event that the Fund directly or indirectly acquires non-Canadian assets, the Fund may be in receipt of income from foreign sources, generally in the form of interest and dividends received in respect of securities of foreign corporations directly or indirectly held by the Fund. Generally, the gross amount of income, including dividends from foreign sources, allocated to a Unitholder will be included in the Unitholder's income. Any such dividends will not be subject to the gross-up and dividend tax credit rules in the Tax Act that ordinarily apply to dividends received from corporations resident in Canada. Generally, a Unitholder will be entitled to the benefit, if any, of any foreign tax credit or deduction referable to certain foreign-source income distributed to the Unitholder. Whether any such foreign tax credit or deduction will be useful to a particular Unitholder will depend upon various factors, including the investments made by the Fund and the character of the particular Unitholder's foreign source income.

Any amount in excess of the Fund's net income and the non-taxable portion of capital gains designated to the Unitholder for a taxation year that is paid or payable to the Unitholder in such year will generally not be included in the Unitholder's income, but will reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise 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 such Unit will be increased by the amount of such deemed capital gain.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by such amount.

Disposition of Units

Generally, a Unitholder that disposes or is deemed to dispose of Units (including on the redemption of a Unit (in cash or in kind) will realize a capital gain or capital loss on the disposition. The capital gain or capital loss will generally be the amount, if any, by which the proceeds of disposition of the Units, net of any reasonable costs of disposition, exceed or are less than the adjusted cost base to the Unitholder of the Units immediately before the disposition. The treatment under the Tax Act of capital gains and capital losses is described below

under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses*".

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all the Units owned by the Unitholder as capital property immediately before that time. The cost to a Unitholder of Units received on the reinvestment of distribution of the Fund will be equal to the amount reinvested.

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

Where the Fund redeems Units in kind, the proceeds of disposition to the redeeming Unitholder will be equal to the fair market value of the property of the Fund so distributed, less any capital gain realized by the Fund in connection with such redemption to the extent the Fund designates such capital gain to the redeeming Unitholder. The cost of any property distributed in kind by the Fund to a Unitholder upon the redemption of the Units will be equal to the fair market value of that property at the time of distribution. The Unitholder will thereafter be required to include in income any interest or other income derived from the property, in accordance with the provisions of the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally, Unitholders will be required to include in computing their income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Unitholder is required to deduct one-half of any capital loss (the "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Unitholder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding years or carried forward indefinitely and deducted against taxable capital gains realized in a subsequent year to the extent and under the circumstances described in the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout a taxation year may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax on certain investment income including taxable capital gains.

If a Unitholder disposes of Units, and the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units, of any Class within 30 days before or after the Unitholder disposes of its Units, a capital loss that would otherwise be realized by the Unitholder may be suspended or denied.

Capital gains realized by a Unitholder that is an individual (including certain trusts) on the disposition of Units and capital gains of a Fund allocated, paid or made payable to such Unitholder may give rise to alternative minimum tax.

Taxation of the Partnership

The Partnership is not subject to income tax under the Tax Act. However, the Partnership is required to compute its income (or loss) in accordance with the provisions of the Tax Act as if it were a separate person resident in Canada. The income or loss of the Partnership for a fiscal year will be allocated to the partners of the Partnership on the basis of their respective share of such income or loss as provided in the limited partnership agreement governing the Partnership, subject to the detailed rules in the Tax Act. The fiscal period of the Partnership for

purposes of the Tax Act ends on the 31st day of December in each year, and a fiscal period of the Partnership will end on the dissolution of the Partnership.

Taxation of the Fund as a Limited Partner of the Partnership

Computation of Income and Loss

A limited partner of the Partnership will generally be required to include in computing their income or loss for tax purposes in a taxation year, the share of the income or loss (including taxable capital gains and allowable capital losses) of the Partnership allocated to the limited partner for each fiscal period of the Partnership that ends in the taxation year of the limited partner, whether or not the limited partner has received or will receive a distribution from the Partnership. The limited partner's share of any income or loss from any source or from sources in a particular place will be treated as if it were income or loss of the limited partner from that source or from sources in that particular place and any provisions of the Tax Act applicable to that type of income or loss will apply to the limited partner.

The limited partner's share of the dividends received by the Partnership from taxable Canadian corporations will be subject to the usual gross-up and dividend tax credit rules in the Tax Act, (including the enhanced dividend gross-up and tax credit for dividends designated as "eligible dividends" for purposes of the Tax Act) in the case of a limited partner that is an individual (other than certain trusts), and may be subject to a refundable tax under Part IV of the Tax Act in the case of a Limited Partner that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act).

Subject to the "at-risk rules" discussed below, a limited partner's share of a loss of the Partnership from a business or property for any fiscal period of the Partnership may be deducted from income of the limited partner from any source to reduce the limited partner's net income for the relevant taxation year and, to the extent such loss exceeds net income for that year, carried back three years and forward twenty years and applied against taxable income in such other years, subject to and in accordance with detailed rules in the Tax Act. The limited partner's share of a capital loss of the Partnership may be applied against taxable capital gains and may be carried back three years or forward indefinitely, subject to and in accordance with detailed rules in the Tax Act.

Notwithstanding the income or loss distribution provisions of the Partnership Agreement, any losses of the Partnership from a business or property allocated to a limited partner in respect of a fiscal period of the Partnership ending in a taxation year of the limited partner will be deductible by such limited partner in computing income for such taxation year only to the extent that, in general terms, the limited partner's share of the loss does not exceed the limited partner's "at-risk amount" in respect of the Partnership at the end of the fiscal period of the Partnership ending in the taxation year. In general terms, the "at-risk amount" of a limited partner in respect of the Partnership at a particular time is the total of: (i) the adjusted cost base to the limited partner of the LP Units at that time, plus (ii) if the particular time is at the end of a fiscal period of the Partnership, the limited partner's share of the income of the Partnership for that fiscal period, less the total of (iii) all amounts owing by the limited partner or by a person or partnership not dealing at arm's length with the limited partner to the Partnership or to a person or partnership with whom the Partnership does not deal at arm's length and (iv) subject to certain exceptions, any amount or benefit which the limited partner is entitled to receive where the amount or benefit is intended to protect the limited partner from any loss the limited partner may sustain by virtue of being a member of the Partnership or holding or disposing of LP Units.

