

*This offering memorandum (the “Offering Memorandum”) constitutes a continuous offering of securities of a number of investment funds as described herein, on a private placement basis only in those jurisdictions where their units 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. 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 provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities. No person is authorized to give any information or make any representation not contained in this Offering Memorandum in connection with the offering of these securities and if given or made, any such information or representation may not be relied upon.*

## CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

November 24, 2022

TCI Premia Preferred Share Private Pool  
TCI Premia Canadian VQM Equity Private Pool  
TCI Premia Real Assets Private Pool

# Tacita Capital

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**INITIAL SUBSCRIPTION PRICE: \$5.00 PER UNIT**  
**THEREAFTER SERIES NET ASSET VALUE PER UNIT**

**MINIMUM INITIAL INVESTMENT:**

**Series F Units: \$10,000**

**Series M Units: \$10,000**

**Series O Units: Negotiable**

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TCI Premia Preferred Share Private Pool, TCI Premia Canadian VQM Equity Private Pool and TCI Premia Real Assets Private Pool (each a “**Fund**” and collectively the “**Funds**”) are each an open-ended investment unit trust established under the laws of the Province of Ontario. Each Fund was established by Tacita Capital Inc. on March 8, 2018 and is governed by the master declaration of trust dated March 8, 2018, as may be amended and restated from time to time (the “**Declaration of Trust**”). Tacita Capital Inc. is the trustee, investment fund manager and portfolio manager of each Fund (the “**Trustee**” or “**Manager**”).

**Each Fund is considered a related and/or connected issuer of the Manager under National Instrument 33-105 Underwriting Conflicts.** The Manager receives a Management Fee (as defined below) from certain series of the Funds in connection with its services as an investment fund manager and portfolio manager. The Manager will also act as an exempt market dealer for the distribution of certain series of Units of each Fund and does not receive a fee for acting in such capacity. See “*Conflicts of Interest*”.

The investment objectives, strategies and restrictions of the Funds are described under “*Investment Objectives, Strategies and Restrictions*”.

Each Fund is offering on a continuous basis (the “**Offering**”) an unlimited number of Units issuable in different Series of Class 1 Units, on a private placement basis. The Units being offered by each Fund are Series F Units, Series M Units and Series O Units (collectively, the “**Units**”).

Units of the Funds are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAAs and will be qualified investments for FHSAs (see “*Eligibility for Investment*”).

The assets of each Fund will be valued on the last Business Day of each week, the last Business Day of each month, and/or such other date or dates as the Manager may determine in its sole discretion from time to time (a “**Valuation Date**”). The issue price for each Unit of a Series of Units of a Fund shall be the Series Net Asset Value per Unit of the applicable Series on each Valuation Date.

Subscriptions for Series F or O Units through the facilities of Fundserv will generally be processed as of the Valuation Date immediately following the Manager’s receipt of a completed Subscription Agreement subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date (subject to the Manager’s right to waive such requirement), otherwise the subscription for Series F or O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. In order to acquire Series F or O Units, the subscriber must ensure that payment of the aggregate subscription amount for the Units is received by the Manager through the facilities of Fundserv. Units are issued within the three (3) Business Days after the applicable Valuation Date on which the subscriptions are processed.

Direct (non-Fundserv) subscriptions for Series O Units from the Manager in its capacity as an exempt market dealer or from a third party dealer will generally be processed as of the Valuation Date immediately following the Manager’s receipt of a completed Subscription Agreement and receipt of subscription proceeds for the applicable subscription subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement (with a cheque, bank draft, confirmation of wire transfer, or other form of funds transfer acceptable to the Manager) must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date, otherwise the subscription for Series O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. The Manager has the discretion to accept subscription requests made less than three Business Days in advance of the applicable Valuation Date on that Valuation Date. Units are issued within three (3) Business Days after the applicable Valuation Date on which the subscriptions are processed.

The procedure applicable to a subscription for Series M Units is determined in the Manager’s discretion from time to time.

### Disclaimers

**There are certain risk factors inherent in an investment in the Units and in the activities of the Funds. These Units are speculative. An investment in the securities described herein therefore requires the financial ability and willingness to accept certain risks. Potential investors should pay particular attention to the information under “Risk Factors”.**

The securities described herein are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act*, are not insured under the provisions of that Act or any other legislation, and are not guaranteed investments.

Units are only being distributed to investors resident in certain provinces of Canada pursuant to available prospectus exemptions under the securities laws of those provinces. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition and disposition of Units under Securities Legislation. The Units will be subject to the applicable resale restrictions under those laws. The Units are also subject to resale restrictions under the Declaration of Trust. See “*Summary of the Declaration of Trust – the Units*”.

There is no market through which the Units may be sold and none is expected to develop. Redemptions may be limited and/or suspended and redemption proceeds may be paid partly in cash and partly in kind under certain circumstances. Redemption fees may be payable with respect to a redemption of Units if such redemption occurs within a certain time from the date of their acquisition. See “*Redemptions*”.

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

**Investors should consult their own professional advisers to assess the income tax, legal and other aspects of making an investment in the Units. Investors are urged to carefully review this Offering Memorandum.**

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

## **Forward Looking Information**

The disclosure in this Offering Memorandum or in materials deemed to be incorporated into this Offering Memorandum, regarding the investment objectives, strategies and intentions of a Fund may constitute “forward-looking information” for the purpose of Securities Legislation, as it may contain statements of the Manager’s intended course of conduct and future operations of a Fund. 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 uncertainties. 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*” for a discussion of other factors that will impact the operations and success of a Fund.

## TABLE OF CONTENTS

SUMMARY .....	4
GLOSSARY .....	15
THE FUNDS .....	18
THE OFFERING .....	19
INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS .....	19
THE MANAGER.....	21
Management Team.....	22
Manager’s Powers and Duties .....	22
Management Fees and Fund Expenses .....	22
SUBSCRIPTIONS .....	23
Valuation .....	23
Purchases .....	23
REDEMPTIONS.....	24
MINIMUM INVESTMENT AMOUNTS AND ADDITIONAL INVESTMENTS.....	26
DISTRIBUTIONS.....	27
SUMMARY OF THE DECLARATION OF TRUST .....	27
The Units .....	28
Meetings of Unitholders .....	28
Calculation of Net Asset Value of a Fund.....	28
Calculation of Series Net Asset Value and Series Net Asset Value per Unit .....	31
Redemptions .....	31
Distributions.....	32
Liability and Indemnification of Unitholders .....	32
Manager’s Standard of Care.....	32
Liability and Indemnification of the Manager.....	32
Trustee’s Standard of Care.....	33
Liability and Indemnification of the Trustee .....	33
Removal or Resignation of the Manager and Trustee .....	33
Expenses .....	34
Amendments to the Declaration of Trust .....	34
Termination of the Fund .....	35
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	36
STATUS OF THE FUNDS .....	36
TAXATION OF THE FUNDS .....	37
TAXATION OF UNITHOLDERS .....	38
ELIGIBILITY FOR INVESTMENT.....	39
TAX INFORMATION REPORTING .....	39
RISK FACTORS .....	40

Risks Associated with each of the Fund’s Underlying Investments.....	40
Risks Generally Associated with Investing in Investment Funds such as the Funds.....	43
CONFLICTS OF INTEREST.....	51
Services of the Manager not Exclusive to the Funds.....	51
Affiliated Entities and Related and Connected Issuers.....	52
Allocation of Investment Opportunities.....	52
Fair Dealing with Clients.....	52
Personal Trading.....	52
Referral Arrangements.....	52
Brokerage Arrangements.....	53
Related Registrants.....	53
LEVERAGE DISCLOSURE STATEMENT.....	53
USE OF BENCHMARKS.....	53
ANTI-TERRORISM AND ANTI-MONEY LAUNDERING LEGISLATION.....	53
LEGAL MATTERS.....	54
Purchase and Resale Restrictions.....	54
REPORTS TO UNITHOLDERS.....	54
SERVICE PROVIDERS.....	55
MATERIAL CONTRACTS.....	55
RIGHTS OF ACTION FOR DAMAGES OR RESCISSION.....	55
SCHEDULE A.....	57
Rights of Action for Damages or Rescission.....	57

## SUMMARY

The following is a summary of the terms and conditions of an investment in each of the Funds, and is qualified in its entirety by the more detailed information contained elsewhere in this Offering Memorandum and the Declaration of Trust. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum or in the Declaration of Trust. To the extent there are any inconsistencies between the terms of this Offering Memorandum and the terms of the Declaration of Trust, the terms of the Declaration of Trust shall prevail.

**The Funds:**

TCI Premia Preferred Share Private Pool, TCI Premia Canadian VQM Equity Private Pool and TCI Premia Real Assets Private Pool (each a “**Fund**” and collectively the “**Funds**”) are separate open-ended investment unit trusts established under the laws of the Province of Ontario. The Funds were established by Tacita Capital Inc. on March 8, 2018 and are governed by a Declaration of Trust dated March 8, 2018, as may be amended and restated from time to time (the “**Declaration of Trust**”). Tacita Capital Inc. is the trustee, investment fund manager and portfolio manager for each Fund (the “**Trustee**” or “**Manager**”) and will act as exempt market dealer for certain Units of each Fund.

**Investment Objectives,  
Strategies and Restrictions  
of each Fund:**

***TCI Premia Preferred Share Private Pool:***

*Investment Objective:* The investment objective of the Fund is to seek to provide Unitholders with dividend income while preserving capital over the long run by investing primarily in preferred shares of Canadian companies.

*Investment Strategies and Restrictions:* To seek to achieve its investment objective, the Fund’s portfolio will be actively managed and will include, but will not be limited to, perpetual, deemed retractable, split, floating rate and rate reset preferred shares issued by Canadian companies. The Fund’s portfolio will be selected based on fundamental analysis, yield considerations, credit research, tax efficiency, sectoral exposures and interest rate sensitivity analysis.

The Fund seeks to invest in preferred shares that provide attractive value relative to available preferred share types, issuers and issues in a diversified manner. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund’s Net Asset Value as well as warrants and other derivative securities, dividend paying common stocks from Canadian issuers, preferred shares from U.S. issuers and exchange traded funds up to 20% of the Fund’s Net Asset Value. Some of the Canadian listed preferred shares in which the Fund invests may be denominated in U.S. dollars. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund.

The Manager of the Fund may short securities up to 20% of the Fund’s Net Asset Value for investment purposes. The Manager of the Fund may borrow cash up to 10% of the Fund’s Net Asset Value for investment

purposes and an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 20% or less of the Fund's Net Asset Value.

The Manager assesses sectoral and industry exposures to seek improved diversification and risk management. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

***TCI Premia Canadian VQM Equity Private Pool:***

***Investment Objective:*** The investment objective of the Fund is to seek long-term capital growth by investing primarily in equity securities of Canadian companies.

***Investment Strategies and Restrictions:*** To seek to achieve its investment objective, the Fund will invest primarily in a portfolio of equity securities of Canadian companies selected on a quantitative basis. The Manager strives to assess the investible universe using a rules-based, multi-factor investment approach that considers value, quality, momentum and other characteristics. The Manager also considers other fundamental, market and corporate information when determining whether and when to buy, hold or sell a security. The portfolio holdings are generally reconstituted and where necessary, rebalanced monthly. Rebalancing can also occur more frequently for risk management or opportunistic reasons. Securities are generally initially weighted in equal proportions, but weightings are often employed based on various factor exposures. The frequency of the reconstitution, rebalancing and weightings may change without notice. Certain of the equity securities typically will generate dividends that can be reinvested by the Manager. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund's Net Asset Value as well as warrants and other derivative securities, shares from non-Canadian issuers and exchange traded funds up to 20% of the Fund's Net Asset Value. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund.

The Manager of the Fund may short securities up to 20% of the Fund's Net Asset Value for investment purposes. The Manager of the Fund may borrow cash up to 10% of the Fund's Net Asset Value for investment purposes and an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash



borrowed to 20% or less of the Fund's Net Asset Value.

The Manager employs sectoral exposure limits to manage risk. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

***TCI Premia Real Assets Private Pool:***

*Investment Objective:* The investment objective of the Fund is to seek long-term capital appreciation and income generation by investing primarily in securities of Real Estate Investment Trusts (REITS), real estate companies, limited partnerships and infrastructure companies listed on Canadian stock exchanges.

*Investment Strategies:* To seek to achieve its investment objective, the Fund will invest in a portfolio primarily comprised of real estate and infrastructure securities, selected based on quantitative and fundamental analysis, income sustainability, relative valuation levels, income tax considerations, industry exposures, diversification benefits and the potential for capital appreciation. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund's Net Asset Value as well as warrants and other derivative securities, securities of non-Canadian real estate and infrastructure entities and exchange traded funds up to 20% of the Fund's Net Asset Value. Some of the Canadian listed securities in which the Fund invests may be denominated in U.S. dollars. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income.

The Manager of the Fund may short securities up to 20% of the Fund's Net Asset Value for investment purposes. The Manager of the Fund may borrow cash up to 10% of the Fund's Net Asset Value for investment purposes and an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 20% or less of the Fund's Net Asset Value.

The Manager assesses sectoral and industry exposures to seek improved diversification and risk management. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

See "*Investment Objectives, Strategies and Restrictions*".

**The Offering:**

The series of Units being offered on a private placement basis by each Fund (each, a “**Series**”) are Class 1 Series F Units (“**Series F Units**”), Class 1 Series M Units (“**Series M Units**”) and Class 1 Series O Units (“**Series O Units**”) (collectively, the “**Units**”). The Units are being offered on a continuous basis to qualified investors (the “**Offering**”) resident in the Offering Jurisdictions, which, for the time being, include New Brunswick, Quebec, Ontario, Alberta and British Columbia, pursuant to prospectus exemptions available under applicable Securities Legislation and provided the Manager has the relevant registrations in those Offering Jurisdictions. The Manager may offer units in additional jurisdictions in its discretion from time to time and in accordance with applicable Securities Legislation. See “*The Offering*”.

