CONFIDENTIAL OFFERING MEMORANDUM

*This Confidential Offering Memorandum (the "**Memorandum**") constitutes an offering of Units (as defined below) of the Partnership only in those jurisdictions where they may be lawfully offered for sale, only by persons permitted to sell the Units, and only to those persons to whom they may be lawfully offered for sale.* ***No securities commission or similar regulatory authority in Canada has reviewed this Memorandum or has in any way passed upon the merits of the securities offered hereunder.*** *No prospectus has been filed with any such authority in connection with the sale of the Units. This Memorandum is confidential, is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the Units offered hereby, and is not to be construed as a prospectus or advertisement or a public offering of Units. All references in this Memorandum to "$" and "dollars" are to Canadian dollars unless otherwise indicated.*

Continuous Offering **March 2024**

THE HGC FUND LP

Limited Partnership Units

The HGC Fund LP (the "**Partnership**") is an Ontario limited partnership formed to invest in securities. The primary objective of the Partnership is to seek to maximize returns on its capital by engaging in merger arbitrage and investing in Special Purpose Acquisition Corporations (SPACs).

The Partnership was formed on June 7, 2013 and will continue until it is dissolved. HGC Arbitrage Fund GP LP (the "**General Partner**") is the general partner of the Partnership. The Partnership is managed by HGC Investment Management Inc. (the "**Manager**"). The Manager may act as dealer in respect of the distribution of Units of the Partnership. The Manager receives fees for the portfolio advisory and management services it provides to the Partnership and is entitled to reimbursement of certain expenses by the Partnership. HGC Arb GP LP (the "**Class C Limited Partner**"), an affiliate of the Manager and the General Partner, is entitled to participate in the profits of the Partnership as described under "*Profit Allocation*" below. Accordingly, the Partnership may be considered to be a "related issuer" and a "connected issuer" of the Manager within the meaning of applicable Canadian securities laws. See "*Material Conflicts of Interest – Affiliated Entities, Related Issuers and Connected Issuers; Proprietary Products*". Purchasers of interests in the Partnership, in the form of limited partnership units, become Limited Partners of the Partnership and will be bound by the terms of a limited partnership agreement governing the Partnership (the "**Limited Partnership Agreement**").

SUBSCRIPTION PRICE: $100 PER UNIT

An unlimited number of fourteen different classes of limited partnership units in the Partnership ("**Units**"): **Class A Units**, **Class AU Units**, **Class A1 Units**, **Class A1U Units**, **Class B Units**, **Class F Units**, **Class FU Units**, **Class F1 Units**, **Class F1U Units**, **Class I Units**, **Class M Units Class MU Units, Class W Units and Class WU Units** are being offered under this Memorandum. Each Class may have different management fees and different profit-sharing arrangements. Units of each Class will be issued in series.

Purchases of Units of the Partnership can be made on the last business day of each month (each, a "**Valuation Date**") by forwarding fully completed subscription documents and subscription funds to the Manager either directly or through one's own dealer not later than 4:00 p.m (ET). on the day prior to the designated Valuation Date (subscriptions received afterthat time will be processed as at the next Valuation Date). All subscriptions for Units are subject to acceptance or rejectionby the Manager. Units of each series will be issued at a subscription price of $100 per Unit. If a subscription is accepted,Units will be deemed to be issued as at the business day immediately following the relevant Valuation Date.

This offering is not subject to any minimum aggregate subscription level, and therefore any funds invested are available to the Partnership and need not be refunded to the subscriber.

These securities are speculative. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership.

Investors should be aware that they may be allocated income annually for tax purposes but will not generally receive any cash distributions from the Partnership.

Units that have been held for at least one year (the "**Lock-up Period**") may be redeemed on a Valuation Date upon not less than 15 days' written notice to the Manager (or such other time period specified for Class I Units). The Manager may in its absolute discretion allow Units to be redeemed within the Lock-up Period, however such Units will be subject to a 2% early redemption deduction (this early redemption deduction will not apply to a Unit unless the Net Asset Value of such Unit at the time of redemption has increased by more than 2% of its purchase price).

There is no market through which the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the Partnership's Limited Partnership Agreement and applicable securities legislation. Persons who receive this Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions will be limited if there is insufficient liquidity in the Partnership. **There are certain additional risk factors associated with investing in the Units.** Investors should consult their own professional advisers to assess the income tax, legal and other aspects of the investment. Please see "*Risk Factors*" and "*Transfer or Resale*".

The Units are offered by the Manager, as dealer for the Partnership exclusively on a private placement basis in reliance upon exemptions from the prospectus requirements of applicable securities laws in the provinces of Ontario, Alberta, British Columbia, Manitoba, Québec, Saskatchewan, Prince Edward Island, Nova Scotia and New Brunswick (the "**Offering Jurisdictions**"). Units may also be offered under this Memorandum to residents in the Offering Jurisdictions and certain other provinces and territories of Canada through other registered dealers pursuant to exemptions from the prospectus requirements, with the approval of the Manager. Prospective investors must be "accredited investors" as defined under applicable securities laws unless another exemption from the prospectus requirements can be relied on.

No person is authorized to give any information or to make any representation not contained in this Memorandum and any information or representation, other than those contained in this Memorandum, must not be relied upon. This Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any information contained in it.