A limited partner's share of any loss of the Partnership that is not deductible in the year because of the "at-risk rules" is deemed to be the limited partner's "limited partnership loss" in respect of the Partnership for that year. In general terms, such "limited partnership loss" may be deducted in any subsequent taxation year against any income of the limited partner for that year to the extent that the limited partner's "at-risk amount" at the end of the Partnership's fiscal period ending in that year exceeds the limited partner's share of any loss of the Partnership for that fiscal period.

The Partnership will provide each limited partner with such information as is required by the CRA to assist in determining the limited partner's share of the Partnership's income or loss. However, the responsibility for filing

any required tax returns and reporting the limited partner's share of the income or loss of the Partnership falls solely upon the limited partner.

Disposition of the LP Units by the Fund

Generally, a limited partner that disposes or is deemed to dispose of LP Units (including on the redemption of a LP Unit) will realize a capital gain (or capital loss) on the disposition. The capital gain or capital loss will generally be the amount, if any, by which the proceeds of disposition of the LP Units, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the limited partner of the LP Units immediately before the disposition. The treatment under the Tax Act of capital gains and capital losses is described above under "*Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses*".

Subject to the detailed rules of the Tax Act, the adjusted cost base of a LP Unit to a limited partner is the subscription price of the LP Unit plus the limited partner's share of any income of the Partnership (including the full amount of any capital gains) for any previously completed fiscal periods, less: (i) the limited partner's share of the losses of the Partnership (including the full amount of any capital losses) for any fiscal period ending before that time (except where any portion of such losses were included in the limited partner's "limited partnership loss" in respect of the Partnership as such losses will reduce the adjusted cost base of the LP Units only to the extent they have been previously deducted) and (ii) any distributions made at any time to the limited partner by the Partnership. The adjusted cost base of each LP Unit will be the average of the adjusted cost base of all identical LP Units held by a limited partner. If the adjusted cost base of a limited partner's LP Unit would otherwise become a negative amount, the negative amount is deemed to be a capital gain realized by the limited partner and the adjusted cost base will be increased by the amount of such deemed capital gain.

Where LP Units are redeemed by a limited partner during the course of the year, the General Partner may, in its sole discretion, reasonably exercised, allocate a portion of the income or loss of the Partnership for the year in which the redemption occurs to such limited partner.

Unitholders should note that if the Fund in its capacity as a limited partner disposes of LP Units and ceases to be a limited partner before the end of the Partnership's fiscal period, this may result in certain adjustments to the Fund's adjusted cost base of the LP Units, and may adversely affect the Fund's entitlement to a share of the Partnership's income or losses. Further, the disposition of the LP Units to a person exempt from tax under Part I of the Tax Act may give rise to adverse consequences to the transferor.

The Fund may realize a capital gain or loss with respect to its disposition of LP Units and the "suspended loss" rules in the Tax Act may prevent the Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net taxable capital gains of the Fund to be paid or made payable to investors.

POTENTIAL CONFLICTS OF INTEREST

As a registrant under securities laws, the Manager may occasionally face conflicts between its own interests and those of its clients, or between the interests of one client and the interests of another clients. The Manager has the obligation to manage material conflicts of interest and reasonably foreseeable materials conflicts of interest in the best interest of its clients. The Manager has adopted certain policies to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will the Manager put its own interests ahead of those of its clients.

The Manager and its shareholders, directors and officers and affiliates may from time to time invest in securities that the Partnership and the Trust are also invested in. This may include investments that rank senior or subordinated to the Partnership or Trust's investments. The same group may also invest in securities once the Trust or Partnership has declined to invest. The Manager maintains and enforces a Personal Trading Policy, which requires among other things, preclearance of personal trades.

Related Issuer Consent

The securities laws of the provinces and territories of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. The definition of the terms "related issuer" and "connected issuer" can be found in NI 33-105 of the Canadian Securities Administrators.

The Fund is considered a related and/or connected issuer of the Partnership, the general partner of the Partnership AIP GP Ltd. and the Manager under NI 33-105. The Fund has retained the Manager to provide management services to the Fund. The General Partner has retained the Manager to provide management and portfolio management services to the Partnership – particularly with respect to the allocation of investment opportunities. The General Partner and the Manager are affiliated. The Manager will earn Management Fees and Performance Fees in connection with the services it provides to the Partnership and the Fund.

The Manager may engage in activities as an investment fund manager, portfolio manager and exempt market dealer in respect of securities of related issuers and connected issuers but will do so only in compliance with applicable securities legislation. There are no commissions payable to the Manager or any of its affiliates on the sale of units of the Partnership.

Because (i) the Manager is the investment fund manager and portfolio manager of the Fund and (ii) the Manager earns fees for its services to the Fund through the Management Fees and Performance Fees earned on the LP Units the Fund invests in, the Fund is considered a related issuer and/or a connected issuer of the Manager.

Investments in Related Issuers

The Manager and its partners, directors and officers, and certain others who have access to, or participate in formulating investment decisions on behalf of the Fund (and such other persons as may be considered a 'responsible person' within the meaning of applicable securities legislation) or associates thereof (as such term is defined in applicable securities legislation), may from time to time wish to act as a partner, officer or director of an issuer whose securities are held in the Trust's portfolio including the Partnership and also in the Partnership's portfolio (the Investee Issuers defined herein). This presents a conflict of interest. In order to comply with applicable securities law, the Manager will obtain written consent in each Subscription Agreement to hold securities of the Partnership and other such issuers in the Trust's portfolio including any Investee Issuers held by the Partnership where a responsible person is a partner, director or officer of Investee Issuers.