*Series F Units* are available to qualified purchasers who purchase Units through the facilities of Fundserv. The Fundserv Codes for each Fund are available from the Manager upon request.

*Series M Units* are available to Tacita Capital Inc. when it is purchasing such Units in its capacity as portfolio manager on behalf of separately managed accounts.

*Series O Units* are available to qualified purchasers who purchase Units through the facilities of Fundserv or directly through the Manager in its capacity as exempt market dealer or through an independent registered dealer.

All of the Series within a Fund have the same investment objectives, strategies and restrictions, but differ in respect of one or more of their features, including but not limited to distribution methods, Management Fees and who they are made available to for purchase.

There is no minimum or maximum offering of a Fund.

**Manager:**

Tacita Capital Inc. is the investment fund manager and portfolio manager of the Funds. The Manager receives a Management Fee directly from the applicable Fund in respect of certain Series of Units in connection with its services as an investment fund manager and portfolio manager. The Manager will also act as an exempt market dealer for the distribution of Units, but does not receive a fee for acting in such capacity. As a result of the foregoing relationships, each Fund is considered a related and/or connected issuer of the Manager under Securities Legislation.

See “*The Manager*” and “*Conflicts of Interest*”.

**Trustee:**

Tacita Capital Inc. is the trustee of the Funds pursuant to the Declaration of Trust.

**Net Asset Value:**

The net asset value of a Fund (the “**Net Asset Value**”) as of the last Business Day of each week, the last Business Day of each month, and/or such other date or dates as the Manager may determine in its sole

discretion from time to time (each, a “**Valuation Date**”), shall be determined in Canadian currency and shall be the value of all of the assets of the Fund as at the close of regular trading on the Toronto Stock Exchange, generally 4:00 p.m. (ET) (the “**Valuation Time**”) on the Valuation Date less all expenses and liabilities of the Fund due or accrued as of such Valuation Time and Valuation Date, calculated in accordance with the valuation principles applicable thereto as described under “*Calculation of Series Net Asset Value and Series Net Asset Value per Unit*”.

**Fees and Expenses:**

**Management Fees:**

The Manager shall receive a management fee from each Fund in respect of each Series F Unit and Series O Unit for the management services that it provides to each Fund (the “**Management Fee**”).

The Management Fee shall be calculated and accrued on each Valuation Date. The Management Fee accrual as of a Valuation Date will be an amount equal to the number of calendar days that have elapsed since the previous Valuation Date divided by 365 (or 366 days in the case of a leap year) multiplied by the applicable annual percentage (as listed below) of the Net Asset Value of the Series F Units or Series O Units, as applicable, before any accrual for Management Fees and adjusted as needed for distributions, as at the Valuation Date on which the Management Fee is being calculated, plus any applicable taxes, including HST. The annual Management Fee percentages are as follows:

***TCI Premia Preferred Share Private Pool:***

*Series F Units:* 0.40%

*Series O Units:* Negotiable.

***TCI Premia Canadian VQM Equity Private Pool:***

*Series F Units:* 0.50%

*Series O Units:* Negotiable.

***TCI Premia Real Assets Private Pool:***

*Series F Units:* 0.50%

*Series O Units:* Negotiable.

The Management Fee will be paid within 10 calendar days of the last Valuation Date of each month.

Series O units are for individuals, institutional clients or dealers who have entered into an agreement directly with Tacita Capital to purchase Series O Units. No management fees are payable by the Fund in respect of Series O Units. Unitholders of Series O Units pay a negotiated fee directly or indirectly to Tacita Capital.

There is no Management Fee applicable to Series M Units.

**Operating Expenses:**

The following expenses shall be allocated by the Manager to each Series

of Units of the applicable Fund in respect of which the expenses were incurred: costs and expenses that are reasonably incurred in connection with the organization and ongoing activities of the Fund (the “**Operating Expenses**”), including but not limited to third party fees and administrative expenses of a Fund, which include the Trustee’s fees, if any, custodial fees, accounting and legal costs, insurance premiums, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, audit fees, all Unitholder communication expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, certain promotional expenses that directly benefit the Fund, expenses of the Manager that the Fund has agreed to pay in accordance with the Declaration of Trust such as fees and expenses disclosed in a disclosure document of a Fund such as this Offering Memorandum, all costs incurred in the preparation of disclosure documents relating to Units and all amendments to or renewals of such disclosure documents and all other documents as may be required to comply with Securities Legislation or other applicable laws, regulations and policies or as may be deemed beneficial to Unitholders by the Manager, fees of any independent review committee members appointed, if applicable, bank and wire fees and all reasonable extraordinary or non-recurring expenses.

In its discretion, the Manager may pay certain of the expenses of a Fund out of its own monies but any such payments shall not oblige the Manager to make similar payments in the future, and the Manager’s payment of such expenses may be discontinued at any time, without notice to Unitholders.

See “*Operating Expenses*”.

See also “*Summary of the Declaration of Trust – Expenses*” and “*The Manager – Management Fees and Fund Expenses*”.

**Subscription Procedure:**

Subscriptions for Series F or O Units through the facilities of Fundserv will generally be processed as of the Valuation Date immediately following the Manager’s receipt of a completed Subscription Agreement subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date (subject to the Manager’s right to waive such requirement), otherwise the subscription for Series F or O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. In order to acquire Series F or O Units, the subscriber must ensure that payment of the aggregate subscription amount for the Units is received by the Manager through the facilities of Fundserv. Units are issued within three (3) Business Days after the applicable Valuation Date on which the subscriptions are processed.

Direct (non-Fundserv) subscriptions for Series O Units from the Manager in its capacity as an exempt market dealer or from a third party dealer will generally be processed as of the Valuation Date immediately following the Manager’s receipt of a completed Subscription Agreement

and receipt of subscription proceeds for the applicable subscription subject to the Manager's discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement (with a cheque, bank draft, confirmation of wire transfer, or other form of funds transfer acceptable to the Manager) must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date, otherwise the subscription for Series O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. The Manager has the discretion to accept subscription requests made less than three (3) Business Days in advance of the applicable Valuation Date on that Valuation Date. Units are issued within three (3) Business Day after the applicable Valuation Date on which the subscriptions are processed.

The procedure applicable to a subscription for Series M Units is determined in the Manager's discretion from time to time.

The Manager is entitled in its sole discretion to reject, in whole or in part, subscriptions for purchases of Units of a Fund. In the event a subscription for Units is rejected, any subscription and any monies received shall be refunded to the investor immediately, without interest.

See "*Subscriptions – Purchases*".

**Minimum Investment:**

The minimum investment amounts that must be made by prospective investors are as follows:

Minimum Initial Subscription Amount:

*Series F Units:* \$10,000

*Series M Units:* \$10,000

*Series O Units:* Negotiable.

Subsequent Subscription Amount:

*Series F Units:* \$1,000

*Series M Units:* \$1,000

*Series O Units:* Negotiable.

The Manager may waive any minimum investment amount or subsequent subscription amount in its sole discretion from time to time.

**Prospectus Exemptions:**

Units are being sold under available exemptions from the prospectus requirements under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") and the *Securities Act* (Ontario). Unless an investor can establish to the Manager's satisfaction that another exemption is available, this will generally require that each investor is investing as principal (and not for or on behalf of any other person) and is either an "accredited investor" pursuant to NI 45-106 or the *Securities Act* (Ontario) or, outside of Alberta, is a non-individual investing a minimum amount of \$150,000 pursuant to the minimum amount investment exemption (the "**Minimum Amount Investment Exemption**").

See “*The Offering*”.

**Redemptions:**

**Method:** Subject to certain exceptions, such as during a suspension of redemptions, Series F and Series O Units are redeemable on demand by a Unitholder on each Valuation Date or on such other date as the Manager may permit in its discretion (the “**Redemption Date**”) by the Unitholders thereof upon a redemption request being given in writing or through Fundserv to the Manager by 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Redemption Date.

Subject to certain exceptions, such as during a suspension of redemptions, Series M Units are redeemable on demand by a Unitholder on each Redemption Date.

The Manager may, in its discretion, waive any required advance notice of an intention to redeem or implement a notice period required prior to giving effect to a redemption.

Each request for redemption must be both duly authorized and signed by the Unitholder. Any request for redemption may not be revoked without the consent of the Manager.

**Proceeds:** Where the Units which are the subject of the notice of redemption were purchased from a distributor on the Fundserv network, a request for redemption must also be entered on the Fundserv system, and payment of the redemption proceeds will be made using the Fundserv network. The Manager shall pay to each Unitholder of a Fund who has properly requested redemption of their Units, or whose Units of the Fund are required to be redeemed, out of the Fund Property, an amount equal to the Series Net Asset Value per Unit, on a specified Redemption Date multiplied by the number of Units to be redeemed, less any redemption fees or charges payable by the Unitholder, within three (3) Business Days following the later of (i) the specified Redemption Date for such redemption and (ii) the receipt by the Manager of properly completed redemption documents or the waiver by the Manager of all such properly completed documents.

Where the Units which are the subject of the notice of redemption were purchased through the Manager, the Manager shall pay to each Unitholder of a Fund who has properly requested redemption of their Units, or whose Units of the Fund are required to be redeemed, out of the Fund Property, an amount equal to the Series Net Asset Value per Unit, on a specified Redemption Date multiplied by the number of Units to be redeemed, less any redemption fees or charges payable by the Unitholder. Redemption proceeds may be paid in cash or in kind or a combination thereof at the Manager’s sole discretion and as permitted by Applicable Law. Payment for Units that are redeemed shall generally be made within fifteen (15) Business Days following the later of (i) the specified Redemption Date for such redemption and (ii) the receipt by the Manager of properly completed redemption documents or the waiver by the Manager of all such properly completed documents.

Any payment referred to above, unless such payment is not honoured, will discharge the Fund, Tacita and their agents from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed and the Unitholder will cease to have any further rights with respect to such Units as of the applicable Valuation Date.

***Early Redemption Fee:*** An early redemption fee is payable to the applicable Fund in respect of any Series F Units and Series O Units redeemed by a Unitholder within six (6) months of the date of purchase of those Units. The early redemption fee is equal to 2.00% of the Net Asset Value per Unit of the Units being redeemed by the redeeming Unitholder at the time of the requested redemption. The early redemption fee is payable to the Fund and will be deducted from the redemption proceeds otherwise payable to the redeeming Unitholder. The Manager has the discretion to waive any early redemption fee it is entitled to collect on behalf of the Fund.

***Suspension of Redemption:*** Under certain circumstances, the Trustee may suspend a Unitholder's right to redeem their Units. See "*Redemptions – Suspension of Redemption*".

***Mandatory Redemptions:*** Under certain circumstances, the Trustee may compulsorily redeem a Unitholder's Units, including if the Unitholder holds less than a certain amount of Units or if the continued holding of Units by a Unitholder would cause adverse tax consequences to the Fund. See "*Summary of the Declaration of Trust – Redemptions*".

**Transfer or Resale:**

Units may only be transferred with the written 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 Law.

See "*Summary of the Declaration of Trust – the Units*".

**Distributions:**

The Manager intends to make quarterly distributions to Unitholders. The amount of any such distributions is in the discretion of the Manager.

***Series F Units:*** Other than a Special Distribution (as defined herein) and as specified in the Declaration of Trust, distributions to holders of Series F Units will be automatically reinvested in additional Units of the applicable Series at the Series Net Asset Value per Unit computed for the Valuation Date on which such distribution is made unless: (a) the Unitholder has requested from the Trustee by thirty (30) days' notice in writing payment of the Unitholder's distribution in cash; or (b) in the case of Management Fee Distributions (as defined herein) or Trust Expense Distributions (as defined herein), the Trustee has agreed that such Management Fee Distribution or Trust Expense Distribution, as applicable, be paid in cash. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

***Series M Units and Series O Units:*** Subject to the Manager's discretion

to automatically reinvest distributions to Series M and Series O Unitholders in additional Series M or Series O Units, as applicable, distributions to holders of Series M and Series O Units will be made in cash, unless such Unitholder has requested from the Trustee by thirty (30) days' notice in writing to receive all of his or her proportionate share of any distributions of a Fund, other than a Special Distribution and as specified in the Declaration of Trust, by the reinvestment thereof in additional Units of that Series at the Series Net Asset Value per Unit computed for the Valuation Date on which such distribution is made. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

See "*Distributions*".

**Eligibility of Units:**

Each Fund is a "registered investment" under the *Income Tax Act* (Canada) (the "**Tax Act**"). Units of each Fund are qualified investments for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**") and tax-free savings accounts ("**TFSA**s"), each as defined in the Tax Act (collectively, "**Registered Plans**"). Units will also be qualified investments for trusts governed by first home savings accounts ("**FHSAs**") beginning in 2023.

Notwithstanding the foregoing, if Units are "prohibited investments" for a RRSP, RRIF, RESP, RDSP, TFSA or FHSA the annuitant, holder or subscriber of such Registered Plan will be subject to a penalty tax. Provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP or FHSA or the Subscriber of the RESP, as the case may be, deals at arm's length with the Fund for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Fund or the Units are "excluded property" (as defined in the Tax Act), Units of a Fund will not be a "prohibited investment" under the Tax Act for the particular RRSP, RRIF, RESP, RDSP, TFSA or FHSA.

In general terms, a "significant interest" means the ownership of 10% or more of the value of a trust's outstanding units or interests by the annuitant, holder or subscriber, either alone or together with persons and partnerships with whom the annuitant, holder or subscriber does not deal at arm's length.

Investors should consult their own tax advisors on whether or not Units are, or may become, a "prohibited investment" for their RRSP, RRIF, RESP, RDSP, TFSA or FHSA.

See "*Certain Canadian Federal Income Tax Considerations*".