Subscribers are urged to consult with an independent legal adviser prior to signing the Subscription for the Units and to carefully review the Limited Partnership Agreement delivered with this Memorandum.

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SUMMARY

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

The Partnership:	The HGC Fund LP (the "**Partnership**"), a limited partnership formed under the laws of the Province of Ontario.
General Partner:	HGC Arbitrage Fund GP LP (the "**General Partner**"), a limited partnership formed under the laws of the Province of Ontario. See "*The General Partner*".
Manager:	HGC Investment Management Inc. (the "**Manager**"), a corporation formed under the laws of Canada. The General Partner has engaged the Manager to direct the affairs of the Partnership and to provide day-to-day management services to the Partnership, management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership. See "*The Manager*".
Investment Objectives and Strategies:	The primary objective of the Partnership is to seek to maximize returns on its capital. To achieve the Partnership's investment objective, it is the Manager's intention that the Partnership will engage in merger arbitrage and invest in Special Purpose Acquisition Corporations (SPACs), however other event-driven strategies may be used opportunistically. The Manager intends to primarily trade in North American equities. Up to 10% of the Partnership's net assets may be invested in other financial instruments that may either be listed on a recognized stock exchange or unlisted, including non-listed warrants related to a financing or a spin-off related to a merger. The Manager will seek to dispose of these securities in a timely manner, generally within 90 days. The Partnership may also employ leverage to enhance investment returns in situations where the Manager believes leverage is appropriate. The Partnership may also be invested in other financial instruments, including cash or cash equivalents and engage in short selling in order to enhance returns and/or mitigate systemic risk. See "*Investment Objectives and Strategies of the Partnership*".
The Offering:	An unlimited number of fourteen classes of limited partnership units (the "**Units**") are currently offered under this Memorandum: **Class A Units** are only available to existing investors and new investors who purchase their Units through the Manager. Class A Units are charged a **2.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A Units are denominated in Canadian dollars. **Class AU Units** are only available to existing investors and new investors who purchase their Units through the Manager. Class AU Units are charged a **2.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class AU Units are denominated in U.S. dollars. **Class A1 Units** are available to all investors who purchase their Units through a dealer other than the Manager. Class A1 Units are charged a **2.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A1 Units are denominated in Canadian dollars.

Class A1U Units are available to all investors who purchase their Units through a dealer other than the Manager. Class A1U Units are charged a **2.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A1U Units are denominated in U.S. dollars.

Class B Units are only available to certain existing holders of Class B Units with a purchase price of a minimum of $2,000,000. Class B Units are charged a **1.5%** per annum management fee and share **15%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class B Units are denominated in Canadian dollars.

Class F Units will only be issued to existing investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class F Units are charged a **1.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F Units are denominated in Canadian dollars.

Class FU Units will only be issued to existing investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class FU Units are charged a **1.0%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class FU Units are denominated in U.S. dollars.

Class F1 Units will only be issued to investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class F Units are charged a **1.5%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F1 Units are denominated in Canadian dollars.

Class F1U Units will only be issued to investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class F1U Units are charged a **1.5%** per annum management fee and share **20%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F1U Units are denominated in U.S. dollars.

Class I Units are only available to existing institutional investors who invest in (and continue to hold) Units with a purchase price of a minimum of $5,000,000. Class I Units are charged a **1.5%** per annum management fee and share **15%** of profits with the Class C Limited Partner (based on increases in Net Asset Value). Holders of Class I Units are allowed read-only access to the prime brokerage account of the Partnership, but will be subject to certain redemption restrictions not applicable to the other classes. Class I Units are denominated in Canadian dollars.

Class M Units are generally only available to directors, officers and employees of the Manager and to managed account clients of the Manager. Class M Units are not charged a management fee nor do they share profits with the Class C Limited Partner. Class M Units are denominated in Canadian dollars.

Class MU Units are generally only available to directors, officers and employees of theManager and to managed account clients of the Manager. Class MU Units are not charged a management fee nor do they share profits with the Class C Limited Partner. Class MU Units are denominated in U.S. dollars.

Class T Units are no longer available for distribution and all issued and outstanding Class T Units have been exchanged for other classes of Units.

Class W Units are available to all investors who invest in (and continue to hold) Units with a purchase price of a minimum of $2,000,000. Class W Units are charged a **1.5%** per annum management fee and share **20%** of profits with the General Partner (based on increases in Net Asset Value). Class W Units are denominated in Canadian dollars.

Class WU Units are available to all investors who invest in (and continue to hold) Units with a purchase price of a minimum of $2,000,000. Class WU Units are chargeda **1.5%** per annum management fee and share **20%** of profits with the General Partner (based on increases in Net Asset Value). Class WU Units are denominated in U.S. dollars.

Investors who cease to qualify to hold Units of a particular class (for example, by redeeming Units such that they no longer meet the minimum investment level) may have their Units re-designated as Units of a Class for which they meet the applicable investment criteria.

The Manager may terminate the offering of any Class of Units at any time, in its absolute discretion. A new series of Units in each Class will be issued on each successive Valuation Date on which Units are issued. At the end of each calendar year, the Manager may roll some or all series of the same Class of Units into a single series in order to reduce the number of outstanding series of such Class.