Consistent with the Partnership's strategy to make activist investments in Investee Issuers, the Manager and its partners, directors and officers, and certain others who have access to, or participate in formulating investment decisions on behalf of the Partnership, may from time to time wish to act as a partner, officer or director of an Investee Issuer whose securities are held in the Partnership's portfolio. This presents a conflict of interest as the duties such individual may owe to the Manager and the Partnership may conflict with the duties owed as a partner, director or officer of an Investee Issuer. The Manager's partners, directors and officers, and certain others who have access to, or participate in formulating investment decisions on behalf of the Partnership will only act as a partner, officer or director of an Investee Issuer if it is determined by the Manager that such individual can continue to act in the best interests of the Partnership. In situations where the individual's status with the Manager conflicts with his or her duties as a partner, officer or director of the Investee Issuer, then the individual would be expected to declare his or her interest in any matter that is to be voted on by the Investee Issuer and then recuse himself or herself and abstain from voting on any such matters as a member of the Investee Issuer's board. Additionally, the individual will comply with applicable securities laws and regulations which insiders of Investee Issuers must comply with.

The Manager is the trustee, investment fund manager and portfolio manager of the Trust, and the manager and portfolio manager of the Partnership and there may be situations where one or more officers or directors of the Manager (and such other persons as may be considered a 'responsible person' within the meaning of applicable

securities legislation), or associates thereof (as such term is defined in applicable securities legislation), is or may also be a partner of the Partnership. Furthermore, the Partnership consistent with its investment strategies may purchase securities of an issuer of which a responsible person (as that term is defined in applicable securities laws) of the Partnership or the Manager or an associate of a responsible person of the Partnership or the Manager is a partner, director or officer, including without limitation another fund managed by the Manager, and hereby consents to the Fund making such investments.

See "*Statement of Policies*" for additional disclosure regarding conflicts of interest relevant to the Partnership.

SERVICE PROVIDERS

The auditor of the Fund is KPMG LLP (Canada), Toronto, Ontario. AUM Law Professional Corporation is the Fund's legal counsel.

Fund accounting and valuation services are conducted internally by the Fund and externally by the SS&C Fund Administration Company.

RISK FACTORS

Investment in the Units involves certain risk factors, including risk factors associated with the Fund's investment strategies. The following non-exhaustive list of risks should be carefully evaluated by prospective investors prior to making a purchase. The following is a summary only of the risk factors involved in an investment in Units. Prospective investors should consult with their own professional advisors to assess the income tax, legal, and other aspects of an investment in the Fund.

General Risks Associated with an Investment in the Fund

General Investment Risks

An investment in the Fund 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. All securities investments present a risk of loss of capital. However, the Fund believes that its investment strategies moderate this risk through the careful selection of controlled investment techniques. The Fund's investment strategies may, however, utilize such investment techniques and instruments such as futures and option transactions, margin transactions and short sales which practices can, in certain circumstances, increase any losses. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund.

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and repurchase are subject to restrictions imposed by the Declaration of Trust, including consent by the Manager, and applicable securities legislation. See "Resale Restrictions". Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

No Assurance of Return

Although the Manager will use its best efforts to achieve consistent absolute returns throughout various market conditions for the Fund, no assurance can be given in this regard. An investment in Units should be considered as speculative and investors must bear the risk of a loss on their investment. There can be no assurance that the Fund's investment objective will be attained.

Tax Liability

Net Asset Value of the Fund and Net Asset Value per Unit will be calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses. In computing each Unitholder's share of income or loss for tax purposes, only realized gains and other recognised amounts will be taken into account. Therefore, the change in Net Asset Value of a Unitholder's Units may differ from his share of income and loss for tax purposes. Furthermore, investors may be allocated income for tax purposes and not receive any cash distributions from the Fund.

Use of Borrowed Funds

The use of leverage may not be suitable for all investors. Using borrowed money to finance the purchase of Units involves greater risk than using cash resources only. If an investor borrows money to purchase Units, the investor's responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the Units purchased declines.

Possible Effect of Redemptions

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

Charges to the Fund

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

Lack of Independent Experts Representing Unitholders

Each of the Fund and the Manager have consulted with a single legal counsel regarding the formation and terms of the Fund and the Offering of Units. The Unitholders have not, however, been independently represented. Therefore, to the extent that the Fund, the 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.

Changes in Investment Strategy

The Manager may alter its investment strategy without prior approval by the Unitholders if the Manager determine that such change is in the best interest of the Fund.

Class and Series Risk

The Fund offers more than one Series of any Class of Units. Although the value of each Series is calculated separately, there is a risk that the expenses or liabilities of one Series of Units may affect the value of the other Series of the Fund. If one Series is unable to cover its liabilities, the other Series are legally responsible for covering the difference.

Fund Not a Public Mutual Fund

The Fund is not a public mutual fund under applicable Canadian securities laws and therefore is not subject to securities laws and regulations otherwise applicable to public mutual funds to ensure diversification and liquidity of the Fund's portfolio. The Fund is also not subject to National Instrument 81-107 *Independent Review Committee for Investment Funds*, which requires public investment funds to appoint an independent review committee to review and provide input on conflicts of interest between funds and their advisors.

Covid-19

The Covid-19 pandemic presents various risks to the Fund, its business operations and its affairs. There is a significant amount of uncertainty regarding the potential duration and impacts of the Covid-19 pandemic upon the Fund. Without limitation, set out below are some of the potential impacts that the Covid-19 pandemic may have upon the Fund. The Covid-19 pandemic may also impact other risk factors faced by the Fund including without limitation, dependence upon the investment team and legal, tax and regulatory risks.
The Covid-19 pandemic contributes uncertainty to the Fund's ability to meet its investment objectives to the extent that the pandemic impacts issuers, economies and capital markets. Due to the uncertainty relating to the Covid-19 pandemic, it is impossible to list all of the potential impacts the pandemic could have upon the Fund.

To date, the Covid-19 pandemic has caused unemployment to rise sharply, disrupted global supply chains, required governments to impose travel bans, quarantines, social distancing and other restrictive measures which have reduced economic activity, contributed to market volatility, reduced profitability of certain companies and market sectors, led to economic shutdowns, caused governments to incur significant amounts of debt, contributed systemic risk to capital markets and has contributed to social unrest.