**Fiscal Year End:**

December 31 in each year, or such other date as the Manager may determine in its discretion from time to time.



**Reports to Unitholders:**

The Manager will seek instructions from each Unitholder regarding whether or not the Unitholder wishes to receive an annual report in respect of the Fund in which they are invested. If the Unitholder wishes to receive the report, within ninety (90) days after the end of each fiscal year, the Manager will forward to such Unitholder, an annual report for the applicable fiscal year consisting of audited financial statements for such fiscal year together with a report of the auditors on such financial statements.

The Manager will seek instructions from each Unitholder regarding whether or not the Unitholder wishes to receive a semi-annual financial statements in respect of the Fund in which they are invested. If the Unitholder wishes to receive the report, within sixty (60) days following the end of the first six months of each fiscal year, the Manager will forward to such Unitholder unaudited semi-annual financial statements.

Unaudited reports respecting the Net Asset Value per Unit will, where requested, be provided to Unitholders on a monthly basis.

See “*Reports to Unitholders*”.

**Certain Canadian Federal Income Tax Considerations:**

A Unitholder of a Fund who at all relevant times is resident in Canada for purposes of the Tax Act will generally be required to include in computing income for a year the amount of the Fund’s income for tax purposes, including net taxable capital gains, paid or payable to the Unitholder in the year whether received in cash or reinvested in additional Units. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the Units and any reasonable costs of disposition.

Each investor should satisfy himself or herself as to the federal, provincial, territorial and any foreign tax consequences of an investment in Units by obtaining advice from his or her tax advisor.

See “*Certain Canadian Federal Income Tax Considerations*”.

**Risk Factors:**

Prior to investing in a Fund, 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*”.

**Confidential Information:**

Under applicable securities and anti-money laundering legislation, the Manager is required to collect and may release confidential information about Unitholders and, if applicable, about the beneficial owners of corporate and other entity Unitholders, to regulatory or law enforcement authorities.

See “*Anti-Terrorism and Anti-Money Laundering Legislation*”.

<b>Custodian:</b>	National Bank Independent Network (a division of National Bank Financial Inc.), Toronto, Ontario.
<b>Prime Broker:</b>	National Bank Independent Network (a division of National Bank Financial Inc.), Toronto, Ontario.
<b>Administrator:</b>	SGGG Fund Services Inc., Toronto, Ontario.
<b>Auditor:</b>	Grant Thornton LLP, Toronto, Ontario.

## GLOSSARY

“**Administrator**” means SGGG Fund Services Inc., or such other third party engaged directly or indirectly by the Manager from time to time to act as administrator and valuation agent of the Funds;

“**Applicable Law**” in respect of any Person, property, transaction or event, means all present and future laws, statutes, schedules, treaties, judgments, decrees and Securities Legislation applicable to that Person, property, transaction or event and, whether or not having the force of law, all applicable requirements, requests, official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event;

“**Business Day**” means any day on which the Toronto Stock Exchange is open for trading;

“**Class**” means a class of Units of a Fund issued in one or more Series;

“**Class 1**” means the class 1 Class of a Fund;

“**Common Expenses**” means those expenses of a Fund other than Series Expenses;

“**CRA**” means the Canada Revenue Agency;

“**Declaration of Trust**” means the master declaration of trust of the Funds together with the applicable appendices and schedules thereto, as amended, restated or modified from time to time;

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

“**FHSA**” means a trust governed by a first home savings account as defined in the Tax Act;

“**Fund**” means each of TCI Premia Preferred Share Private Pool, TCI Premia Canadian VQM Equity Private Pool and TCI Premia Real Assets Private Pool (collectively, the “**Funds**”);

“**Fund Property**” of a Fund at any time means for each Fund, any and all securities, property and assets, real and personal, tangible and intangible, transferred, conveyed or paid to the Fund including:

- (a) all proceeds realized from the issuance of Units of the Fund;
- (b) all investments, sums or property of any type or description from time to time delivered to the Trustee or held for its account and accepted by the Trustee in accordance with the Declaration of Trust for the purposes of the Fund;

(c) any proceeds of disposition of any of the foregoing property and assets; and

(d) all income, interest, profit, gains and accretions and additional rights arising from or accruing to such foregoing property or such proceeds of disposition;

“**Fund Termination Notice**” has the meaning ascribed to it under “*Redemptions*”;

“**Governmental Authority**” means any domestic or foreign government or regulatory authority including, without limitation, any federal, provincial, state, territorial or municipal government, and any government agency, tribunal, commission, stock exchange, self-regulatory authority or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative authority;

“**Manager**” means Tacita Capital Inc. in its capacity as investment fund manager and portfolio manager of the Funds;

“**Management Fee**” has the meaning ascribed to it under “*Management Fees and Fund Expenses*”;

“**Management Fee Distribution**” means the amount distributed to a Unitholder by a Fund in the event that the Manager agrees as a condition of a purchase of Units or any Series of Units of the Fund to accept a Management Fee with respect to the Units held by a Unitholder which is less than that otherwise payable;

“**Minimum Amount Investment Exemption**” means the minimum amount investment exemption defined in NI 45-106;

“**Minimum Holding**” has the meaning ascribed to it under “*Redemptions*”;

“**Net Asset Value**” has the meaning ascribed to it under “*Summary of the Declaration of Trust – Calculation of Net Asset Value of a Fund*”;

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

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

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*;

“**Offering Jurisdictions**” means each of the provinces of Canada where the Units are being offered on a continuous basis to qualified investors pursuant to available prospectus exemptions (in accordance with Securities Legislation) in the jurisdictions and provided that the Manager has the relevant registrations under Securities Legislation in the applicable jurisdictions in which the Units are being offered;

“**Offering Memorandum**” means this offering memorandum of the Funds;

“**Operating Expenses**” has the meaning ascribed to it under “*Management Fees and Fund Expenses*”;

“**Person**” includes an individual, corporation, company, body corporate, partnership, syndicate, or trust or any trustee, executor, administrator or other legal representative or any legal entity, including, without limitation, pension and profit sharing trusts;

“**Proportionate Share**”, when used to describe (i) an amount to be allocated to any one Series of Units of a Fund, means the total amount to be allocated to all Series of Units of the Fund multiplied by a fraction, the numerator of which is the Series Net Asset Value of such Series and the denominator of which is the Net Asset Value of the Fund at such time, and (ii) a Unitholder’s interest in or share of any amount, means, after an allocation has been made to each Series as provided in clause (i), that allocated amount multiplied by a fraction, the numerator of which is the number of Units of that Series registered in the name of that Unitholder and the denominator of which is the total number of Units of that Series then outstanding (if such Unitholder holds Units of more than one Series, then such calculation is made in respect of each Series of Units of the Fund and aggregated);

“**Redemption Date**” has the meaning ascribed to it under “*Summary – Redemptions*”;

“**Registered Plans**” means RRSPs, RRIFs, TFSAs, DPSPs, RESPs and RDSPs;

“**RDSP**” means registered disability savings plans as defined in the Tax Act;

“**RESP**” means registered education savings plans as defined in the Tax Act;

“**RRIF**” means a trust governed by a registered retirement income fund as defined in the Tax Act;

“**RRSP**” means a trust governed by a registered retirement savings plan as defined in the Tax Act;

“**Securities Authorities**” means the Ontario Securities Commission and equivalent regulatory authorities in each province and territory of Canada;

“**Securities Legislation**” means the securities laws and regulations in each province and territory of Canada that are applicable to a Fund, the Trustee and the Manager, from time to time, and the requirements, rules, policies, instruments and decisions of the Securities Authorities that are applicable to the Fund;

“**Series**” means a series of a Class of a Fund;

“**Series F**” means Class 1 Series F Units of a Fund;

“**Series M**” means Class 1 Series M Units of a Fund;

“**Series O**” means Class 1 Series O Units of a Fund;

“**Series Expense**” means, in respect of any particular Series of Units of a Fund, the expenses of the Fund (including management and other fees) that are charged only to that particular Series;

“**Series Net Asset Value Per Unit**” means, in respect of a Unit of any particular Series of Units of a Fund on any Valuation Date, the portion of the Net Asset Value of the Fund attributed to each of the Units of such Series of the Fund on that Valuation Date determined in accordance with the terms of the Declaration of

Trust;

“**Special Distribution**” means any of the Management Fee Distribution, Trust Expense Distribution and the allocation and distribution of net capital gains to a Unitholder on a redemption of Units as contemplated by the Declaration of Trust;

“**Subscription Agreement**” means the subscription agreement executed by a Unitholder to purchase Units, if any;

“**Tacita**” means Tacita Capital Inc., as the trustee, the exempt market dealer, investment fund manager and portfolio manager of the Funds;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5<sup>th</sup> Supp.) and the regulations thereunder, as the same is presently in force and may hereafter be amended from time to time and includes any statute that may be enacted in substitution therefor;

“**TFSA**” means a trust governed by a tax-free savings account as defined in the Tax Act;

“**Trust Expense Distribution**” means the amount distributed out of a Fund to a Unitholder if the Manager agrees to reimburse a Fund for certain expenses of the Fund payable under the Declaration of Trust with respect to the Units held by a particular Unitholder on condition that an amount equal to such reimbursement of expenses is paid to the Unitholder;

“**TSX**” means the Toronto Stock Exchange;

“**Trustee**” means Tacita Capital Inc. as the trustee of the Funds or such other Person as may be appointed as replacement trustee in accordance with the provisions of the Declaration of Trust;

“**Unit**” means a trust unit of a Fund, or of a Class or Series of a Fund, which represents the beneficial interest, rights and obligations of the holder thereof in the Fund at any time and having such attributes as described in the Declaration of Trust and “**Units**” means more than one Unit;

“**Unitholder**” means a Person whose name appears on the Register of a Fund as a holder of Units of the Fund;

“**Valuation Date**” means the last Business Day of each week, the last Business Day of each month, and/or such other date or dates as the Manager may determine in its sole discretion from time to time; and

“**Valuation Time**” means the close of regular trading on the Toronto Stock Exchange, generally 4:00 p.m. (ET), on the subject Valuation Date.

## THE FUNDS

TCI Premia Preferred Share Private Pool, TCI Premia Canadian VQM Equity Private Pool and TCI Premia Real Assets Private Pool (each a “**Fund**” and collectively the “**Funds**”) is each an open-ended investment unit trust established under the laws of the Province of Ontario. Each Fund was established by Tacita Capital Inc. on March 8, 2018 and is governed by the master declaration of trust dated March 8, 2018, as may be amended and restated from time to time (the “**Declaration of Trust**”). Tacita Capital Inc. is the trustee, investment fund manager and portfolio manager of each Fund and will act as exempt market dealer for certain Series of each Fund.

The principal office of the Funds is 150 King Street West, Suite 2020, Toronto, ON, M5H 1J9.

See “*Summary of the Declaration of Trust – The Units*”.

## **THE OFFERING**

The Units being offered on a private placement basis by each Fund are Class 1 Series F Units, Class 1 Series M Units and Class 1 Series O Units. Units are being offered on a continuous basis to qualified investors resident in the Offering Jurisdictions, which, for the time being, include New Brunswick, Quebec, Ontario, Alberta and British Columbia. Units are being offered pursuant to prospectus exemptions available under NI 45-106 and the *Securities Act* (Ontario) and provided the Manager has the relevant registrations in those Offering Jurisdictions. This will generally require the potential investor to invest as principal (and not for or on behalf of any other person) and to be either an “accredited investor” as that term is defined in NI 45-106 or the *Securities Act* (Ontario), as applicable, or, outside of Alberta, a non-individual investing a minimum amount of \$150,000 under the Minimum Amount Investment Exemption. The Manager may offer units in additional jurisdictions in its discretion from time to time and in accordance with applicable Securities Legislation.

**Series F Units** are available to qualified purchasers who purchase Units through the facilities of Fundserv. The Fundserv Codes for each Fund are available from the Manager upon request.

**Series M Units** are available to Tacita Capital Inc. when it is purchasing such Units in its capacity as portfolio manager on behalf of separately managed accounts.

**Series O Units** are available to qualified purchasers who purchase Units directly through the Manager in its capacity as exempt market dealer or through an independent registered dealer.

All of the Series within a Fund have the same investment objectives, strategies and restrictions, but differ in respect of one or more of their features, including but not limited to distribution methods, Management Fees and who they are made available to for purchase.

There is no minimum or maximum offering of any Fund.

Purchasers who are subscribing for Units from the Manager in its capacity as an exempt market dealer will be required to make certain representations in the Subscription Agreement provided by the Manager and the Manager will rely on such representations to establish that an investor satisfies the prerequisites to reliance on a prospectus exemption. No subscriptions will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

## **INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS**

Each of the Funds has separate investment objectives, strategies and restrictions. Please refer to the applicable Fund below for a description of the relevant investment objectives, strategies and restrictions.

### ***TCI Premia Preferred Share Private Pool:***

***Investment Objective:*** The investment objective of the Fund is to seek to provide Unitholders with dividend income while preserving capital over the long run by investing primarily in preferred shares of Canadian companies.

***Investment Strategies and Restrictions:*** To seek to achieve its investment objective, the Fund’s portfolio will be actively managed and will include, but will not be limited to, perpetual, deemed retractable, split, floating

rate and rate reset preferred shares issued by Canadian companies. The Fund's portfolio will be selected based on fundamental analysis, yield considerations, credit research, tax efficiency, sectoral exposures and interest rate sensitivity analysis.

The Fund seeks to invest in preferred shares that provide attractive value relative to available preferred share types, issuers and issues in a diversified manner. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund's Net Asset Value as well as warrants and other derivative securities, dividend paying common stocks from Canadian issuers, preferred shares from U.S. issuers and exchange traded funds up to 20% of the Fund's Net Asset Value. Some of the Canadian listed preferred shares in which the Fund invests may be denominated in U.S. dollars. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund.