The Units are being distributed only pursuant to available prospectus exemptions in Ontario, Alberta, British Columbia, Manitoba, Québec, Saskatchewan, Prince Edward Island, Nova Scotia and New Brunswick to investors who are accredited investors or to whom Units may otherwise be sold without a prospectus. The Units are being distributed by the Manager and may be distributed in other provinces or territories by appropriately registered dealers. See "*The Offering*", "*Summary of Limited Partnership Agreement – The Units*" and "*Management Agreement*".

Minimum Individual Subscription:

The minimum initial investment for Class A and AU Units is **$100,000**, in the currencyin which such Units are issued, for investors who purchase their Units through the Manager. The minimum initial investment for Class A, AU, A1, A1U, F, FU, F1 and F1U Units is **$25,000**, in the currency in which such Units are issued, for investors acquiring their Units through a dealer other than the Manager. See "*The Offering*" above for the minimum investment amounts applicable to Class B, I, W and WU Units.

The above minimums are net of any commissions paid directly by an investor to his or her dealer. At the time of making each additional investment, unless new subscription documents are completed, each investor will be deemed to have repeated and confirmed to the Manager the covenants and representations contained in the subscription documents delivered by the investor to the Manager at the time of the initial investment. See "*Minimum Individual Subscriptions*".

Eligibility for Investment by Registered Plans:

Units are <u>not</u> eligible for investment by registered retirement savings plans, registered retirement income funds or other registered plans that are restricted to investing in "qualified investments" (for purposes of the *Income Tax Act* (Canada)).

Currency Hedging

The functional currency of the Partnership is Canadian Dollars and the Partnership generally values its assets and reports in Canadian dollars. The Classes of Units issued in U.S. dollars will have exposure to changes in the currency exchange rate between the Canadian and U.S. dollars. The Manager may, but has no obligation to, attempt to reduce the currency exchange-rate exposure of Limited Partners holding U.S. dollar denominated Classes of Units by engaging in foreign exchange hedging transactions. Any profits, losses and expenses associated with any such currency hedging will be allocated solely to the U.S. dollar denominated Classes of Units.

The Partnership may invest in assets issued or denominated in currencies other than Canadian dollars and the Manager may, but has no obligation to, attempt to hedge any currency exchange rate risks associated with non-Canadian dollar investments. Any profits, losses and expenses associated with currency hedging in respect of such investments will be allocated on the same basis as other gains, losses and expenses of the Partnership.

See "*Risk Factors – Risks Associated with the Partnership's Underlying Investments – Currency and Exchange Exposure and Currency Hedging*".

Subscriptions:

Subscriptions for Units must be made by completing and executing the subscription agreement and power of attorney (together with all related documents, the "**Subscription Agreement**") provided by the Manager and by forwarding to the Manager such form together with a cheque (or other form of funds transfer acceptable to the Manager) representing payment of the subscription price.

Subscriptions will be accepted on a monthly basis, being on the last business day in each month or such other date as the Manager may permit (each, a "**Valuation Date**"), subject to the Manager's discretion to refuse subscriptions in whole or in part. (Units will be issued as of the next business day.) A fully-completed Subscription Agreement and subscription proceeds (in the form of a cheque, bank draft or confirmation of wire transfer) must be received by the Manager not later than 4:00 p.m. (ET) on the day prior to thedesignated Valuation Date in order for the subscription to be accepted as at that date; otherwise the subscription will be processed as at the next Valuation Date. Subscriptionfunds provided prior to a Valuation Date will be kept in a segregated trust account. See"*The Offering*" and "*Subscriptions*".

Price per Unit:

Units of each series will be issued at a subscription price of $100 per Unit.

Redemptions:

An investment in Units is intended to be a long-term investment. However, Units that have been held for at least one year (the "**Lock-up Period**") may be redeemed on a Valuation Date upon not less than 15 days' written notice to the Manager (or such other time period specified for Class I Units).

The redemption price shall equal the Net Asset Value per Unit of the applicable Class and series of Units being redeemed, determined as of the close of business on the relevant Redemption Date, less applicable deductions (see below).

The Partnership will pay the redemption proceeds (determined as of the relevant Redemption Date) to a Limited Partner with respect to the Units being redeemed within 12 business days after the applicable Redemption Date. To the extent a Limited Partner has purchased Units through a dealer other than the Manager, the payment of redemption proceeds will be made in accordance with the terms of the Limited

Partner's Subscription Agreement but the receipt of such proceeds by the Limited Partner from the dealer may be subject to delay.

Redemptions may be suspended or deferred in certain circumstances. The Manager will not permit redemptions (either in whole or in part) and/or may elect to pay redemption proceeds partly in cash and partly in kind at any time where the Manager is of the opinion, in its absolute discretion, that there are insufficient assets in the Partnership that are not illiquid securities to fund such redemptions entirely in cash or that the liquidation of assets would be to the detriment of the Partnership generally. Redemption requests as at any Redemption Date if deferred in part will be honoured and/or deferred on a pro rata basis (based on the respective Net Asset Value of the Units subject to redemption), but deferred redemptions will be honoured in full before new redemption requests.

The Manager has the right, in its sole and absolute discretion, to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date at the Net Asset Value per Unit thereof, less any Profit Allocation made to the Class C Limited Partner in respect of such Unit and less such fees and other deductions permitted under this Memorandum and the Limited Partnership Agreement, by notice in writing to the Limited Partner given at least 14 days before the designated

Redemption Date or without notice and on such other dates as provided in the Limited Partnership Agreement and as described herein. See "*Redemptions*".