Going forward, these negative consequences could worsen and additional negative consequences could arise. For example, corporate insolvencies could increase, household wealth could decrease, governments may be required to enact further legislation that has the effect of shutting down economies further, governments may be required to issue additional debt and they may eventually be required to raise taxes to fund or service such debt. Subsequent waves of the disease could be worse than the initial waves and new variants of the disease which are more contagious or deadlier may arise. Although there are vaccines which governments are beginning to distribute to their populations the timing of the distribution to the wider population and the uptake of such vaccines by citizens are not guaranteed. The debt issued by governments could lead to currency devaluations, inflationary pressures and impact interest rates, each of which could negatively impact the performance of the Fund. Recent announcements by the U.S. and Canadian health departments estimating that a vaccine for Covid-19 will become available in early calendar 2021 is expected to support the expected economic recovery throughout fiscal year 2021.

Risks associated with the Fund's investment in the Partnership

The Fund invests a substantial portion of its net assets in the Partnership. The following are the risks associated with the Partnership's investments and are therefore applicable to the Fund.

Hedge Risks

Although hedging reduces risk, it does not eliminate it entirely. Losses can still result in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) anticipated transactions which are altered or aborted; (ii) the inability to hedge off risk, due to the difficulty of borrowing the offsetting security; (iii) a cease trade order being issued in respect of the underlying security; (iv) the inability to maintain a short position, due to the repurchase or redemption of shares by the issuing company; and (v) lack of liquidity during market panics. To protect the Fund's capital against the occurrence of such events, the Manager will attempt to maintain a well-diversified portfolio.

Reliance on Manager

The success of the Fund is entirely dependent upon the efforts of the Manager and its key employees, including its Senior Portfolio Manager, Jay Bala. There can be no assurance that satisfactory replacements for the Manager or its key employees will be available if the Manager or its key employees cease to act for the Fund.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Partnership, employees of the Manager may make "trading errors" - i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with

the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are an intrinsic factor in any complex investment process and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by employees of the Manager. Consequently, the Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Partnership, unless they are the result of conduct by the Manager which is inconsistent with the Manager's standard of care.

No Involvement of Unaffiliated Selling Agent

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

Custody Risk

The Partnership does not control the custodianship of all of its securities. The banks or brokerage firms selected to act as custodians may become insolvent, causing the Partnership to lose all or a portion of the funds or securities held by those custodians. Consequently, the Partnership and Fund and therefore, the Unitholders, may suffer losses.

Valuation of the Partnership's Investments

While the Partnership is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Partnership's 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 Partnership could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Declaration of Trust.

The Partnership may from time to time have some or a significant amount of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units while the Partnership holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Manager in respect of a redemption. In addition, there is risk that an investment in the Partnership by a new Unitholder (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Manager. The Partnership does not intend to adjust the Net Asset Value of the Partnership retroactively.

Possible Effect of General Partner Distributions

The General Partner will receive distributions based on net realized and unrealized income and gains in a year, which distributions might theoretically exceed taxable income and taxable capital gains in such year. The Partnership will not be entitled to claim such difference as an expense nor will the General Partner have an obligation to the Partnership to repay any such distribution, having an adverse effect on the Net Asset Value of the LP Units.

Partnership Not an Investment Fund or a Mutual Fund

The Partnership is not an investment fund or a mutual fund under applicable Canadian securities laws and therefore is not subject to securities laws and regulations otherwise applicable to investment funds and mutual funds. Moreover, the Partnership is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Partnership's portfolio. The Partnership is also not subject to National Instrument 81-107 *Independent Review Committee for Investment Funds*, which requires public investment funds to appoint an independent review committee to review and provide input on conflicts of interest between funds and their advisors. Although the Partnership is not subject to NI 81-106, which sets out the requirements around the timing, delivery and preparation of financial statements for private investment funds, it will continue to prepare and deliver annual audited and semi-annual unaudited financial statements to Limited Partners in accordance with NI 81-106.

Performance Fees

The Performance Fees may create an incentive for the Manager to cause the Partnership to make investments that are riskier or more speculative than would be the case in the absence of the Performance Fee based on the performance of the Partnership.

Potential Indemnification Obligations

Under certain circumstances, the Fund or Partnership might be subject to significant indemnification obligations in favour of the Manager, other service providers to the Partnership or certain persons related to them. The Fund or Partnership, as applicable, may or may not carry any insurance to cover such potential obligations. Any indemnification paid by the Fund or Partnership, as applicable, would reduce the Net Asset Value of the Fund or Partnership, as applicable, and, by extension, the Net Asset Value per Unit for each class and series of Units.

Litigation

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

Potential Indemnification Obligations

Under certain circumstances, the Partnership might be subject to significant indemnification obligations in favour of the Manager, other service providers to the Partnership or certain persons related to them. The Partnership may or may not carry any insurance to cover such potential obligations. Any indemnification paid by the Partnership would reduce the Net Asset Value of the Fund, and, by extension, the Net Asset Value per Unit for each class of Units.

Risks Associated with the Partnership and the Partnership's Underlying Investments

Default Risk

The Partnership will make senior secured convertible loans as well as other loans as part of its investment strategy. As with any loans, there is a risk that the borrower will be unable to pay interest and principal as it becomes due or default on its obligations. In such situations, the Partnership may have to enter into workout agreements with the borrower, which could involve losses to the Partnership. In the case of secured loans, the Partnership would have the option of foreclosing upon collateral pledged for the loan, but this could involve considerable expense and is no guaranty that the Partnership will recoup its investment.

Regulatory Risk

The Partnership may make senior secured convertible loans to publicly-listed companies. Depending on the jurisdiction of these companies and the stock exchanges on which their shares are traded, approvals may be required by securities regulators, stock exchanges, shareholders, or other interested parties. There is no guarantee that such approvals will be obtained, and the failure of the borrowing companies to obtain these approvals may delay loans or limit the convertibility of such loans.

Insider Status

Upon conversion of convertible loans, the Partnership may become an insider under applicable securities law, if the Partnership's holdings are large enough. If the Partnership becomes an insider, it may be required to report its holdings and its subsequent trading. This may limit its ability to sell shares without adversely affecting the underlying stock price. In addition, because of the monitoring of loans that the Partnership may undertake, the Partnership may find itself unable to trade its portfolio securities because of rules against trading while in possession of material non-public information.