The Manager of the Fund may short securities up to 20% of the Fund's Net Asset Value and may borrow cash for investment purposes up to 10% of the Fund's Net Asset Value plus an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 20% or less of the Fund's Net Asset Value.

The Manager assesses sectoral and industry exposures to seek improved diversification and risk management. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

***TCI Premia Canadian VQM Equity Private Pool:***

***Investment Objective:*** The investment objective of the Fund is to seek long-term capital growth by investing primarily in equity securities of Canadian companies.

***Investment Strategies and Restrictions:***

To seek to achieve its investment objective, the Fund will invest primarily in a portfolio of equity securities of Canadian companies selected on a quantitative basis. The Manager strives to assess the investible universe using a rules-based, multi-factor investment approach that considers value, quality, momentum and other characteristics. The Manager also considers other fundamental, market and corporate information when determining whether and when to buy, hold or sell a security. The portfolio holdings are generally reconstituted and where necessary, rebalanced monthly. Rebalancing can also occur more frequently for risk management or opportunistic reasons. Securities are generally initially weighted in equal proportions, but weightings are often employed based on various factor exposures. The frequency of the reconstitution, rebalancing and weightings may change without notice. Certain of the equity securities typically will generate dividends that can be reinvested by the Manager. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund's Net Asset Value as well as warrants and other derivative securities, shares from non-Canadian issuers and exchange traded funds up to 20% of the Fund's Net Asset Value. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund.

The Manager of the Fund may short securities up to 20% of the Fund's Net Asset Value and may borrow cash for investment purposes up to 10% of the Fund's Net Asset Value plus an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must,

as quickly as commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 20% or less of the Fund's Net Asset Value. The Manager employs sectoral exposure limits to manage risk. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

***TCI Premia Real Assets Private Pool:***

***Investment Objective:*** The investment objective of the Fund is to seek long-term capital appreciation and income generation by investing primarily in securities of Real Estate Investment Trusts (REITS), real estate companies, limited partnerships and infrastructure companies listed on Canadian stock exchanges.

***Investment Strategies:*** To seek to achieve its investment objective, the Fund will invest in a portfolio primarily comprised of real estate and infrastructure securities, selected based on quantitative and fundamental analysis, income sustainability, relative valuation levels, income tax considerations, industry exposures, diversification benefits and the potential for capital appreciation. The Fund may also hold cash, money market vehicles and fixed income securities issued by Canadian governments or companies up to 20% of the Fund's Net Asset Value as well as warrants and other derivative securities, securities of non-Canadian real estate and infrastructure entities and exchange traded funds up to 20% of the Fund's Net Asset Value. Some of the Canadian listed securities in which the Fund invests may be denominated in U.S. dollars. The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income.

The Manager of the Fund may short securities up to 20% of the Fund's Net Asset Value and may borrow cash for investment purposes up to 10% of the Fund's Net Asset Value plus an additional 10% of the Fund's Net Asset Value to meet redemption requests and purchase subscriptions awaiting settlement. If the aggregate value of cash borrowed by the Fund exceeds 20% of the Fund's Net Asset Value, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 20% or less of the Fund's Net Asset Value.

The Manager assesses sectoral and industry exposures to seek improved diversification and risk management. The maximum exposure permitted to any single issuer is 10% of the Net Asset Value of the Fund.

The Manager may hedge all or some of the Fund's U.S. dollar exposure, in its discretion.

**THE MANAGER**

Tacita Capital Inc. is the investment fund manager and portfolio manager of the Funds and will act as exempt market dealer for certain sales of Units. The Manager was incorporated under the laws of the Province of Ontario. The Manager is registered as an exempt market dealer in Alberta, British Columbia, New Brunswick, Ontario and Quebec. The Manager is registered as a portfolio manager in Alberta, British Columbia, New Brunswick, Ontario and Quebec. In addition, the Manager is registered as an investment fund manager in Ontario and Quebec. The Manager may in the future, if applicable, also register in the appropriate categories of registration, as necessary, when the Units are offered in other jurisdictions.

The registered office of the Manager is 150 King Street West, Suite 2020, Toronto, ON, M5H 1J9.



## Management Team

The names and municipalities of residence of the executive officers of the Manager, and their positions and offices, are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>
Michael Nairne, Toronto, Ontario	President and Chief Investment Officer, Director
Garnet Anderson, Toronto, Ontario	Vice President, Chief Financial Officer
Joanne Swystun, Toronto, Ontario	Vice President, Director

## Manager's Powers and Duties

The Manager has been appointed by the Trustee to provide, or arrange for the provision of, management and administrative services to the Funds. 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 make decisions which conform to general policies and general principles set out in the Declaration of Trust, including to provide or arrange for the provision to the Funds of all necessary investment management and all clerical, administrative, and operational services set out in the Declaration of Trust. The Manager may delegate any of its powers to third parties where, in its discretion, it is in the best interests of the Unitholders to do so.

The Manager may have other business interests and may engage in other activities similar or in addition to those relating to the activities to be performed for the Fund.

## Management Fees and Fund Expenses

### Management Fees:

The Manager shall receive a management fee from each Fund in respect of each Series F Unit for the management services that it provides to each Fund (the "**Management Fee**").

The Management Fee shall be calculated and accrued on each Valuation Date. The Management Fee accrual as of a Valuation Date will be an amount equal to the number of calendar days that have elapsed since the previous Valuation Date divided by 365 (or 366 days in the case of a leap year) multiplied by the applicable annual percentage (as listed below) of the Net Asset Value of the Series F Units or Series O Units, as applicable, before any accrual for Management Fees and adjusted as needed for distributions, as at the Valuation Date on which the Management Fee is being calculated, plus any applicable taxes, including HST. The annual Management Fee percentages are as follows:

***TCI Premia Preferred Share Private Pool:***

*Series F Units: 0.40%*

***TCI Premia Canadian VQM Equity Private Pool:***

*Series F Units: 0.50%*

***TCI Premia Real Assets Private Pool:***

*Series F Units: 0.50%*

The Management Fee will be paid within 10 calendar days of the last Valuation Date of each month.

Series O Units are for individuals, institutional clients or dealers who have entered into an agreement directly with Tacita Capital to purchase Series O Units. No management fees are payable by the Fund in respect of Series O Units. Unitholders of Series O Units pay a negotiated fee directly or indirectly to Tacita Capital.

There is no Management Fee applicable to Series M Units.

Operating Expenses:

The following expenses shall be allocated by the Manager to each Series of Units of the applicable Fund in respect of which the expenses were incurred: costs and expenses that are reasonably incurred in connection with the organization and ongoing activities of the Fund (the “**Operating Expenses**”), including but not limited to third party fees and administrative expenses of a Fund, which include the Trustee’s fees, if any, custodial fees, accounting and legal costs, insurance premiums, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, audit fees, all Unitholder communication expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, certain promotional expenses that directly benefit the Fund, expenses of the Manager that the Fund has agreed to pay in accordance with the Declaration of Trust such as fees and expenses disclosed in a disclosure document of a Fund such as this Offering Memorandum, all costs incurred in the preparation of disclosure documents relating to Units and all amendments to or renewals of such disclosure documents and all other documents as may be required to comply with Securities Legislation or other applicable laws, regulations and policies or as may be deemed beneficial to Unitholders by the Manager, fees of any independent review committee members appointed, if applicable, bank and wires fees and all reasonable extraordinary or non-recurring expenses.

In its discretion, the Manager may pay certain of the expenses of a Fund out of its own monies but any such payments shall not oblige the Manager to make similar payments in the future, and the Manager’s payment of such expenses may be discontinued at any time, without notice to Unitholders.

## SUBSCRIPTIONS

### Valuation

The assets of each of the Funds are valued on the last Business Day of each week, the last Business Day of each month, and/or such other dates as the Manager may determine in its sole discretion from time to time.

The Net Asset Value of a Fund as of each Valuation Date, shall be determined in Canadian currency and shall be the value of all the assets of the Fund as at the Valuation Time on the Valuation Date less all expenses and liabilities of the Fund due or accrued as of such Valuation Time and Valuation Date, calculated in accordance with the valuation principles applicable thereto.

See “*Summary of the Declaration of Trust – Calculation of Net Asset Value of a Fund*”.

### Purchases

Subscriptions for Series F or O Units through the facilities of Fundserv will generally be processed as of the Valuation Date immediately following the Manager’s receipt of a completed Subscription Agreement subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date (subject to the Manager’s right to

waive such requirement), otherwise the subscription for Series F or O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. In order to acquire Series F or O Units, the subscriber must ensure that payment of the aggregate subscription amount for the Units is received by the Manager through the facilities of Fundserv. Units are issued within three (3) Business Day after the applicable Valuation Date on which the subscriptions are processed.

Subscriptions for Series O Units from the Manager in its capacity as an exempt market dealer or from a third party dealer will generally be processed as of the Valuation Date immediately following the Manager's receipt of a completed Subscription Agreement and receipt of subscription proceeds for the applicable subscription subject to the Manager's discretion to accept or reject subscriptions in whole or in part. A fully completed Subscription Agreement (with a cheque, bank draft, confirmation of wire transfer, or other form of funds transfer acceptable to the Manager) must be received by the Manager or its designate prior to 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Valuation Date, otherwise the subscription for Series O Units will be processed as of the next Valuation Date, unless the Manager determines otherwise. The Manager has the discretion to accept subscription requests made less than three (3) Business Days in advance of the applicable Valuation Date on that Valuation Date. Units are issued within three (3) Business Day after the applicable Valuation Date on which the subscriptions are processed.

The procedure applicable to a subscription for Series M Units is determined in the Manager's discretion from time to time.

The Manager is entitled in its sole discretion to reject, in whole or in part, subscriptions for purchases of Units of a Fund. In the event a subscription for Units is rejected, any subscription and any monies received shall be refunded to the investor immediately, without interest.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the Manager and Trustee the covenants and representations contained in the Subscription Agreement delivered by the investor to the Manager and Trustee at the time of the initial investment.

## **REDEMPTIONS**

**Method:** Subject to certain exceptions, such as during a suspension of redemptions, Series F and Series O Units are redeemable on demand by a Unitholder on each Valuation Date or on such other date as the Manager may permit in its discretion (the "**Redemption Date**") by the Unitholders thereof upon a redemption request being given in writing to the Manager by 4:00 p.m. (ET) on the date that is three (3) Business Days prior to the applicable Redemption Date.

Subject to certain exceptions, such as during a suspension of redemptions, Series M Units are redeemable on demand by a Unitholder on each Redemption Date.

The Manager may, in its discretion, waive any required advance notice of an intention to redeem or implement a notice period required prior to giving effect to a redemption.

Each request for redemption must be both duly authorized and signed by the Unitholder. Any request for redemption may not be revoked without the consent of the Manager.

**Proceeds:** Where the Units which are the subject of the notice of redemption were purchased from a distributor on the Fundserv network, a request for redemption must also be entered on the Fundserv system, and payment of the redemption proceeds will be made using the Fundserv network. The Manager shall pay to each Unitholder of a Fund who has properly requested redemption of their Units, or whose Units of the Fund are required to be redeemed, out of the Fund Property, an amount equal to the Series Net Asset Value per Unit, on a specified Redemption Date multiplied by the number of Units to be redeemed, less any redemption fees or charges payable by the Unitholder, within three (3) Business Days following the later of

(i) the specified Redemption Date for such redemption and (ii) the receipt by the Manager of properly completed redemption documents or the waiver by the Manager of all such properly completed documents.

Where the Units which are the subject of the notice of redemption were purchased through the Manager, the Manager shall pay to each Unitholder of a Fund who has properly requested redemption of their Units, or whose Units of the Fund are required to be redeemed, out of the Fund Property, an amount equal to the Series Net Asset Value per Unit, on a specified Redemption Date multiplied by the number of Units to be redeemed, less any redemption fees or charges payable by the Unitholder. Redemption proceeds may be paid in cash or in kind or a combination thereof at the Manager's sole discretion and as permitted by Applicable Law. Payment for Units that are redeemed shall generally be made within fifteen (15) Business Days following the later of (i) the specified Redemption Date for such redemption and (ii) the receipt by the Manager of properly completed redemption documents or the waiver by the Manager of all such properly completed documents.

On the redemption of a Unit, the Manager may designate and distribute to the redeeming Unitholder, as part of the Series Net Asset Value per Unit of the Unit being redeemed, a portion of the net realized capital gains of the Fund for the year ("**Redeemer's Gains**").

Any payment referred to above, unless such payment is not honoured, will discharge the Fund, Tacita and their agents from all liability to the redeeming Unitholder in respect of the payment and the Units redeemed and the Unitholder will cease to have any further rights with respect to such Units as of the applicable Valuation Date.

**Early Redemption Fee:** An early redemption fee is payable to the applicable Fund in respect of any Series F Units and Series O Units redeemed by a Unitholder within six (6) months of the date of purchase of those Units. The early redemption fee is equal to 2.00% of the Net Asset Value per Unit of the Units being redeemed by the redeeming Unitholder at the time of the requested redemption. The early redemption fee is payable to the Fund and will be deducted from the redemption proceeds otherwise payable to the redeeming Unitholder. The Manager has the discretion to waive any early redemption fee it is entitled to collect on behalf of the Fund.