Redemption Deductions:

The Manager may in its absolute discretion allow Units to be redeemed within the Lock-up Period, however such Units will be subject to a **2% early redemption deduction** (which will be retained by the Partnership). This early redemption deduction will not apply to a Unit unless the Net Asset Value of such Unit at the time of redemption has increased by more than 2% of its purchase price. The Manager may in its absolute discretion waive all or a portion of the early redemption deduction from time to time. Units held by a redeeming Limited Partner will be redeemed on a first-in, first-out basis within the same Class. See "*Redemptions – Redemption Deductions*".

Transfer or Resale:

Units may only be transferred with the consent of the Manager and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. See "*Transfer or Resale*".

Management Fees:

As compensation for providing services to the Partnership, the Manager will receive a monthly management fee (the "**Management Fee**") on the last business day of each month equal to

- 1/12 of **2.0%** of the aggregate Net Asset Value of the **Class A Units**, **Class AU Units**, **Class A1 Units** and **Class A1U Units** plus
- 1/12 of **1.5%** of the aggregate Net Asset Value of the **Class B Units**, **Class F1 Units**, **Class F1U Units**, **Class I Units**, **Class W Units** and **Class WU Units**, plus
- 1/12 of **1.0%** of the aggregate Net Asset Value of the **Class F Units** and **Class FU Units**

in each case calculated before any Profit Allocation, if earned, to the Class C Limited Partner. Each Class of Units is responsible for the Management Fee attributable to that Class of Units. **No** Management Fee is payable in respect of **Class M Units** and **Class MU Units**. See "*Management Agreement*".

Management Fees payable by the Partnership are subject to HST and will be deducted as an expense of the Partnership in the calculation of the Net Asset Value of the Partnership, but allocable to the Class of Units to which they relate.

Payment of Expenses:

The Partnership shall be responsible for, and the General Partner and the Manager shall be entitled to reimbursement from the Partnership for, all costs and operating expenses actually incurred in connection with the formation and organization of the General Partner and the Partnership and the ongoing activities of the Partnership, including but not limited to:

(a) third party fees and expenses of the Partnership, which include Manager's fees, administrator's fees, fees and expenses payable to members of the independent review committee of the Partnership (if any), accounting costs, legal and audit fees, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

(b) fees and expenses relating to the Partnership's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, short sale collateral requirements, and banking fees.

The Manager also may serve as investment manager to certain other funds and accounts (the "**Other Accounts**"). Any expenses which benefits not only the Partnership but also the Other Accounts will, to the extent permissible and reasonably practicable, be allocated among the Partnership and all such Other Accounts in such manner as the Manager determines to be equitable.

See "*Limited Partnership Agreement – Expenses*" and see "*Material Conflicts of Interest – Allocation of Expenses*".

"Soft Dollars"

The Manager does not intend to enter into any "soft dollar" arrangements in connection the services it provides to the Partnership. However, if the Manager does enter into any such arrangements it will only do so as permitted under applicable securities laws, including National Instrument 23-102 – Use of Client Brokerage Commissions promulgated by the Ontario Securities Commission ("**NI 23-102**"), under which the Partnership may bear the costs of certain products and services received by the Manager that constitute "order execution goods and services" or "research goods and services". Such products and services may benefit Other Accounts in addition to the Partnership.

Profit Allocation:

The Class C Limited Partner will share in the profits of the Partnership by receiving an allocation to its capital account following each calendar year-end based on the increase, if any, in the Net Asset Value of each Unit during such calendar year. If a Unit is redeemed on a Redemption Date that is not the last Valuation Date of a calendar year, the Class C Limited Partner will receive an allocation to its capital account in respect of such Unit as of such Redemption Date. Such allocations (each, a "**Profit Allocation**") are equal to:

- **20%** of the positive amount, if any, obtained when the High Water Mark for each such **Class A Unit**, **Class AU Unit**, **Class A1 Unit**, **Class A1U Unit**,**Class F Unit**, **Class FU Unit**, **Class F1 Unit**, **Class F1U Unit**, **Class W Unit** and **Class WU Unit**, and

- **15%** of the positive amount, if any, obtained when the High Water Mark for each such **Class B Unit** and **Class I Unit**

is subtracted from the Net Asset Value of such Unit on such Valuation Date or Redemption Date (if the resulting amount is negative, the distribution in respect of such Unit shall be zero). No allocation will be made to the Class C Limited Partner in respect of the performance of the **Class M Units** and **Class MU Units**.

A Unit's "**High Water Mark**" is, initially, its subscription price, and thereafter shall be adjusted from time to time to equal its Net Asset Value immediately following a Profit Allocation to the Class C Limited Partner in respect of such Unit.

Any Profit Allocation made to the Class C Limited Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective Units. See "*Profit Allocation*".

The Class C Limited Partner may withdraw all or any part of its capital account at any time following a Profit Allocation without notice to the Limited Partners and without being subject to any of the Lock-up Period, early redemption deduction, provisions which limit redemptions, minimum notice provisions or other redemption restrictions.