Lender Liability

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 Partnership's investments, the Partnership could be subject to allegations of lender liability.

General Economic and Market Conditions

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

Concentration

See "*Investment Objective and Strategies of the Fund and the Partnership – Portfolio Concentration*" above.

Short Selling

Selling a security short ("**shorting**") involves borrowing a security from an existing holder and selling the security in the market with a promise to return it a later date. Should the security increase in value during the shorting period, losses will incur to the Partnership. There is in theory no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Partnership must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Partnership may have to bid up the price of the security in order to cover the short, resulting in losses to the Partnership.

Options

Purchasing and selling put and call options, while often utilized to hedge investments, are highly specialized activities and entail greater than ordinary investment risks.

Trading Costs

The Partnership may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Partnership.

Currency and Exchange Rate Risks

The Partnership's cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Partnership may be denominated in non-Canadian currencies. The Partnership nevertheless will compute and distribute its income in Canadian dollars. Thus, changes in currency exchange rates may affect the value of the Partnership's portfolio and the unrealized appreciation or depreciation of investments. Further, the Partnership may incur costs in connection with conversions between various currencies.

Availability of Investment Strategies

The identification and exploitation of the investment strategies pursued by the Partnership involves a high degree of uncertainty. No assurance can be given that the Manager will be able to locate suitable investment opportunities in which to deploy all of the Partnership's capital.

Portfolio Turnover

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

Highly Volatile Markets

The prices of financial instruments in which the Partnership's assets may be invested can be highly volatile and may be influenced by, among other things, specific corporate developments, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Partnership also is subject to the risk of the failure of any of the exchanges on which the Partnership's positions trade or of their clearinghouses.

Small to Medium Capitalization Companies

The Partnership may invest in the securities of companies with small to medium-sized market capitalizations. While the Manager believes these investments often provide significant potential for appreciation, those securities may involve higher risks in some respects than do investments in securities of larger companies. For example, while smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Partnership may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Derivatives

The Partnership may use derivative financial instruments, including, without limitation, options, swaps, notional principal contracts, contracts for differences, futures and forward contracts, and may use derivative techniques for hedging and for other trading purposes, including for the purpose of obtaining the economic benefit of an investment in an entity without making a direct investment. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Partnership's assets, include: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset or commodity); (iii) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract

unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (iv) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Deal Risks

Certain of the proposed transactions in which the Partnership invests may be renegotiated or terminated, in which case losses may be realized.

Risks Related to Activist Investment Strategies

The activist investment strategies which may be implemented by the Partnership may result in a material portion of the Partnership's investment portfolio being comprised of securities which are subject to restrictions on acquisition and are also illiquid or difficult to liquidate in a timely manner for reasons which include the following:

By virtue of holding more than 20% of the issued and outstanding securities of an Investee Issuer, the Partnership will be limited in its ability to acquire additional securities of the issuer. The Partnership will only be able to acquire additional securities of such an Investee Issuer in circumstances that do not trigger an obligation on the part of the Partnership under applicable securities laws to make a take-over bid for the remaining securities of the class. Such circumstances would include purchases of additional securities from the treasury of the Investee Issuer, limited purchases on the open market and purchases to certain private agreements.

As "control person" of an Investee Issuer, the Partnership will have a limited ability to liquidate its investment in the Investee Issuer. Any sale of securities of an Investee Issuer in which the Partnership is a "control person" will be considered to be a "control distribution" under applicable Canadian securities laws and must be conducted in accordance with the requirements of National Instrument 45-102 – Resale of Securities ("**NI 45-102**"). The requirements include:

a. a requirement that the securities must have been held by the Partnership for a period of at least four (4) months;

b. the Manager, on behalf of the Partnership, having no reason to believe that the Investee Issuer is not in default of applicable securities legislation;

c. a requirement to prepare and file a Form 45-102F1 – Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 at least seven (7) days prior to the first trade of the securities; and

d. a requirement for the Partnership to prepare and file an insider report within three (3) after the completion of any trade in accordance with National Instrument 55-102 System for Electronic Disclosure by Insiders.

As an "insider" of an Investee Issuer, the Partnership may be precluded from buying or selling the securities of the Investee Issuer during any period in which there is material information concerning the issuer which has not been generally disclosed or if the Manager, on behalf of the Partnership, has a reason to believe that the Investee Issuer is in default of applicable securities legislation.

The foregoing restrictions on the Partnership's ability to purchase and sell securities of Investee Issuer in a timely manner may negatively affect the Net Asset Value of the Partnership and the returns to Limited Partners.

In addition, the payment of redemption proceeds to Limited Partners may be negatively impacted if the Partnership is unable to dispose of portfolio securities held as a result of activist investment strategies at a price that is optimal for the Partnership and redemptions of Units of the Partnership may be delayed or deferred due to the illiquidity of activist investments comprising the Partnership's investment portfolio.

Broker or Dealer Insolvency

The Partnership's assets may be held in one or more accounts maintained for the Partnership by its prime brokers or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Partnership's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Partnership and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in the loss of all or a substantial portion of the Partnership's assets held by or through such prime broker and/or the delay in the payment of withdrawal proceeds.

Trading Risks

To the extent that any counterparty with or through which the Partnership engages in trading and maintains accounts does not segregate the Partnership's assets, the Partnership will be subject to a risk of loss in the event of the insolvency of such person. Even where the Partnership's assets are segregated, there is no guarantee that in the event of such an insolvency, the Partnership will be able to recover all of its assets. Some of the markets in which the Partnership will affect its transactions may be "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Partnership to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Partnership to suffer a loss. In addition, in the case of a default, the Partnership could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Partnership has concentrated its transactions with a single or small group of counterparties. The Partnership is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, neither the Partnership nor the Manager has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Partnership to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Partnership.

General Credit, Liquidity and Leverage Risks

Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

Collateral

The Partnership will have moderate credit and operational risk exposure to its counterparties, which will require the Partnership to post collateral to support its obligations. Generally, counterparties will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of the collateral posted by the Partnership in connection with such transactions. This could increase the Partnership's exposure to the risk of a counterparty default since, under such circumstances, such collateral of the Partnership could be lost, or the Partnership may be unable to

recover such collateral promptly. Also, counterparties have an interest in maximizing the return from such collateral. This interest could conflict with the interests of the Partnership in preserving and protecting its portfolio.