**Suspension of Redemption:** Under certain circumstances, the Trustee and the Manager may suspend a Unitholder's right to redeem their Units, including the following:

- a) No Unit may be redeemed at the option of a Unitholder of a Fund after a fund termination notice (a "**Fund Termination Notice**") is delivered by the Trustee to the Unitholder, including any requests for redemption made by a Unitholder since the last Valuation Date (immediately before the date of the Fund Termination Notice) and the date of delivery of the Fund Termination Notice.
- b) No Unit may be redeemed at the option of a Unitholder during any period in which the calculation of the Net Asset Value of a Fund and the Series Net Asset Value per Unit for the Series of the Fund are suspended by the Trustee when it is required to do so under applicable Securities Legislation.
- c) No Unit may be redeemed at the option of a Unitholder during any period in which the Trustee has suspended the calculation of Net Asset Value of the Fund or Series Net Asset Value per Unit of a Fund. The Trustee may suspend the calculation of Net Asset Value of the Fund and Class or Series Net Asset Value per Unit of a Fund (and 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 Trustee determines, in its sole discretion, that the sale of assets is not reasonably practicable, or (iii) during any other period in which the Trustee determines, in its sole discretion, that it is not reasonably practicable to determine fairly the value of any of the Fund's assets.

Any suspension of redemption may apply to all requests for redemption received prior to the suspension but as to which payment has not yet been made, as well as to all requests received while the suspension is in effect. All Unitholders making redemption requests will (unless the suspension lasts for less than 48 hours) be advised by the Trustee of the suspension and that redemption requests previously received will be effected on the first Valuation Date following the termination of the suspension. All such Unitholders will (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw any requests for redemption previously submitted.

The suspension will terminate on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any Governmental Authority, any declaration of a suspension of redemptions made by the Manager is conclusive. The Unitholder will receive payment of redemption proceeds based on the Series Net Asset Value per Unit on the Valuation Date that next follows the termination of the suspension.

***Mandatory Redemptions:*** Under certain circumstances, the Trustee may compulsorily redeem a Unitholder's Units.

The Trustee shall be entitled, at any time and from time to time, at its absolute discretion, upon giving at least thirty (30) days' prior written notice (which time may be abridged at the Trustee's sole discretion) to a Unitholder of the Fund, to compulsorily redeem or cause to be redeemed on a Valuation Date all or some of the Units held by such Unitholder, on such terms and conditions as the Trustee may, from time to time, determine, at its sole discretion, at the applicable Series Net Asset Value per Unit on such Valuation Date, less, in the sole discretion of the Trustee, any redemption deduction or charge.

Unitholders are required to maintain a minimum holding of Units, which is the minimum initial subscription amount applicable to each Series (herein called the "**Minimum Holding**"). In the event that any Unitholder, by virtue of a redemption, or otherwise, shall hold fewer than the Minimum Holding, the relevant Fund shall have the right to redeem all outstanding Units held by the Unitholder and the Manager may, in its absolute and uncontrolled discretion, redeem, on the next Valuation Date, all of the outstanding Units held by that Unitholder.

#### **MINIMUM INVESTMENT AMOUNTS AND ADDITIONAL INVESTMENTS**

The minimum initial investment amount for accredited investors may be set by the Manager in its discretion from time to time subject to Securities Legislation. For non-individual investors who are not accredited investors, Units may be purchased by relying upon the Minimum Amount Investment Exemption, which requires a minimum initial investment of \$150,000. This exemption may not be relied upon by investors that are resident in Alberta.

The minimum investment amounts that must be made by prospective investors are as follows:

Minimum Initial Subscription Amount:

*Series F Units:* \$10,000

*Series M Units:* \$10,000

*Series O Units:* Negotiable

Minimum Subsequent Subscription Amount:

*Series F Units:* \$1,000

*Series M Units:* \$1,000

*Series O Units:* Negotiable

The Manager may waive any minimum investment amount or subsequent subscription amount in its sole discretion from time to time.

For investors who are purchasing in reliance on the Minimum Amount Investment Exemption, an additional investment may be made in the Fund provided that 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.

## DISTRIBUTIONS

The Manager intends to make quarterly distributions to Unitholders. The amount of any such distributions is in the discretion of the Manager.

***Series F Units:*** Other than a Special Distribution and as specified in the Declaration of Trust, distributions to holders of Series F Units will be automatically reinvested in additional Units of that series at the Series Net Asset Value per Unit computed for the Valuation Date on which such distribution is made unless: (a) the Unitholder has requested from the Trustee by thirty (30) days' notice in writing payment of the Unitholder's distribution in cash (subject to the Manager's right to waive such requirement); or (b) in the case of Management Fee Distributions or Trust Expense Distributions, the Trustee has agreed that such Management Fee Distribution or Trust Expense Distribution, as applicable, be paid in cash. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

***Series M Units:*** Subject to the Manager's discretion to automatically reinvest distributions to Series M Unitholders in additional Series M Units, distributions to holders of Series M Units will be made in cash, unless such Unitholder has requested from the Trustee by thirty (30) days' notice in writing to receive all of his or her proportionate share of any distributions of a Fund (subject to the Manager's right to waive such requirement), other than a Special Distribution and as specified in the Declaration of Trust, by the reinvestment thereof in additional Units of that Series at the Series Net Asset Value per Unit computed for the Valuation Date on which such distribution is made. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

***Series O Units:*** Other than a Special Distribution and as specified in the Declaration of Trust, distributions to holders of Series O Units will be made in cash unless: (a) the Unitholder has requested from the Trustee by thirty (30) days' notice in writing payment of the Unitholder's distribution in cash (subject to the Manager's right to waive such requirement); or (b) in the case of Management Fee Distributions or Trust Expense Distributions, the Trustee has agreed that such Management Fee Distribution or Trust Expense Distribution, as applicable, be paid in cash. No sales charge shall be payable with respect to Units issued upon the automatic reinvestment of distributions.

At the end of each taxation year of a Fund, additional distributions of net income and net realized capital gains may be made to Unitholders to ensure that the Fund is not liable to pay any income tax.

## 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.

### **The Units**

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 Series 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 Series to that Series and, upon liquidation of the Fund, to participate pro rata with the other Unitholders of that same Series in the Series Net Asset Value, remaining after the satisfaction of outstanding liabilities of the Fund and the Series.

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 "*Amendments to the Declaration of Trust*".

### **Calculation of Net Asset Value of a Fund**

The "**Net Asset Value**" of a Fund as of each Valuation Date, shall be determined in Canadian currency and shall be the value of all of the assets of the Fund as at the Valuation Time on the Valuation Date less all expenses and liabilities of the Fund due or accrued as at the Valuation Time on the Valuation Date, calculated in accordance with the valuation principles applicable thereto as hereinafter set forth.

The assets of a Fund shall be deemed to include:

- (a) all cash or its equivalent on hand, on deposit or on call, including any interest accrued thereon;

- (b) bills, demand notes and accounts receivable;
- (c) all shares, debt obligations and other securities owned or contracted for by the Fund;
- (d) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to security holders of record on a date on or before that time;
- (e) all interest accrued on any fixed interest-bearing securities owned by the Fund which is included in the quoted price; and
- (f) all other property of every kind and nature including prepaid expenses and derivative instruments;

In determining the value of each Fund's assets:

- (a) the value of all assets shall be the value as the Trustee determines most accurately reflects their fair market value; and
- (b) all assets payable to the Fund in foreign currency shall be valued at the applicable rate of exchange current at, or as nearly as practicable to, the Valuation Date of such Fund.

The liabilities of a Fund shall be deemed to include:

- (a) all bills, notes and accounts payable;
- (b) all fees and administrative expenses payable and/or accrued by the Fund including fees and expenses payable to the Manager (including the Management Fee);
- (c) all obligations for the payment of money or property, including the amount of any unpaid distribution payable to Unitholders of the Fund on the day as of which the Fund Net Asset Value of the Fund is being determined;
- (d) all allowances authorized or approved by the Manager for taxes or contingencies; and
- (e) all other liabilities of the Fund of whatsoever kind and nature.

In determining the value of each Fund's liabilities:

- (a) the value of all liabilities and contractual obligations shall be the value as the Trustee determines most accurately reflects their fair market value; and
- (b) all liabilities and contractual obligations payable by the Fund in foreign currency shall be valued at the applicable rate of exchange current at, or as nearly as practicable to, the Valuation Date of such Fund.

The total assets of a Fund will be calculated in such manner at the Administrator, in consultation with the Manager, shall determine from time to time, subject to the following:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator, in consultation with the Manager, determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator, in consultation with the Manager, determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations will be valued at the last available closing sale 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 bid and ask prices on the day on which the Net Asset Value of the Fund is being determined. If the closing price is outside of the closing bid-ask range, then the closest of closing bid or ask to the last available closing sale price will be used. Securities traded over-the-counter will be valued based on the market quotation which, in the opinion of the Trustee, most closely reflects their fair market value;
- (c) the value of any security, index futures or index options thereon which is listed on any recognized



exchange will be valued at the last available closing sale 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 bid and ask prices on the day on which the Net Asset Value of the Fund is being determined. If the closing price is outside of the closing bid-ask range, then the closest of closing bid or ask to the last available closing sale price will be used. Securities that are listed or traded on more than one public securities exchange will be valued based on the market quotation which, in the opinion of the Trustee, most closely reflects their fair market value; the value of any security which is traded over-the-counter will be valued at the last available closing sale 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 bid and ask prices on the day on which the Net Asset Value of the Fund is being determined. If the closing price is outside of the closing bid-ask range, then the closest of closing bid or ask to the last available closing sale price will be used. Securities that are traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued based on the market quotation which, in the opinion of the Trustee, most closely reflects their fair market value;

- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Trustee;
- (e) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same Series, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- (f) purchased or written clearing corporation options, options on futures, over-the-counter options, debt like securities and listed warrants shall be valued at the current market value thereof;
- (g) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value. The securities, if any, which are the subject of a written clearing corporation option, or over-the counter option shall be valued at their then current market value;
- (h) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at 4:00 p.m. (Eastern Time), the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair market value shall be based on the current market value of the underlying interest;
- (i) the value of the securities of an investment fund shall be the net asset value or similar value of the securities of the investment fund as provided by the Manager, Administrator or party acting in a similar capacity of the investment fund and available to the Administrator as of a time proximate to the close of business on the date on which the Net Asset Value is being calculated, whether or not the securities of such investment fund are listed or dealt with on a stock exchange. If a net asset value or similar value of the investment fund as of a time reasonably proximate to the close of business on the date on which the Net Asset Value is being calculated is not available to the Administrator, the value shall be based on an estimate provided by the Manager or in such other manner as the Administrator shall determine;
- (j) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

- (k) all securities, property and assets of the Fund valued in a foreign currency and all liabilities and obligations of a Fund payable by a Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to Administrator, including, but not limited to, the Administrator or any of its affiliates;
- (l) all expenses or liabilities (including fees payable to the Manager) of a Fund shall be calculated on an accrual basis; and
- (m) the value of any security or property to which, in the opinion of the Administrator or Trustee, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determined in such manner as the Administrator, in consultation with the Trustee, from time to time provides.

The Net Asset Value of each of the Funds and each Series are calculated and reported in Canadian dollars. The Net Asset Value of each of the Funds and each Series may be reported in such other currencies as the Administrator, in consultation with the Manager, may from time to time determine, based on the current end of day rate or rates of exchange, as the case may be, reported by any report in common use.

The Administrator is entitled to rely on any values or quotations supplied to it by a third party, including the Manager, and is not required to make any investigation or inquiry as to the accuracy or validity of such values or quotations. Provided the Administrator acts in accordance with its standard of care, it shall be held harmless by the Funds and shall not be responsible for any losses or damages resulting from relying on such information.

### **Calculation of Series Net Asset Value and Series Net Asset Value per Unit**

The Series Net Asset Value of a Series of Units of a Fund at the Valuation Time on the Valuation Date is determined in accordance with the following calculation:

- (a) the Series Net Asset Value last calculated for that Series; plus
- (b) the increase in the assets attributable to that Series as a result of the issue of Units of that Series or the redesignation of Units into that Series since the last calculation; minus
- (c) the decrease in the assets attributable to that Series as a result of the redemption of Units of that Series or the redesignation of Units out of that Series since the last calculation; plus or minus
- (d) the Proportionate Share of the Net Change in Non-Portfolio Assets attributable to that Series since the last calculation; plus or minus
- (e) the Proportionate Share of the net portfolio transactions for a Fund on any Valuation Date attributable to that Class or Series since the last calculation, where net portfolio transactions means the impact of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action recorded on that Valuation Date; plus or minus
- (f) the Proportionate Share of market appreciation or depreciation of the portfolio assets attributable to that Series since the last calculation; minus
- (g) the Proportionate Share of the Common Expenses allocated to that Series since the last calculation; minus
- (h) any amounts to be paid by way of distributions, including any Special Distributions to Unitholders of that Series since the last calculation; minus
- (i) any Series Expenses allocated to that Series since the last calculation.

### **Redemptions**

Redemption rights are described under the heading “*Redemptions*”.

## **Distributions**

Distributions are described under the heading “*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 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:

- (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 Manager Party’s duties, 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 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**

- (a) 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.
- (b) 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.

- (c) 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.
- (d) 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.

### **Expenses**

Expenses of the Funds are described under the heading “*The Manager - Management Fees and Fund Expenses*”.

### **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) 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; (iii) 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; (iv) to permit separate pooled investment trusts, Classes or Series of a Fund to be established or continued; (v) 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; (vi) 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 (vii) 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 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.

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

**Prospective Unitholders should consider carefully all of the potential tax consequences of an investment in the Units and should consult with their tax advisor before subscribing for the Units.**

The following is as of November 24, 2022, a summary of the principal Canadian federal income tax consequences generally applicable to the acquisition, holding and disposition of Units of a Fund by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for purposes of the Tax Act, is resident or deemed to be resident in Canada and deals at arm's length with, and is not affiliated with, the Fund and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities, and has not acquired the Units in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, make the irrevocable election permitted by subsection 39(4) of the Tax Act the effect of which would be to deem such Units and all other "Canadian securities" as defined in the Tax Act owned by them in the taxation year in which the election is made and in all subsequent taxation years to be capital property.