If the Class C Limited Partner does not withdraw the balance of its capital account in respect of its Class C interest promptly following the effective date of a Profit Allocation, the General Partner shall, unless otherwise agreed between the Class C

Limited Partner and the General Partner, automatically convert such remaining balance into Class M Units as of the Valuation Date determined by the General Partner, to be held by the Class C Limited Partner. The Class C Limited Partner will receive such number of Class M Units at $100 per Unit as may be acquired with the balance in excess of $1 in its capital account in respect of its Class C interest. Upon receipt of such Class M Units, the Class C Limited Partner will become a Limited Partner for purposes of the Limited Partnership Agreement and this Memorandum and shall be treated the same as all other Limited Partners holding Class M Units in accordance withthe Limited Partnership Agreement and this Memorandum.

Distributions to Limited Partners:

Distributions of allocated income may be made to Limited Partners from time to time at the discretion of the Manager. The Manager has no current intention to make any such distributions. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner, the Class C Limited Partner or a Limited Partner. See "*Summary of Limited Partnership Agreement – Distributions*".

Limited Partners should be aware that net income and capital gains of the Partnership, if any, will still be allocated to them for tax purposes even if no distributions of cash are received by them.

Allocations for Tax Purposes:	Net income for taxation purposes, dividends and taxable capital gains, as well as allowable losses, of the Partnership in each fiscal year will be allocated in a fair manner as at the last day of such year to (i) the General Partner generally equal to the distributions received by it payable in that year, (ii) the Class C Limited Partner generally equal to the Profit Allocation, if any, allocated to its capital account in respect of such year and (iii) to Limited Partners who hold Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year) generally based on distributions, if any, paid to such Limited Partners during the year, the number, Class and series of Units held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each Class and series of Units, the fees paid or payable in respect of each Class and series of Units, the amount of the Profit Allocation, if any, in respect of each Class and series of Units, and the date of realization of each such item of income, gain or loss, as the case may be. The Limited Partners who hold Units will be allocated 99.999% of net losses, the General Partner will be allocated 0.0005% and the Class C Limited Partner will be allocated the remaining 0.0005%. See "*Summary of Limited Partnership Agreement - Allocation of Income and Loss*".
Fiscal Year End:	The fiscal year end of the Partnership is December 31.
Term:	The Partnership has no fixed term. Dissolution may only occur on 30 days written notice by the Manager to each Limited Partner, or 60 days following the removal of the General Partner (unless the Limited Partners vote to appoint a replacement General Partner and continue the Partnership).
Financial and Other Reporting:	Audited financial statements will be available and, unless otherwise instructed, delivered to Limited Partners within 90 days of each fiscal yearend. Unaudited interim financial statements for the first six months of each fiscal year will be available and, unless otherwise instructed, delivered to Limited Partners within 60 days of the end of such period. A monthly report of the net asset value per Unit of Units held by a Limited Partner will also be available. See "*Limited Partner Reporting*". In addition, the Manager will forward such other reports to Limited Partners as are from time to time required by applicable law. See "*Limited Partner Reporting*".
Tax Considerations:	Persons investing in a limited partnership such as the Partnership should be aware of the tax consequences of investing in, holding and/or redeeming Units. **Investors are urged to consult with their tax advisers to determine the potential tax consequences of an investment in the Partnership.**
Limited Liability:	The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership will be limited to the amount of the capital contributed by the Limited Partner, unless the Limited Partner takes part in the control of the business of the Partnership or certain other provisions of the *Limited Partnerships Act* (Ontario) are contravened. See "*Summary of Limited Partnership Agreement – Liability*" and "*Risk Factors*".
Power of Attorney:	The Limited Partnership Agreement contains a limited power of attorney in favour of the General Partner in connection with all matters related to the operation of the Partnership, and authorizes the General Partner to, for example, execute documents on behalf of each Limited Partner (including tax elections and amendments to the Limited Partnership Agreement).

Release of Confidential Information:	Under applicable securities and anti-money laundering legislation, the Manager is required to collect and may be required to release confidential information about Limited Partners and, if applicable, about the beneficial owners of corporate Limited Partners, to regulatory or law enforcement authorities.
Risk Factors:	Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by the Manager. See "*Risk Factors*".
Front-end Sales Commissions:	There is no commission payable by the purchaser to the Manager upon the purchase of the Units, however purchasers may pay a negotiated fee if purchasing through a dealer. Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Class A Units (which may include an amount based on the performance of the Units sold). The Manager may discontinue or change such fees and commissions at any time.
Legal Counsel:	Davies Ward Phillips & Vineberg LLP, Toronto, Ontario
Auditors:	KPMG LLP, Toronto, Ontario
Prime Broker:	CIBC World Markets Inc.
Administrator:	Apex Fund Services (Canada) Ltd., Toronto, Ontario

THE PARTNERSHIP

The HGC Fund LP (the "**Partnership**") was formed under the laws of the Province of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the "**LP Act**") on June 7, 2013. The Partnership is governed by an amended and restated limited partnership agreement dated as of March 31, 2021 (the "**Limited Partnership Agreement**") made between HGC Arbitrage Fund GP LP (the "**General Partner**") and the limited partners. See "*Summary of Limited Partnership Agreement*". The principal place of business of the Partnership and of the General Partner is 1073 Yonge St, 2nd Floor, Toronto ON M4W 2L2.

Investors become limited partners of the Partnership (the "**Limited Partners**") by acquiring interests in the Partnership designated as limited partnership units.