Lending of Portfolio Securities; Broker-Dealer/Counterparty Insolvency

The Partnership may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Partnership will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delays in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

Liquidity Risks Generally

Liquidity is important to the Partnership's businesses. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Partnership's portfolio positions may be reduced. In addition, the Partnership may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Partnership's liquidity. During such times, the Partnership may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Partnership to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Partnership may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Partnership incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Partnership's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Partnership's exposure to their credit risk.

Leverage Risks

The Fund uses leverage in an effort to realize greater profits from its security selection. The use of leverage will, in many instances, enable the Fund to achieve a higher rate of return than would be otherwise possible. The instruments and borrowings utilized by the Fund to leverage investments may be collateralized by the Fund's portfolio. Accordingly, the Fund may pledge its financial instruments in order to borrow additional funds or otherwise obtain leverage for investment or other purposes. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital.

The use of leverage will allow the Fund to borrow in order to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital and any capital commitments. The use of leverage will magnify the volatility of changes in the value of the investments of the Fund. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to its investments could result in substantial losses to the Fund, which would be greater than if the Fund were not leveraged.

While leverage increases the buying power of the Fund and presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. For example, funds borrowed for leveraging will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Fund's portfolio. Leverage will increase the investment return of the Fund if an investment purchased with or utilizing leverage earns a greater return than the cost to the Fund of such leverage. The use of leverage will decrease the investment return if the Fund fails to recover the cost of such leverage.

The Fund may also invest in financial instruments, such as exchange traded funds, which themselves employ leverage, and may thereby indirectly assume the risks of employing leverage.

Market Value Borrowings and Derivatives

In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio which require the Fund to post margin results in certain additional risks to the Fund. For example, should the financial instruments pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's portfolio, the Fund might not be able to liquidate financial instruments quickly enough to satisfy its margin requirements.

Uncertain Exit Strategies

Due to the illiquid nature of some of the positions which the Fund may acquire, the Manager will be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Data Security and Privacy Breaches

The cybersecurity risks faced by the Manager, General Partner, Partnership, Fund, service providers and Unitholders have increased in recent years due to the proliferation of cyber-attacks that target computers, information systems, software, data and networks. Cyber-attacks include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, the introduction of computer viruses and other malicious codes such as "ransomware", and fraudulent "phishing" emails that seek to misappropriate data and information or install malware on users' computers. The potential effects of cyber-attacks include the theft or loss of data, unauthorized access to, and disclosure of, confidential personal and business-related information, service disruption, remediation costs, increased cyber-security costs, lost revenue, litigation and reputational harm which can materially affect the Fund. The Manager continuously monitors security threats to its information systems and implements measures to manage these threats, however the risk to the Manager and the Fund and therefore Unitholders cannot be fully mitigated due to the evolving nature of these threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats.

Each of the above factors could impact the Fund going forward by reducing the valuation of the issuers in the Fund's portfolio, leading to increased regulation or taxes, expose the Fund to market and economic risk and reduce the ability of the principals of the Fund to perform their roles in the event they become ill.

Tax Risks

"Mutual fund trust" status - In order to qualify as a mutual fund trust under the Tax Act, the Fund must comply with various requirements contained in the Tax Act, including that the Units must be redeemable at the demand of the holder. It is more likely than not that the Units should be characterized as being redeemable at the demand of the holder. However, because there is limited guidance from the CRA or Canadian jurisprudence, there is a risk that the characterization of the Units as being redeemable at the demand of the holder may be challenged. If the CRA were to assess or reassess the Fund on the basis that the Units were not redeemable at the demand of the holder, the Fund would not qualify as a mutual fund trust. If the Fund were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the current Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; Units not qualifying for investment by Registered Plans; and Units ceasing to qualify as "Canadian securities" for the purposes of the election provided in subsection 39(4) of the Tax Act.

"Loss restriction event" - If the Fund experiences a "loss restriction event", it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's taxable income at such time to

Unitholders so that the Fund is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before determining to invest in Units.

STATEMENT OF POLICIES

As a registrant under securities laws, the Manager may occasionally face conflicts between its own interests and those of its clients, or between the interests of one client and the interests of another clients. The Manager has the obligation to manage material conflicts of interest and reasonably foreseeable materials conflicts of interest in the best interest of its clients. The Manager has adopted certain policies to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will the Manager put its own interests ahead of those of its clients.

Fairness Policy

The Manager is required to maintain standards that are directed toward ensuring fairness in the allocation of investment orders and opportunities among its clients' accounts, including other investment vehicles the Manager acts as portfolio manager for including in respect of its management of the Partnership's investment portfolio. The Manager may not unfairly favour some clients, including the Partnership, over others. The default allocation of investment orders is *pro rata*.

It may be determined that the purchase or sale of a particular security is appropriate for more than one client account, i.e. that particular client orders should be aggregated, such that in placing orders for the purchase or sale of securities, the Manager may pool one client's order with that of another client or clients. Simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, when bunching orders, and allocating block purchases and block sales, it is the Manager's policy to treat all clients, including the Partnership, fairly and to achieve an equitable distribution of bunched orders. All new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of the Manager's clients in a manner the Manager considers to be fair and equitable.

In the course of managing a number of discretionary accounts, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all clients. Under such conditions, as a general policy, and to the extent that no client will receive preferential treatment, the Manager will ensure:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally on the amount of equity of each client's account;

- where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis;

- in the case of hot issues and IPOs, participation is split equally between clients based proportionately on the equity in each account;

- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, and

- trading commissions for block trades are allocated on a *pro rata* basis, in accordance with the foregoing trade allocation policies.

Whichever method is chosen, it must be followed in the future where similar conditions exist. Where it is impossible to achieve uniform treatment, every effort shall be made by the Manager and its employees to compensate at the next opportunity in order that every client, large or small, over time, receives equitable treatment in the filling of orders.

In allocating aggregated orders, the Manager uses several criteria to determine the order in which participating client accounts will receive an allocation thereof. Criteria for allocating bunched orders include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities.