This summary is based on the provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act or the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) (the "**Tax Proposals**") prior to November 24, 2022 and an understanding of the current administrative and assessing practices and policies of the CRA published in writing prior to November 24, 2022. This summary assumes that the Tax Proposals will be enacted as proposed, although no assurance can be given in this regard. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

**This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the prospective investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any investor. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.**

### **STATUS OF THE FUNDS**

Each Fund qualifies as a "mutual fund trust" as defined in the Tax Act and this summary assumes that each Fund will continue to qualify as a "mutual fund trust" at all times.

## TAXATION OF THE FUNDS

A Fund will be subject to tax under Part I of the Tax Act in each taxation year on its income for the year computed in accordance with the Tax Act, including dividends and net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to its Unitholders in the year. Provided that a Fund makes distributions in each year of its net income for tax purposes and net realized capital gains as described under “Distributions”, it will generally not be liable in such year for income tax under Part I of the Tax Act.

A Fund will be required to include in its income all income (including interest and dividends) that is received or deemed to be received (or in certain cases receivable or accrued) or imputed to it. Losses incurred by the Fund cannot be allocated to its Unitholders but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Fund in a taxation year must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Fund in a taxation year are required to be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be deducted against taxable capital gains realized by the Fund in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

A 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 its Units during the year. 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 redemptions of Units.

A Fund will generally include gains and deduct losses on income account in connection with investments made through derivative securities, except where such derivatives are used to hedge, and are sufficiently linked with, securities held on capital account, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund.

A Fund’s portfolio may include securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for purposes of the Tax Act in Canadian dollars. The Fund may realize gains or losses by virtue of the fluctuation in the value of foreign securities relative to Canadian dollars.

A Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay tax to such countries. To the extent that such foreign tax paid qualifies as an income or profits tax (for example, withholdings on foreign source dividends), does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate a portion of the foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for purpose of the Tax Act.

A Fund will be generally entitled to deduct, in computing its income in each taxation year, reasonable administrative and other expenses incurred to earn income. The Fund will be entitled to deduct the costs



incurred by it in connection with the issuance of Units on a five-year, straight-line basis, subject to proration for short taxation years.

### TAXATION OF UNITHOLDERS

A Unitholder will generally be required to include in computing income for a taxation year such portion of the applicable Fund's net income and the taxable portion of the Fund's net realized capital gains, if any, as is paid or becomes payable to the Unitholder in that particular taxation year, including any such amount made payable on the redemption of Units.

Provided that appropriate designations are made by the Fund, such portion of (i) the net realized taxable capital gains of the Fund; (ii) the taxable dividends, if any, received or deemed to be received by the Fund on shares of taxable Canadian corporations, and (iii) income from foreign sources as is paid or becomes 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 gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations. A Unitholder will generally be entitled to foreign tax credits in respect of foreign taxes subject to detailed foreign tax credit rules in the Tax Act and depending upon other foreign source income or loss of and foreign taxes paid by the Unitholder.

The non-taxable portion of net realized capital gains of the Fund that are paid or become payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any amount in excess of a Unitholder's share of the net income and the net realized capital gains of the Fund for a taxation year that is paid or becomes payable to the Unitholder in such year will generally not be included in computing the Unitholder's income for the year but will reduce the adjusted cost base of Units to the Unitholder. 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 the Unit will be increased by the amount of such deemed capital gain.

The Management Fee payable in respect of Series F Units of a Fund is paid by the Fund while no Management Fee is charged to the Fund in respect of Series O Units or Series M Units. As a result, the tax characterization of distributions may vary between Series.

A capital gain (or capital loss) will be realized by the Unitholder on the disposition or deemed disposition (including a redemption) of a Unit, to the extent that the proceeds of disposition exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before the disposition and any reasonable costs of disposition. To the extent that an amount of Redeemer's Gains is made payable to the Unitholder on the redemption of a Unit, such amount will be excluded from the proceeds of disposition of the Unit. A redesignation of Units from one Series of Units to Units of another Series of the Fund should not be a disposition for taxation purposes under the Tax Act and no capital gain or capital loss should be realized.

For the purpose of determining the adjusted cost base of Units to a Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all identical Units of the Fund owned by the Unitholder as capital property immediately before that time. The cost to a Unitholder of Units received on a distribution by the Fund will be equal to the amount of the distribution.

One-half of any capital gain (a "**taxable capital gain**") realized on the disposition of Units by, or designated by the Fund in respect of, a Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an "**allowable capital loss**") realized by a Unitholder on the disposition of Units in a taxation year must be deducted from taxable capital gains of the

Unitholder for that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, against taxable capital gains realized in such year, to the extent and under the circumstances provided for in the Tax Act.

In certain situations, where a Unitholder disposes of Units and would otherwise realize a capital loss, the loss will be denied. This may occur if a Unitholder, the Unitholder's spouse or a person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units within 30 days before or after the original Unitholder disposed of the Units, which are considered to be "substituted property". In these circumstances, the capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base of the Units which are substituted property.

Amounts designated as taxable dividends from taxable Canadian corporations and net realized capital gains paid or payable to a Unitholder by the Fund or realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

The Series Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time Units are acquired. A Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units.

#### **ELIGIBILITY FOR INVESTMENT**

Units of the Funds are qualified investments for Registered Plans.

Notwithstanding the foregoing, if Units are "prohibited investments" for a RRSP, RRIF, RESP, RDSP, TFSA or FHSA, the annuitant, holder or subscriber of such Registered Plan will be subject to a penalty tax. Provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP or FHSA or the subscriber of the RESP, as the case may be, deals at arm's length with the Fund for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Fund or the Units are "excluded property" (as defined in the Tax Act), Units of a Fund will not be a "prohibited investment" under the Tax Act for the particular RRSP, RRIF, RESP, RDSP, TFSA or FHSA. In general terms, a "significant interest" means the ownership of 10% or more of the value of a trust's outstanding units or interests by the annuitant, holder or subscriber either alone or together with persons and partnerships with whom the annuitant, holder or subscriber does not deal at arm's length.

Investors should consult their own tax advisors on whether or not Units are or may become a "prohibited investment" for their RRSP, RRIF, RESP, RDSP, TFSA or FHSA.

#### **TAX INFORMATION REPORTING**

There are due diligence and reporting obligations in the Tax Act which were enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. Certain Unitholders (individuals and certain entities) may be requested to provide information to the Fund or their registered dealer relating to their citizenship, residency and, if applicable, a U.S. federal tax identification number ("TIN") or such information relating to controlling persons in the case of certain entities. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act generally requires information about the Unitholder's investments to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Canada has implemented OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the implementation of the automatic exchange of tax information applicable to residents other than of Canada or the United States. Under the CRS, Unitholders will be required to provide certain information including their tax identification numbers for the purpose of such information exchange unless their investment is held within a Registered Plan. The CRA is expected to provide that information to countries that are party to the CRS.

Each Fund (or the Manager as its sponsoring entity) will provide information to the CRA in respect of its Unitholders in accordance with the Canada-United States Enhanced Tax Information Exchange Agreement and the CRS.

## **RISK FACTORS**

The purchase of Units involves certain risk factors. There are certain risks inherent in an investment in Units and in the activities of the Funds, including risks related to changes in the market value of the Fund’s assets resulting from various factors including financial performance of the issuers of those securities and general economic conditions in debt, equity or commodities markets. The Net Asset Value of the Funds may also be affected by material changes, general economic and market conditions, international currency fluctuations, international political and economic developments.

**It is very important that an investor be aware of the risks associated with investing in an investment fund, its relative return over time and its volatility.** The following sections describe the risks generally applicable to an investment in each of the Funds, and then describe the specific risks applicable to each Fund as a result of their specific investment objectives, strategies and restrictions.

### **Risks Associated with each of the Fund’s Underlying Investments**

#### ***General Economic and Market Conditions***

The success of the Funds’ 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 investments of the Funds. Unexpected volatility or illiquidity may impair a Fund’s profitability or result in losses.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the shares of the publicly listed companies in which a Fund invests may decline even if the applicable company’s operating results, underlying asset values or prospects remain unchanged. There can be no assurance that continuing fluctuations in price and volume of such companies will not occur. If such increased levels of volatility and market turmoil continue, the above noted companies’ operations could be adversely impacted and the trading price of their common shares may be materially adversely affected.

#### ***Fixed Income Risk***

The value of a Fund’s fixed income investments may fluctuate as a result of factors such as the expected future levels of interest rates and changes in the perceived credit strength of issuers.

#### ***Interest Rate Fluctuations Risk***

In the case of interest rate sensitive securities, the value of a security may change as the general level of interest fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

### ***Financial Crisis***

In the event of a financial crisis globally caused by macro factors such as those discussed above or specific sector factors (such as regulatory actions), the value of securities held by a Fund, and hence the Fund itself, may be seriously negatively affected.

### ***Market Disruptions Risk***

War and occupation, terrorism, tactical nuclear detonation, embargoes, sovereign debt crisis and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers in the portfolio of a Fund. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time by a Fund.

### ***Foreign Market Exposure***

While the Funds' portfolios will mainly be invested in Canadian securities, a Fund's portfolio may, at any time, include securities established in jurisdictions outside Canada. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to similar Canadian issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Other risks include the application of foreign tax law, changes in governmental administration or economic policy, and the effect of local market conditions on the availability of public information. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have adverse impacts on the value of such securities.

### ***Foreign Currency Exposure***

To the extent any assets of a Fund are comprised of foreign securities, their value will be influenced by the value of the Canadian dollar as measured against the foreign currencies in which the market value of such assets are quoted.

Securities included in the portfolio of a Fund may be valued in or have exposure to currencies other than the Canadian dollar and, accordingly, each Series Net Asset Value will, when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. However, the Manager may hedge the Canadian dollar exposure to the foreign currency in whole or in part. There can be no assurance that gains or losses on currency hedging transactions will be matched in timing or characterization with losses and gains on the securities valued in foreign currencies in which the Fund invests.

### ***ETFs and Pooled Funds***

A Fund may trade in exchange traded funds ("ETFs") and pooled funds. ETFs and pooled funds are generally required to pay management fees and expenses that will reduce the value of, and the return on such ETFs or pooled funds, as applicable.

Most ETFs are mutual funds whose units are purchased and sold on a securities exchange. To the extent that an ETF has been designed to track a particular market segment or index, the value of the ETF will fluctuate as the value of the particular market segment it tracks fluctuates. An investment in an ETF generally presents the same primary risks as an investment in an investment fund that is not exchange-traded and that has the same investment objectives, strategies and policies. In addition, a market tracking ETF may fail to accurately track the market segment or index that underlies its investment objective. ETFs in which a Fund invests may or may not be “actively” managed. Therefore, index tracking ETFs would not necessarily sell a security because the security’s issuer was in financial trouble, unless the security is removed from the applicable index being replicated. As a result, the performance of such an ETF may be lower than the performance of an actively managed fund. The price of an ETF can fluctuate and the Fund may lose money investing in an ETF. In addition, as with traditional mutual funds, ETFs charge asset-based fees. If a Fund invests in ETFs, it will indirectly pay a proportional share of the asset-based fees of such ETFs. Moreover, ETFs are subject to the following risks that do not apply to conventional funds: (i) the market price of the ETF’s units trade at a premium or a discount to their net asset value; (ii) an active trading market for an ETF’s units may not develop or be maintained; and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

### ***Medium and Smaller Issuer Risk***

Investing in securities of small or medium-sized companies involves greater risks than are customarily associated with investing in more established companies. Such issuers may have limited operating histories and securities issued by such companies may be more volatile and less liquid than those of more established companies. These stocks may have returns that vary, sometimes significantly, from the overall market.

### ***Risk of Difference between Quoted and Actionable Market Price***

In the case of certain less conventional instruments, such as loans, the prices quoted by dealers for informational purposes may materially exceed the prices at which the same dealers are willing actually to enter into transactions. This discrepancy can cause material disruptions and unexpected net asset value declines when a Fund is required to sell a position which it had been valuing based on the quoted prices of dealers.

### ***North American Economic Risk***

A decrease in imports or exports, changes in trade regulations or an economic recession in any North American country may have a significant economic effect on the entire North American region and on some or all of the North American countries in which the Fund invests.

The United States is Canada’s largest trading and investment partner. The Canadian economy is significantly affected by developments in the United States economy. Since the implementation of the North American Free Trade Agreement in 1994 among Canada, the United States and Mexico (“NAFTA”), total merchandise trade among the three countries has increased. Policy and legislative changes in one country, for example a decision to exit NAFTA or renegotiate its terms, may have a significant adverse effect on North American markets generally, on Canadian markets specifically, as well as on the value of the securities held by the Fund.

### ***Credit Risk***

The Fund may, from time to time, invest a portion of its assets in debt securities. When the Fund invests in debt securities, such as bonds, it is essentially making a loan to the company or the government issuing the security. The financial condition of an issuer of a debt security may cause it to default or become unable to pay interest or principal due on the security. If an issuer defaults, the affected security could lose all of its

value, be renegotiated at a lower interest rate or principal amount, or become illiquid. Furthermore, debt securities are often rated by organizations, and if a security's rating is downgraded because the rating service feels the issuer may not be able to pay investors back, the value of that investment may fall. Higher yielding debt securities of lower credit quality have greater credit risk than lower yielding securities with higher credit quality.

### ***Developed Countries Investment Risk***

Investing in developed countries may subject a Fund to regulatory, political, currency, security, economic and other risks associated with developed countries. Developed countries generally tend to rely on services sectors (e.g., the financial services sector) as the primary means of economic growth. A prolonged slowdown in services sectors is likely to have a negative impact on economies of certain developed countries, although individual developed country economies can be impacted by slowdowns in other sectors. In the past, certain developed countries have been the targets of terrorism. Acts of terrorism in developed countries or against their interests may cause uncertainty in the financial markets and adversely affect the performance of the issuers to which the Fund has exposure. Heavy regulation in certain markets, including labour and product markets, may have an adverse effect on certain issuers. Such regulations may negatively affect economic growth or cause prolonged periods of recession. Many developed countries are heavily indebted and face rising healthcare and retirement expenses. In addition, price fluctuations of certain commodities and regulations impacting the import of commodities may negatively affect developed country economies.