THE GENERAL PARTNER

The General Partner was formed as a limited partnership under the laws of the Province of Ontario effective December 16, 2015. HGC Arbitrage GP Inc. (formerly HGC GenPar Inc.), the general partner of the General Partner, was incorporated under the *Business Corporations Act* (Ontario) on June 4, 2014 (and, until December 21, 2015, was the general partner of the Partnership). The General Partner does not presently carry on any other business operations and currently has no significant assets or financial resources. Certain directors, officers and employees of the Manager indirectly own or control all of the limited partner interests in the General Partner and the shares of HGC Arbitrage GP Inc. David Heden is the sole director and officer of HGC Arbitrage GP Inc.

The General Partner may also purchase Units (as defined below).

The General Partner is generally responsible for management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement, however the General Partner has engaged HGC Investment Management Inc. (the "**Manager**") to carry out its duties, including management of the Partnership on a day-to-day basis, management of the Partnership's portfolio and distribution of the Units of the Partnership.

THE MANAGER

The Manager has been engaged to direct the day-to-day business, operations and affairs of the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership. The Manager may delegate certain of these duties from time to time. See "Management Agreement".

The Manager is a corporation formed under the *Canada Business Corporations Act* on September 30, 2013. The principal place of business of the Manager is 1073 Yonge St, 2nd Floor, Toronto ON M4W 2L2.

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

Name and Municipality of Residence	Position with the Manager
Sean Kallir Toronto, Ontario	Chief Executive Officer and Chief Investment Officer

Name and Municipality of Residence	Position with the Manager
Brett Lindros Toronto, Ontario	President
Stuart Grant Toronto, Ontario	Chief Compliance Officer and Chief Operating Officer

Sean Kallir

Sean began his investment career in 2011 as a merger arbitrage and special situations Analyst at a Toronto-based hedge fund. With over a decade of experience Sean has been involved in thousands of merger arb and SPAC positions, and has become well versed in nuances of special situations. Sean is a founding partner of HGC and holds an Honors BA in Economics from the University of Western Ontario.

Brett Lindros

Brett is a founding partner of HGC and in the role of President manages the business operations of the firm. He brings 25 years of investing experience in Canadian hedge funds and a decade of experience in Operations, Business Development and Investor Relations. Brett is on the Advisory Board of Capitalize for Kids and is proud to help the organization work to tackle the challenges of kids' mental health.

Stuart Grant

Prior to joining HGC, Stuart was the Canadian Chief Compliance Officer of an international broker dealer. Previous to that, he worked in risk and compliance for two Canadian prime brokers. He has over 15 years of finance experience in both Canada and the UK. Stuart received a Bachelor of Business Administration from Belmont University and a Master of Science in Finance from Boston University.

INVESTMENT OBJECTIVES AND STRATEGIES OF THE PARTNERSHIP

Investment Objective

The investment objective of the Partnership is to seek to maximize returns on its capital. The Manager will assist the Partnership in the selection of investments consistent with the Partnership's objectives.

Investment Strategy

To achieve the Partnership's investment objective, it is the Manager's intention that the Partnership will engage in merger arbitrage and invest in Special Purpose Acquisition Corporations (SPACs), however other event-driven strategies may be used opportunistically.

The Manager intends to primarily trade in North American equities. Up to 10% of the Partnership's net assets may be invested in other financial instruments that may either be listed on a recognized stock exchange or unlisted, including non-listed warrants related to a financing or a spin-off related to a merger. The Manager will seek to dispose of these securities in a timely manner, generally within 90 days. The Manager will primarily use this allocation to participate in merger arbitrage transactions where a private company is being acquired by a publicly listed company.

The Partnership may also employ leverage to enhance investment returns in situations where the Manager believes leverage is appropriate. The Partnership may also be invested in other financial instruments, including cash or cash equivalents and engage in short selling in order to enhance returns and/or mitigate systemic risk.

A brief description of the major event-driven strategies that the Partnership will engage in, are as follows:

Event-driven Strategies

(a) ***Merger arbitrage*** refers to investing in companies (the "**Target**") that are being acquired by or merging with another company. A Target will typically trade at a discount to the price that the Target is being acquired at or the price that the combined company will have when the merger is closed. This differential in the price is called the "**Spread**". Spreads reflect the costs of capital, transaction costs and a "**Risk Premium**" associated with the likelihood of a deal closing. Often, a merger or acquisition will have a number of conditions for closing, including shareholder approvals, regulatory approval and financial conditions. Merger arbitrage involves assessing the probability of a merger or acquisition being completed and the timing of closing such transaction.

The Partnership will primarily engage in three categories of merger arbitrage:

Definitive Merger Arbitrage: occurs when there is a legal commitment from friendly parties, under defined conditions, and often with liability to the acquiror if the merger or acquisition is not completed. Definitive merger arbitrage might also include an investment in listed subscription receipts that are convertible into common stock upon closing of a transaction. In such a situation, the Manager would endeavour to short the common stock and buy the subscription receipt at a discount, thereby earning a "spread" upon closing. The Manager also considers investment in SPACs (Special Purpose Acquisition Corporations) at discounts to their contractual redemption price to be definitive merger arbitrage because there is a legal agreement surrounding defined conditions within a defined timeframe and a defined return.