Transactions for clients shall have priority over personal transactions so that the Manager's personal transactions do not act adversely to a client's interest.

The Manager will at all times preserve confidentiality of information communicated by a client concerning matters within the scope of a confidential relationship.

The above sets out in general terms the standards of fairness that the Manager and its employees will exercise in its dealings with all of its clients.

Referral Arrangements

The Manager may enter into referral arrangements whereby it pays a fee for the referral of an investor to the Manager, such investor which may then have certain of its assets invested in the Partnership or the Trust. No such referral of an investor to the Manager is made unless the referred investor is advised of the referral arrangement and all applicable securities laws are complied with. There is a conflict of interest in any paid referral arrangement such as in respect of a referral agreement between the Manager and an investor's wealth manager or financial planner. The conflict arises because the referring party has a financial incentive in referring a prospective investor to the Manager as a result of the referral fee it will receive from the firm.

Expense Allocation

As the manager of the Fund, the Manager may be seen to have a conflict of interest when determining whether certain expenses should be allocated to the firm or to the Partnership (in which case the expense being borne by the Partnership will reduce its potential investment return to Limited Partners).

Consequently, the Manager has a duty to make sure that expenses are allocated to itself or to the Fund in a fair, accurate and appropriate manner and in accordance with the requirements of applicable securities laws. Similarly, the Manager's expense allocation practices must be consistent with the terms of the agreements governing the Fund.

To address this potential conflict of interest, the Manager has adopted an expense allocation policy and makes its expense allocation determinations in accordance with the foregoing.

Personal Trading

The Manager has adopted a policy intended to restrict and monitor all personal trading by the employees of the Manager in order to ensure that there is no conflict between such personal trading and the interests of the funds managed by the Manager and the Manager's other clients.

Related Party Transactions

The Manager retains AIP Private Capital Inc., which is owned by one of the Manager's principal shareholders, Alex Kanayev, to provide certain services to the Manager. As part of these services, AIP Private Capital Inc. provides due diligence and acts as monitoring agent for the Manager for certain secured convertible loans made by and other transactions entered into by the Partnership. AIP Private Capital Inc. may also provide additional administrative assistance and support related to special situations transactions, deal sourcing, commercial restructuring recommendations, and the like. AIP Private Capital Inc. may also co-invest with the Partnership in certain of the Partnership's investments. Fees for such services are paid by the borrowers and not by the Partnership. These services are necessary for the private debt and certain other transactions undertaken by the Partnership. The Manager has determined that such services are necessary for the operation of the Partnership and are competitively priced and that AIP Private Capital Inc. brings a deep understanding of and experience in such transactions undertaken by the Partnership.

Facility and Other Fees

The Manager may accept facility and other fees in connection with private debt, secured lending, and other special situation transactions undertaken by the Partnership, which fees are paid by borrowers and not by the Partnership. These fees are compensation for the Manager's work associated with developing, structuring, and underwriting loan transactions undertaken by the Partnership.

Capital Markets Transaction Fees

The Manager may accept fees for developing, structuring, and underwriting capital markets transactions, which may involve entities that have entered into private debt, convertible secured lending, or other special situation transactions with the Partnership. These transactions are beneficial to the Partnership because they may enhance the value of the Partnership's convertible notes or reduce the risk of borrower default, among other reasons. These fees are compensation for the Manager's work associated with developing, structuring, and underwriting such capital markets transactions.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors. The Subscription Agreement contains detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement and, if so, a list of the documents and information required.

If, as a result of any information or other matter which comes to the Manager's attention, any director, officer or employee of the Manager, or its professional advisors, knows or suspects that an investor 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 shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

TAX INFORMATION REPORTING

FATCA Information Reporting - Pursuant to Canada-US Intergovernmental Agreement ("**IGA**") and its implementing provisions under the *Income Tax Act* (Canada), Unitholders (including certain entities having one or more controlling persons who are specified U.S. persons) may be required to provide identity and residency information to the Fund. This information, along with certain financial information in respect of the interest in the Fund, may be provided by the Fund to the CRA, which will in turn be provided to the U.S. tax authorities. If the Fund fails to comply with the information reporting requirements under the IGA, it will be subject to the penalty provisions of the *Income Tax Act* (Canada). Any potential taxes or penalties associated with such reporting requirements may reduce the Fund's returns to Unitholders.

CRS Information Reporting - Pursuant to the Common Reporting Standard ("**CRS**") Canadian financial institutions such as the Fund must have procedures to identify financial accounts held by residents of any participating CRS country other than Canada and must report the required information to the CRA. The CRA will formalize exchange arrangements with other participating jurisdictions leading to the exchange of information on a multilateral basis.

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION AND RESCISSION

Cooling-off Period

Securities legislation in certain provinces may give a purchaser certain rights of rescission against the registered dealer who sold Units to them, but those rights must be exercised within a certain time period as little as forty-eight (48) hours following the purchase of Units.

Statutory Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces and territories of Canada provides that a purchaser has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a misrepresentation (as defined below). However, such rights and remedies, or notice with respect thereto, must be exercised by the purchaser within the time limits prescribed by the securities legislation.

A summary of the rights of action for damages or rescission in certain offering jurisdictions are set forth below. **Investors should consult with their legal advisers to determine whether and the extent to which they may have a right of action or rescission in their province or territory of residence.**

As used herein, "**misrepresentation**" has the meaning assigned under each offering jurisdiction's respective securities act, but generally means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" has the meaning assigned under the securities act of each offering jurisdiction, but generally means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Units.

The following is a summary of the statutory rights of action for damages or rescission available to purchasers resident in certain provinces. 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 discussed below are in addition to and without derogation from any other rights or remedies available at law to the investor.**

Ontario

Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**") provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) or any amendment thereto shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in

the event that the offering memorandum contains a misrepresentation (as defined in the Ontario 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 right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;

(b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario 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 Offering Memorandum is being delivered in reliance on certain exemptions from the prospectus requirements, including those contained under section 2.3 (the "accredited investor exemption") and section 2.10 (the "minimum amount exemption") of NI 45-106. The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

(a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);

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

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

The rights of action for rescission or damages are in addition to and do not derogate from any other right that the purchaser may have at law.