### ***Emerging Market Risk***

To the extent that a Fund invests in an emerging market, namely a country in which the economy is emerging or developing, the Fund may be exposed to the following risks: (i) some foreign companies and governments do not have comparable accounting, auditing and financial reporting standards as in Canada and the U.S. and, as a result, there is often less information available about these companies and governments; (ii) securities of some companies traded only in foreign countries may be less liquid and more volatile than securities of comparable companies traded in Canada or the U.S.; (iii) some of the securities markets of emerging markets may be subject to greater volatility, due to adverse events or large investors trading significant blocks of securities, than is usual in Canadian and U.S. markets; and (iv) political or social instability could affect the value of investments held by a Fund or result in the complete loss of such investments.

### **Risks Generally Associated with Investing in Investment Funds such as the Funds**

#### ***No Assurance in Achieving Investment Objective***

While the Manager believes that the investment policies of the Funds will be successful over the long term, there can be no guarantee against losses resulting from an investment in a Fund and there can be no assurance that a Fund's investment approach will be successful or that its investment objective will be obtained.

#### ***No Guaranteed Return***

There is no guarantee that an investment in Units will earn any positive return in the short or long-term. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting a Fund's portfolio. Investment in Units is more volatile and riskier than some other forms of investments. The Manager advises all prospective Unitholders to consider an investment in a Fund within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in a Fund. A Fund may be the defendant to lawsuits from

time to time. Any successful litigation against a Fund could reduce the value of the Fund's Units.

### ***Illiquidity of Units***

There is not now, and there is not likely to develop, any market for the resale of Units. Approval of the transfer by the Manager and satisfaction of certain requirements specified in the Declaration of Trust would be required before any transfer may occur. In addition, the Units are offered pursuant to prospectus and registration exemptions and, accordingly, may not be transferred unless appropriate exemptions are available. The Units are subject to limited redemption rights which may be suspended or postponed in certain circumstances.

### ***Concentration Risk***

The Funds will concentrate their investments within certain sectors, geographic regions and issuers. This may lower the diversification of a Fund and make the general risk of investing in Units of a Fund higher than if such Fund's portfolio was more diversified.

A Fund that concentrates its investments in certain sectors or specific regions or countries is susceptible to higher volatility since the value of the Fund will vary more in response to changes in the market value of these securities, sectors, regions or countries. A Fund may directly or indirectly also concentrate its investments in a relatively small number of securities. A relatively high concentration of assets in a single or small number of investments may reduce the diversification and liquidity of a Fund.

### ***Counterparty Risk***

Each Fund bears the risk of loss of the amount expected to be received under options, swaps, forward contracts or securities lending agreements in the event of the default or bankruptcy of a counterparty to such contracts or agreements.

### ***Securities Lending Risk***

The Funds may engage in securities lending. Although the Funds will receive collateral for the loans and such collateral will be marked-to-market, the Funds will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral proves to be insufficient to reconstitute the portfolio of loaned securities.

### ***Repurchase and Reverse Repurchase Risk***

The Funds may engage in repurchase transactions and reverse repurchase transactions, as permitted by Applicable Law. In a repurchase transaction, a Fund sells a security to a party for cash and agrees to buy the same security back from the same party for cash at a later date. In a reverse repurchase transaction, a Fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on. This is a way for a Fund to earn interest on cash balances. There is a risk with these types of transactions that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund is left holding the security should a default occur. If the market value for the security has dropped in the meantime, the Fund may be unable to sell the security at the agreed repurchase price or the same price it paid for it, plus interest. Should a default occur in the case of a repurchase transaction or securities lending transaction, the Fund could incur a loss if the value of the security loaned or sold has increased more than the value of the cash and collateral held.

### ***Risk of Difference between Quoted and Actionable Market Price***

In the case of certain less conventional instruments, such as loans, the prices quoted by dealers for informational purposes may materially exceed the prices at which the same dealers are willing actually to enter into transactions. This discrepancy can cause material disruptions and unexpected net asset value declines when a Fund is required to sell a position which it had been valuing based on the quoted prices of dealers.

### ***Leverage Risk***

Each Fund may use a loan facility or other forms of leverage in order to implement its investment strategy. While leverage may increase the potential for total returns, it may also potentially increase losses. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of the Fund's net assets will decrease. Any event which adversely affects the value of an investment held by the Fund will be magnified to the extent leverage is employed. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading at times or prices that are disadvantageous to the Fund and which could result in a loss for the Fund.

### ***Shorting Risk***

Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by a Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose collateral it has deposited with the lender. When the Fund engages in short selling it will deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

To deliver securities to a purchaser when it sells short, the Fund must arrange to borrow the securities, and, as a result, the Fund becomes obligated to replace the securities borrowed at the market price at the time of replacement, whatever that price may be. A short sale, therefore, involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security between the date of the short sale and the date on which the Fund covers its short position. In addition, borrowing of securities entails the payment of a borrowing fee (which may increase during the borrowing period) and the payment of any dividends or interest payable on the securities until they are replaced. The Fund, when engaged in short selling, will be required to maintain cash cover for its short positions, and other investments may need to be sold quickly (and at potentially unattractive prices) to maintain sufficient cash cover.

### ***Trading Errors***

In the course of carrying out trading and investing responsibilities on behalf of a Fund, 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 it otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Fund, unless they are the result of conduct by the Manager which is inconsistent with its standard of care.

### ***Liquidity of Investments***



Each Fund's investments may be subject to liquidity constraints because of insufficient depth or volume on the trading markets for the securities the Fund is or has invested in, or the securities may be subject to legal or contractual restrictions on their resale. Each securities exchange typically has the right to suspend or limit trading and/or quotations in all of the securities that it lists. The Fund may not be able to trade securities when it wants to do so or to realize what it perceives to be the securities' fair market value in the event of a trade. The trading of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other trading expenses than do trades of securities that are eligible for trading on securities exchanges or on over-the-counter markets or securities that are listed and hence more liquid. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

### ***Reliance on Certain Individuals***

The successful management of the Funds depends on the services of certain key personnel of the Manager and the Trustee. The loss of the services of any of these key personnel could have an adverse effect on a Fund. The Manager is engaged in a wide range of other investment activities in its functions for others as an investment counsel and portfolio manager and may from time to time deal with persons, firms, institutions or corporations with which the Fund may be dealing or which may be seeking investments similar to those desired by the Fund. Unitholders are not entitled to participate in the management or control of a Fund or its operations.

### ***Potential Indemnification***

Under certain circumstances, a Fund might be subject to significant indemnification obligations in favour of the Manager, Trustee and other service providers. Any indemnification paid by a Fund would reduce the Net Asset Value of the Fund and the Net Asset Value per Unit.

### ***Early Termination Risk***

In the event of early termination of a Fund, the Fund would distribute to the Unitholders of each Series *pro rata* their interest in the assets of the Fund available for such distribution, subject to the Manager's rights to retain monies for costs and expenses. Certain assets held by a Fund may be illiquid and might have little or no marketable value. In addition, the assets held by the Fund would have to be sold by the Fund or may be distributed in kind to the Unitholders of the Fund. It is possible that at the time of such sale or distribution, certain securities held by the Fund would be worth less than the initial cost of such assets, resulting in a loss to the Unitholders of the Fund.

### ***Not Public Mutual Funds***

The Funds are not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of their portfolios.

### ***Substantial Withdrawals and Forced Liquidation***

Each Fund may at any time incur significant losses which may result in substantial redemptions by its Unitholders. Redemptions by Unitholders of a Fund within a short period of time could require the Manager to liquidate positions of such Fund more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's capital. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. There is a risk that if a Fund's assets become depleted it may be difficult to achieve the Fund's investment objective.

Moreover, general investment trends in the stock and bond markets may cause investors in the Fund to redeem their investment and transfer to other types of investments. This may give rise to increased brokerage costs for the Fund which will reduce the value of the assets of the Fund.

### ***Conflicts of Interest***

The Manager, its directors and officers and affiliates and associates engage in the promotion, management or investment management of multiple funds which may invest in similar securities to one another, and the Manager provides similar services to multiple investment funds with investment objectives and strategies that may overlap in some respects. Although none of the Manager's directors or officers will devote their full time to the undertaking and affairs of a single Fund or to the Manager, each will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage (in the case of officers) the business and affairs of the Manager and the Funds. See "*Conflicts of Interest*".

### ***Liability of Unitholders***

The Funds are each a unit trust and, as such, the Unitholders do not receive the protection of statutorily mandated limited liability as in the case of shareholders of most Canadian corporations. There is no guarantee therefore, that Unitholders could not be made party to legal actions in connection with a Fund. However, 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.

In any event, it is considered that the risk of any personal liability of Unitholders is minimal and remote in the circumstances and the Manager intends to conduct the Funds' operations in such a way to minimize any such risk and cause the Funds to carry insurance for the benefit of the Unitholders in such amounts as it considers adequate to cover any such foreseeable non-contractual or non-excluded contractual liability. In the event that a Unitholder should be required to satisfy any obligation of a Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

### ***Status Risk***

The Funds are not a trust company and, accordingly, the Funds are not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

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

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

### ***Suspension of Trading***

Securities regulatory authorities and stock exchanges typically have the right to suspend or limit trading on any publicly traded security. A suspension would render it impossible for a Fund to liquidate positions and could thereby expose the Fund to losses.

### ***No Market for Units***

There is no formal market for Units, and one is not expected to develop. This offering of Units is not qualified by way of prospectus, and consequently the resale of Units is subject to restrictions under Securities Legislation. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of redemption of their Units as of any Redemption Date which redemption will be subject to the limitations described under “*Redemptions*”. There are circumstances where a Fund may suspend redemptions. Unitholders may not be able to liquidate their investments in a timely manner. As a result, an investment in the Units is suitable only for sophisticated investors who do not require liquidity and are able to bear the financial risk of the investment for an extended period of time.

### ***Taxation of the Funds***

If a Fund fails or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under “*Certain Canadian Federal Income Tax Considerations*” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders.

In determining its income for tax purposes, a Fund will generally treat gains or losses on the disposition of portfolio securities as capital gains and losses. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If such dispositions are not on capital account, the net income of a Fund for tax purposes and the taxable component of distributions to Unitholders could increase.

If a Fund experiences a “loss restriction event”, the Fund (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund’s net income and net realized capital gains, if any, at such time to Unitholders so that the Fund would not be liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a Fund would be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Fund, as those terms are defined in the Tax Act. Generally, a person would be a majority-interest beneficiary of the Fund if it, together with persons and partnerships with whom it is affiliated, owns Units representing more than 50% of the fair market value of all Units of the Fund. The Tax Act provides relief from the application of the loss restriction event rules to a trust that qualifies as an “investment fund”. Each Fund expects that it will qualify at all times as an investment fund but, if at any time, it were to cease to qualify, it could never again qualify as there is no “fresh-start” rule.

### ***Certain US Taxation Risk***

Pursuant to US tax rules, Unitholders may be required to provide identify and residency information to a Fund, which may be provided by the Fund to US tax authorities in order to avoid a US withholding tax being imposed on US and certain non-US source income and on proceeds of disposition received by the Fund or on certain amounts (including distributions) paid by the Fund to certain Unitholders.

### ***Changes in Legislation***

There can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects a Fund and its Unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

### ***Series Risk***

Each Fund offers more than one Series 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 of a given Fund may affect the value of the other Series of that Fund. If one Series is unable to cover its liabilities, the other Series of that Fund are legally responsible for covering the difference.

### ***Data Security and Privacy Breaches***

The cybersecurity risks faced by the Manager, the Trustee, the Funds, 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 a 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 Funds 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.

### ***COVID-19 and Pandemics***

The coronavirus pandemic (“**COVID-19**”) presents various risks to the Funds. The long-term impact of COVID-19 is continually evolving. Without limitation, set out below are some of the potential impacts that COVID-19 may have upon the Funds. COVID-19 may also have the effect of heightening many of the other risks in the Offering Memorandum.

To date, COVID-19 has disrupted global supply chains, required governments to impose travel restrictions, quarantines, social distancing and other restrictive measures which have reduced economic activity, led to economic shutdowns and caused governments to incur significant amounts of debt and engage in quantitative easing.

The impact of the COVID-19 outbreak on the value of each of the Funds’ portfolios will depend on future developments, including the duration and spread of the outbreak and subsequent outbreaks, and related advisories and restrictions. These developments and the impact of COVID-19 on capital markets in which the Funds invest and the overall economy cannot be predicted with certainty. If such markets and/or the overall economy are impacted for an extended period, the Funds’ future financial performance may be materially adversely affected.

Due to the uncertainty relating to COVID-19, it is impossible to list all of the potential impacts the pandemic could have upon the Funds and investors are cautioned to consider the uncertainty relating to the COVID-19 pandemic prior to deciding to invest.

Similarly, other viral or flu pandemics may occur in the future. Dependent on their severity, such pandemics can disrupt global supply chains, require governments to impose travel restrictions, quarantines, social distancing and other restrictive measures which will reduce economic activity, lead to economic shutdowns and cause governments to incur significant amounts of debt and engage in quantitative easing. Due to the uncertainty relating to such pandemics, it is impossible to list all of the potential impacts these could have upon the Funds and investors are cautioned to consider the uncertainty relating to potential pandemics prior to deciding to invest.