Letters of Intent: where there is little public disclosure about the merger or acquisition and often no liability or obligation is attached to the parties to close the transaction. These transactions typically trade at a larger spread to the proposed takeout price than definitive deals.

Hostile deals: where the Target's board of directors has not agreed to the proposed offer for acquisition of the Target.

(b) ***SPAC investing:*** The Manager will look to invest in SPACs at IPO or attractive prices in the secondary market. Given the capital protection afforded to shareholders through their redemption right, the Manager is of the opinion that this is an attractive strategy to protect capital, earn an appreciable base case return and has the potential for asymmetric upside.

(c) ***Financing arbitrage*** occurs when a public issuer issues shares usually at a lower price than the prevailing market price for such shares and/or offers warrants as an incentive to investors. Financing arbitrage involves assessing how such shares might trade post transaction by looking at factors like the use of proceeds and the amount of shares being

issued by the public issuer. The Partnership seeks to invest in these situations ideally where the deals have quick closing dates.

(d) ***Spin-outs*** refer to the investment opportunity created when a company distributes to shareholders at asset or division which is not recognized in the value of its shares. The Partnership typically seeks to hold these spin-outs over the reorganization period.

(e) ***Stubs*** refers to investing on a hedged basis in a scenario where one company owns material shares of another that are not recognized in the owners' share price creating a spread that can be traded.

(f) ***Initial Public Offerings*** ("**IPOs**") frequently present significant short term trading opportunities. Well priced and managed IPOs should increase the price of the common shares of the company upon going public. The Partnership seeks to participate in these opportunities to produce short term returns.

(g) ***Shorting***. Straight shorting is employed in instances whereby the Manager's analysis indicates that a stock is materially over-priced. Given the potential downside risks, the Partnership intends to have stop losses in place to protect against sudden movements counter to the investment thesis. Shorting will be used more or less based off of the Manager's opinion on the amount of systemic risk in the portfolio which shorting has the additional benefit of reducing.

The Partnership seeks to maximize its competitive advantages in research and trading by focusing primarily on Canadian merger arbitrage. Additionally, the Partnership seeks to keep the duration (time frame to close), of its events short in an effort to further reduce systemic risk as spreads have more beta with a longer duration.

In accordance with the risk rating guidelines established by the Alternative Investment Management Association and the Chartered Alternative Investment Analysis Association (5th Edition, March 2024), the Manager assesses the investment risk rating of the Partnership to be "medium", with a standard deviation from mean returns of 6% to less than 11%. Key risk management metrics that the Manager carefully monitors and manages are the Partnership's liquidity, downside, beta, concentration and duration. The Manager has developed a set of risk management tools, which are tailored to the Partnership's strategies.

The Partnership uses leverage and hedging techniques to provide high risk-adjusted returns. The Partnership exploits the information and liquidity gap surrounding less followed transactions with an active trading style and fundamental industry and company specific research and analysis. Excellent broker relationships also allow the Partnership to short stocks that are typically difficult to borrow. The Partnership is able to greatly reduce its risk and market exposure through scenario analyses, various hedging strategies and diversification. The assets of the Partnership may be invested in cash and/or cash equivalents for defensive purposes.

Active trading can mitigate risk by capitalizing on changes in the Spread. The Partnership employs portfolio controls to mitigate risk. No single position - long and short - can be greater than 15% of the net assets on a cost listed basis. No more than 10% of the net assets of the Partnership can be in non-listed private company securities and such allocation is reserved for the unusual circumstances of a private merger arbitrage situation or an unlisted warrant attached to a financing. The Partnership will seek to dispose of these positions in a timely manner. No more than 20% of the Partnership's net assets will be invested in transactions with financing conditions. Finally, leverage will be limited to 150% of the net assets of the Partnership.

The Manager will seek to maintain a competitive advantage over its peers. The Manager maintains a unique investment template to effectively evaluate and to track the progression of every type of position. The Partnership will have the flexibility to trade small and mid-cap securities, both long and short, and capitalize on opportunities that are passed over by other traditional arbitrage desks and offer superior returns. The Partnership maintains 'best of breed' supplier relationships. The Partnership will access a prime account to maximize utilization of margin, have multiple trading relationships to get the best market making for any given stock, have multiple prime accounts to get access to loan posts for effective stock borrowing, and consult multiple sales representatives to get different ideas and execution strategies..

General

The above-described investment strategies which may be pursued by the Partnership are not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Manager will depend upon its assessment of market conditions and the relative attractiveness of the available opportunities. The Manager may, in its sole and absolute discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to Limited Partners. Changes to the investment objectives and strategies of the Partnership can be made without prior approval of the Limited Partners and written notice will be given to the Limited Partners promptly thereafter.

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

Currency Hedging

The functional currency of the Partnership is Canadian Dollars and the Partnership generally values its assets and reports in Canadian dollars. The Classes of Units issued in U.S. Dollars will have exposure to changes in the currency exchange rate between the Canadian and U.S. dollars. The Manager may, but has no obligation to, attempt to reduce the currency exchange-rate exposure of Limited Partners holding U.S. dollar denominated Classes of Units by engaging in foreign exchange hedging transactions. The Manager will only hedge currency exchange-rate risk (if at all) to the extent it deems reasonably practical, and reserves the right to change the extent and method of such hedging at any time in its absolute discretion (including not engaging in any currency hedging transactions). Any profits, losses and expenses associated with any such currency hedging will be allocated solely to the U.S. dollar denominated Classes of Units. The allocation of profits, losses and expenses and the Class C Allocation will be determined based on the Canadian dollar valuations of the Partnership and each Class of Units prior to taking into account the gains, losses and expenses related to such currency hedging.