Manitoba

Sections 141.1, 141.1.2, and 141.4 of the *Securities Act* (Manitoba) provide that if the Offering Memorandum delivered to a purchaser of Units resident in Manitoba contains a misrepresentation and it was a misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such misrepresentation and will have a right of action against the Fund, every person performing a function or occupying a position with respect to the Fund which is similar to that of a director of a company, and every person or company that signed the Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that among other limitations:

(a) the Fund will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
(b) in the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the misrepresentation;

(c) other than with respect to the Fund, no person or company is liable if the person or company proves:

    (i) that this Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent; and

    (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;

(d) other than with respect to the Fund, no person or company is liable if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;

(e) 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, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that

    (i) there had been a misrepresentation; or

    (ii) the relevant part of the Offering Memorandum:

        A. did not fairly represent the expert's report, opinion or statement; or

        B. was not a fair copy of, or an extract from, the expert's report, opinion or statement;

(f) other than with respect to the Fund, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:

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

    (ii) believed there had been a misrepresentation;

(g) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and

(h) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:

(i) in the case of an action for rescission, 180 days after the date of purchase of the Units; or

(ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the misrepresentation, and (B) two years after the date of purchase of the Units.

A person or company is not liable in an action for a misrepresentation in forward-looking information if the person or company proves that:

(a) this Offering Memorandum contains, proximate to that information,

(i) 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;

(ii) 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

(b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

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

The rights of action for damages or rescission under the Manitoba Act are in addition to and do not derogate from any other right which a purchaser may have at law.

New Brunswick

Section 150 of the *Securities Act* (New Brunswick) (the "New Brunswick Act") provides that where an offering memorandum (such as this offering memorandum) contains a misrepresentation, a purchaser who purchases securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and:

(a) the purchaser has a right of action for damages against (i) the issuer, (ii) the selling security holder on whose behalf the distribution is made, (iii) every person who was a director of the issuer at the date of the offering memorandum, (iv) every person who signed the offering memorandum, or

(b) where the purchaser purchased the securities from a person referred to in paragraph (a)(i) or (ii), the purchaser may elect to exercise a right of rescission against the person referred to in that subparagraph, in which case the purchaser shall have no right of action for damages against the person.

This statutory right of action is available to New Brunswick purchasers whether or not such purchaser relied on the misrepresentation. However, there are various defences available. In particular, no person will be liable for a misrepresentation if such person proves that the purchaser purchased the securities with knowledge of the misrepresentation. Moreover, in an action for damages, the amount recoverable will not exceed the price at which the securities were offered under the offering memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

If the purchaser intends to rely on the rights described in (a) or (b) above, such purchaser must do so within strict time limitations. The purchaser must commence an action for rescission within 180 days after the date of the transaction that gave rise to the cause of action. The purchaser must commence its action for damages within the earlier of:

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

(b) six years after the date of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Nova Scotia

Sections 138, 139A, and 146 of the *Securities Act* (Nova Scotia) provide that if the Offering Memorandum or any amendment delivered to a purchaser of Units resident in Nova Scotia contains a misrepresentation, a purchaser resident in Nova Scotia to whom this Offering Memorandum has been sent or delivered and who purchases the Units is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has a right of action for damages against the Fund, against every person acting in a capacity with respect to the Fund which is similar to that of a director of a company, and every person or company that signed the Offering Memorandum or alternatively, may elect to exercise a right of rescission against the Fund (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages), provided that:

(a) in an action for rescission or damages, a person will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) no person other than the Fund is liable if the person proves that:

(i) this Offering Memorandum or the amendment to this Offering Memorandum was sent or delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent;

(ii) after delivery of this Offering Memorandum or the amendment to this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Offering Memorandum, or amendment to this Offering Memorandum, the person withdrew the person's consent to this Offering Memorandum, or the amendment to this Offering Memorandum, and gave reasonable general notice of the withdrawal and the reason for it;

(iii) with respect to any part of the Offering Memorandum or amendment to 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, an opinion or a statement of an expert, the person had no reasonable grounds to believe and did

not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum or amendment to 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; or

(iv) with respect to any part of this Offering Memorandum or amendment to 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

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;

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

(d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were offered; and

(e) no action may be commenced to enforce a right of action more than:

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

ii. in the case of any action, other than an action for rescission, the earlier of,

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

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

In addition, a person is not liable in an action for a misrepresentation in forward-looking information if:

(a) this Offering Memorandum contains, proximate to that information,

(i) 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;

(ii) 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

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

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

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that in the event that an offering memorandum (such as this offering memorandum) or any amendment to it sent or delivered to a purchaser contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases Units covered by the offering memorandum or any amendment to it has a right of action against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

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

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time 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 securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

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

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

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

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

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

In addition, no person or company, other than the issuer or selling security holder, will be liable 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 gave reasonable general notice that it was so sent or delivered;

(b) or 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 made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company 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.

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

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

Section 138.2 of the Saskatchewan Act 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.

Section 141(1) of the Saskatchewan Act 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 in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act 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 Saskatchewan Act.

Section 147 of the Saskatchewan Act 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.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, 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.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Alberta, British Columbia and Québec

Notwithstanding that the *Securities Act* (Alberta), the *Securities Act* (British Columbia) and the *Securities Act* (Québec) do not provide, or require the issuer to provide to purchasers resident in the Province of Alberta purchasing under the exemption contained in section 2.3 (the "accredited investor exemption") of NI 45-106, and to purchasers resident in British Columbia or Québec any rights of action in circumstances where this offering memorandum or an amendment hereto contains a misrepresentation, the issuer hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

The rights summarized above are in addition to and without derogation from any other rights or remedy which investors may have at law.

AIP CONVERTIBLE PRIVATE DEBT FUND TRUST

TD North Tower
Royal Bank Plaza, South Tower,
Suite 3240, 200 Bay Street,
Toronto, Ontario
M5J 2J1

Telephone Number: (416) 601-0808 x 226
jay@aipassetmanagement.com

Jay Bala, CFA,
Senior Portfolio Manager