## **Specific Risks Associated with Investing in the TCI Premia Preferred Share Private Pool**

### ***General Risks of Preferred Share Investments***

Preferred shares generally tend to be less volatile and risky than equity investments but more volatile and riskier than fixed income investments. They share similar risks to fixed income investments that include interest rate risk, credit risk and liquidity risk. In addition, preferred share risks can differ depending on their structure, term, and any dividend reset mechanism. These include: (a) call risk - preferred shares can have redemption features that permit the issuer to redeem all or part of the issue. Redemption occurs when it is in the issuer's interest, which may not be in an investor's best interest; and (b) extension risk - preferred shares can have an initial redemption date, however an issuer may choose not to redeem on the expected date and keep the issue outstanding.

## **Specific Risks Associated with Investing in the TCI Premia Real Assets Private Pool**

### ***Real Estate Risk***

The assets, earnings and share values of companies involved in the real estate industry are influenced by general market conditions and a number of other factors, including, but not limited to: economic cycles, interest rates, consumer confidence, governmental policies, economic well-being of various industries, overbuilding and increased competition, lack of availability of financing to refinance maturing debt, vacancies due to tenant bankruptcies, losses due to costs resulting from environmental contamination, casualty or condemnation losses, variations in rental income, changes in neighbourhood values and functional obsolescence and appeal of properties to tenant. Underlying real estate investments may be difficult to buy or sell. This lack of liquidity can cause greater price volatility in the securities of companies like real estate investment trusts which own and manage real estate assets.

### ***Environmental Risk***

The underlying holdings and assets of infrastructure companies or partnerships may cause short and/or longer-term environmental damage, particularly those involved in energy generation or transportation activities. Such damages could be the result of accidents, natural disasters, neglect and/or error, and could materialize quickly or over a number of years. Ascertaining the level of damages, direct costs, fines and penalties could take an extended period, could be material and could result in the business becoming unprofitable and/or force a restructuring such as a bankruptcy.

### ***Utilities Sector Risk***

The utilities sector is subject to significant government regulation and oversight. Deregulation, however, may subject utility companies to greater competition and may reduce their profitability. Companies in the utilities sector may be adversely affected due to increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with governmental regulations, among other factors.

### ***Investing in Investment Funds that are Trusts Risk***

The TCI Premia Real Assets Private Pool may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort, or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including TCI Premia Real Assets Private Pool, that may have invested in such investment trust, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contracts by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability. Investors in most Canadian investment trusts have been placed on the same footing as shareholders of Canadian corporations which receive the protection of statutorily mandated limited liability in several provincial jurisdictions. However, the extent to which the TCI Premia Real Assets Private Pool remains at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the fund invests in investment trusts.

### ***Energy Infrastructure Sector Risk***

Infrastructure sectors are heavily regulated and may receive government funding. Investments in the infrastructure sector may be substantially affected by changes in government policy, such as with respect to environmental standards, deregulation or reduced government funding. The natural resources sector may also be impacted by interest rate or world price fluctuations and unpredictable world events.

*The foregoing list of “Risk Factors” does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective Unitholders should read the entire offering memorandum and consult with their own advisors before deciding to subscribe.*

## **CONFLICTS OF INTEREST**

### **Services of the Manager not Exclusive to the Funds**

The Manager and its respective principals and affiliates do not devote their time exclusively to the management or portfolio management of the Funds. In addition, such persons may perform similar or different services for others. Such persons therefore may have conflicts of interest in allocating management time, services and functions to the Funds and the other persons for which they provide similar services. Accordingly, certain opportunities to purchase or sell securities or engage in other permissible transactions may be allocated among a number of the Manager’s clients. The Manager, however, will allocate available transactions among and between the Funds and other clients in a manner believed by the Manager to be fair and equitable. See “*Allocation of Investment Opportunities*”.

The Manager and its officers and employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest. The Manager has in place systems to monitor the personal trading and other business activities of its officers and employees.

**Affiliated Entities and Related and Connected Issuers**

The Manager is the investment fund manager and portfolio manager of the Funds. The Manager receives a Management Fee from each Fund in connection with its services as an investment fund manager and portfolio manager. The Manager also acts as an exempt market dealer in respect of Units but does not receive a fee for acting in such capacity. As an exempt market dealer, the Manager sells securities related and/or connected pooled funds organized by the Manager in accordance with applicable laws, and is not remunerated by such pooled funds for acting in that capacity. As a result of the foregoing relationships, each Fund is considered a related and/or connected issuer of the Manager under Securities Legislation. The definitions of the terms “related issuer” and “connected issuer” can be found in National Instrument 33-105 *Underwriting Conflicts*. Given the Funds are related and connected to the Manager, they are also “proprietary products” as described in National Instrument 31-103 *Registration Requirements and Exemptions and Ongoing Registrant Obligations*.

**Allocation of Investment Opportunities**

In allocating investment opportunities among clients, including the Funds, the Manager will seek to ensure that all clients are dealt with in a fair manner. On occasion, conflicts of interest could arise between the Funds and other clients of the Manager. The Manager will make investment decisions for the Funds independently of those made for other clients of the Manager and independently of the Manager’s own investments. Occasionally the Manager may make the same investments for the Funds and for one or more of its clients. Such a situation could give rise to a conflict of interest in two ways:

- (a) There may be only a limited amount of the desired security available; and
- (b) the desired security may be acquired at slightly different prices.

In such instances the Manager would resolve the conflict in a manner befitting the Manager’s fiduciary duty to a Fund and its other clients, normally by means of a fair allocation of the desired security to a Fund and the other client(s).

**Fair Dealing with Clients**

The Manager shall deal fairly with all clients, including the Funds, and prospective clients when disseminating material information of concern to such clients or when taking investment actions. Transactions for client accounts shall in all cases have priority over transactions where the Manager or an officer or employee of the Manager is a beneficial holder on their own behalf.

**Personal Trading**

The Manager has adopted a policy to limit, monitor and, in certain instances, restrict personal trading by the officers and employees of the Manager in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by the Manager and the Manager’s other clients.

**Referral Arrangements**

The Manager may enter into referral arrangements whereby the Manager pays a fee for the referral of a client to the Manager or to a Fund. No such payments will be made unless the investor being referred is advised of the arrangement and all Securities Legislation is complied with.

## **Brokerage Arrangements**

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Manager. In effecting portfolio transactions, the Manager will seek to obtain best execution of orders as required by Securities Legislation.

The Manager is responsible for placing orders to effect portfolio transactions on behalf of the Funds. These orders are allocated by the Manager to the brokers who can offer the volumes and the prices deemed most advantageous. Where no particular advantage with respect to price or execution is available, orders may be placed through brokers who, in the opinion of the Manager, provide or assist in the provision of decision-making services. Investment decision-making services include the provision of advice, valuations, research and related data-bases or software.

To the extent that the terms offered by more than one dealer are considered by the Manager to be comparable, the Manager may, in its discretion, choose to purchase and sell portfolio securities from and to or through dealers who provide research, statistical and other services to the Manager in respect of their management of a Fund. The Manager will only enter into such arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all brokerage arrangements will benefit all clients at all times.

The Manager is provided with research, from time to time, from the dealers with whom it places trades for the Funds, as well as for its other clients. Names of the dealer(s) that provided the Manager with such research services in connection with the portfolio transactions for the Funds during the last financial year of the Fund will be provided on request by contacting the Manager.

## **Related Registrants**

Securities Legislation also requires securities dealers and advisers to inform their clients if the securities dealer or adviser has a principal shareholder, director or officer that is a principal shareholder, director or officer of another securities dealer or adviser and of the policies and procedures adopted by the securities dealer or adviser to minimize the potential for conflicts of interest that may result from this relationship.

As at the date of this Offering Memorandum, the Manager does not have any related registrants.

## **LEVERAGE DISCLOSURE STATEMENT**

The use of leverage may not be suitable for all investors. Using borrowed money to finance the purchase of securities 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.

## **USE OF BENCHMARKS**

The performance of your investment in Units can be assessed by comparing its returns to that of an investment performance benchmark. Benchmarks show the performance over time of a select group of securities. There are many different types of benchmarks. When selecting a benchmark, care must be taken to choose a benchmark that is reasonably reflective of the composition of your investment portfolio.

## **ANTI-TERRORISM AND ANTI-MONEY LAUNDERING LEGISLATION**

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities ("**Anti-Money Laundering Laws**"). In



furtherance of those efforts, an investor for Units will be required to provide certain information and documentation and make a number of representations to the Manager regarding the source of subscription monies and other matters. The Subscription Agreement and a discretionary investment management agreement between the client and the Manager contain detailed guidance on whether identification verification materials will need to be provided with the Subscription Agreement or discretionary investment management agreement, as applicable, and, if so, a list of the documents and information required.

A Unitholder will be required to promptly notify the Manager if, to the knowledge of the Unitholder, any of its representations with respect to Anti-Money Laundering Laws cease to be true and accurate. A Unitholder must agree to provide to the Manager, promptly upon receipt of the Manager's written request therefor, any additional information regarding the Unitholder or their authorized signatory(ies) and/or beneficial owner(s) that the Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. If at any time it is discovered that a Unitholder's representations with respect to Anti-Money Laundering Laws are incorrect, or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Manager is in compliance with all such Anti-Money Laundering Laws. The Manager may release confidential information about a Unitholder and, if applicable, any underlying beneficial owner(s), to governmental authorities, as required by Anti-Money Laundering Laws.

## **LEGAL MATTERS**

### **Purchase and Resale Restrictions**

Units are being offered on a private placement basis in reliance upon prospectus exemptions under Securities Legislation in the Offering Jurisdictions. Resale of the Units will be subject to restrictions under Securities Legislation, which will vary depending upon the relevant jurisdiction. Generally, the Units may be resold only pursuant to an exemption from the prospectus requirements of Securities Legislation, pursuant to an exemption order granted by appropriate securities regulatory authorities or after the expiry of a hold period following the date on which the Fund becomes a reporting issuer under Securities Legislation. It is not anticipated that the Fund will become a reporting issuer. In addition, Unitholders reselling Units may have reporting and other obligations. Accordingly, Unitholders are advised to seek legal advice with respect to such restrictions. Resale of Units is also restricted under the terms of the Declaration of Trust. Transfers will generally only be permitted in exceptional circumstances. Accordingly, each prospective investor must be prepared to bear the economic risk of the investment for an indefinite period.

Certain purchasers of Units will be required to deliver to the Fund, a Subscription Agreement in which such purchaser will represent to the Fund that such purchaser is entitled under applicable provincial Securities Legislation to purchase such Units without the benefit of a prospectus qualified under such Securities Legislation.

## **REPORTS TO UNITHOLDERS**

The Manager will seek instructions from each Unitholder regarding whether or not the Unitholder wishes to receive an annual report in respect of the Fund in which they are invested. If the Unitholder wishes to receive the report, within ninety (90) days after the end of each fiscal year, the Manager will forward to such Unitholder, an annual report for the applicable fiscal year consisting of audited financial statements for such fiscal year together with a report of the auditors on such financial statements.

The Manager will seek instructions from each Unitholder regarding whether or not the Unitholder wishes to receive a semi-annual financial statements in respect of the Fund in which they are invested. If the Unitholder wishes to receive the report, within sixty (60) days following the end of the first six months of each fiscal year, the Manager will forward to such Unitholder unaudited semi-annual financial statements.

Unaudited reports respecting the Net Asset Value per Unit will, where requested, be provided to Unitholders on a monthly basis.

Additional interim reporting to Unitholders will be at the discretion of the Manager and as required by Securities Legislation.

A trade confirmation and regular financial disclosure will be provided to each Unitholder by the Unitholder's dealer. For example, if the Manager is the dealer through whom Units are purchased, the Manager must provide a trade confirmation after Units are purchased or sold and an account statement at least quarterly (monthly, if requested or if a transaction occurred during the month) showing, for each transaction made for the Unitholder during the period: (i) the date of the transaction; (ii) whether the transaction was a purchase, sale or transfer; (iii) the number of Units purchased or sold; (iv) the price per Unit paid or received by the Manager; and (v) the total value of the transaction. The statement must also show, as at the end of the period: (i) the number of Units held, (ii) the price per Unit and (iii) the total value of the Units held.

In addition to the statements and/or reporting required pursuant to the Declaration of Trust, the Manager shall furnish or cause to be furnished to Unitholders such other statements and/or reports as are from time to time required by Securities Legislation, or required by any a discretionary investment management agreement between the client and the Manager entered into with a client. The Manager shall also furnish or cause to be furnished to Unitholders tax information to enable the Unitholder to properly complete and file tax returns in Canada in relation to an investment in Units.

#### **SERVICE PROVIDERS**

Administrator: SGGG Fund Services Inc., Toronto, Ontario

Auditor: Grant Thornton LLP, Toronto, Ontario

Custodian and Prime Broker: National Bank Independent Network (a division of National Bank Financial Inc.), Toronto, Ontario

#### **MATERIAL CONTRACTS**

The Declaration of Trust can reasonably be regarded as material to purchasers of the Units. See "*Summary of the Declaration of Trust*".

Copies of the Declaration of Trust may be examined by Unitholders during ordinary business hours at the offices of the Manager at 150 King Street West, #2020, Toronto, ON, M5H 1J9, during the period of distribution of the Units offered hereunder and for a period of thirty days thereafter.

#### **LANGUAGE**

Upon receipt of this Offering Memorandum, each recipient agrees and confirms that all agreements and documents relating to the subscription for Units of a Fund shall be drafted in English only. *Sur réception de la présente notice d'offre, chaque destinataire confirme que toutes les ententes et documents liés à la souscription des parts du fonds soient rédigés en anglais seulement.*

#### **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. 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, which are subject to the Securities Legislation in such Offering Jurisdiction, are set forth in Schedule A, which is incorporated in and forms part of this Offering Memorandum. **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. The rights discussed in Schedule A are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units.**

## SCHEDULE A

### **Rights of Action for Damages or Rescission**

*Unless otherwise defined, all capitalized terms used herein shall have the same meaning assigned to them in this Offering Memorandum.*

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 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.

### **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.

**British Columbia, Alberta and Quebec**

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Quebec) 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 Quebec 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.