In addition, when the underlying investments of the Partnership are denominated in currencies other than Canadian dollars, the Partnership may hedge such currency exposure against the Canadian dollar. However, because the Partnership may include investments in a variety of currencies and may from time to time hedge such exposure back to the Canadian dollar, the Units will, to the extent that the Partnership is unhedged, be indirectly exposed to the currency risk of such currencies to the Canadian dollar. For greater certainty, the losses and gains and expenses on currency hedging related to the currency risk of non-Canadian dollar denominated portfolio investments of the Partnership will be taken into account in determining allocations made to all Classes of Units.

The Manager's judgment on whether to hedge currency exchange-rate risk may be incorrect and result in potentially material losses to the Partnership, in addition to incurring potentially substantial exchange-rate hedging and transaction costs.

The Partnership will accept subscription monies in U.S. dollars for each of the U.S. dollar denominated Classes and will convert such amounts into Canadian dollars at the spot rate of exchange available to the Partnership at any time and from time to time prior to the applicable Valuation Date without

notice to the subscriber. The Partnership will make all allocations, including Class C Allocations, and determinations based on the Canadian dollar valuations of the Partnership and all Classes of Units prior to converting U.S. dollar denominated Classes of Units into U.S. dollars at the spot rate selected by the Manager in its sole discretion. Neither the Partnership nor the Manager has an obligation to reduce a subscriber's currency exchange-rate exposure between Canadian dollars and the currency of such subscriber's subscription monies by engaging in foreign exchange hedging transactions. See "*Risk Factors – Currency and Exchange Exposure and Currency Hedging*".

Statutory Caution

The foregoing disclosure of the Manager's investment strategies and intentions may constitute "forward-looking information" for the purpose of applicable securities legislation, as it contains statements of the Manager's intended course of conduct and future operations of the Partnership. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. Investors are urged to read "*Risk Factors*" below for a discussion of other factors that will impact the operations and success of the Partnership.

THE OFFERING

Units offered hereby are being offered by the Manager, as dealer for the Partnership, to investors resident in Ontario, Alberta, British Columbia, Manitoba, Québec, Saskatchewan, Prince Edward Island, Nova Scotia and New Brunswick (the "**Offering Jurisdictions**") pursuant to exemptions from prospectus requirements contained in National Instrument 45-106 – *Prospectus Exemptions* and Section 73.3 of the *Securities Act* (Ontario) (together referred to as "**NI 45-106**"). Units may also be offered under this Memorandum to residents in the Offering Jurisdictions and certain other provinces and territories of Canada through other registered dealers pursuant to exemptions from the prospectus requirements under NI 45-106, with the approval of the Manager.

An unlimited number of fourteen classes of limited partnership units of the Partnership ("**Units**"), issuable in series, are currently being offered:

- **Class A Units** are only available to existing investors and new investors who purchase their Units through the Manager. Class A Units are charged a 2.0% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A Units are denominated in Canadian dollars.
- **Class AU Units** are only available to existing investors and new investors who purchase their Units through the Manager. Class AU Units are charged a 2.0% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class AU Units are denominated in U.S. dollars.
- **Class A1 Units** are only available to investors who purchase their units through a dealer other than the Manager. Class A1 Units are charged a 2.0% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A1 Units are denominated in Canadian dollars.
- **Class A1U Units** are only available to investors who purchase their units through a dealer other than the Manager. Class A1U Units are charged a 2.0% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class A1U Units are denominated in U.S. dollars.
- **Class B Units** are only available to certain existing holders of Class B Units with a purchase price

of a minimum of $2,000,000. Class B Units are charged a 1.5% per annum management fee and share 15% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class B Units are denominated in Canadian dollars.

- **Class F Units** will only be issued to existing investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class F Units are charged a 1.0% per annum management fee andshare 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F Units are denominated in Canadian dollars.
- **Class FU Units** will only be issued to existing investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the Manager. Class FU Units are charged a 1.0% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class FU Units are denominated in U.S. dollars.
- **Class F1 Units** will only be issued to investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the manager. Class F1 Units are charged a 1.5% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F1 Units are denominated in Canadian dollars.
- **Class F1U Units** will only be issued to investors who purchase their Units through a dealer other than the Manager with whom they have a managed or fee-based account, and to certain other investors in the absolute discretion of the manager. Class F1U Units are charged a 1.5% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class F1U Units are denominated in U.S. dollars.
- **Class I Units** are only available to existing institutional investors who invest in (and continue to hold) Units with a purchase price of a minimum of $5,000,000. Class I Units are charged a 1.5% per annum management fee and share 15% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Holders of Class I Units are allowed read-only access to the prime brokerage account of the Partnership, but will be subject to certain redemption restrictions not applicable to the other classes. The Manager reserves the right to disallow, restrict or impose additional conditions for viewing the prime brokerage account of the Partnership from time to time at its absolute discretion. Class I Units are denominated in Canadian dollars.
- **Class M Units** are generally only available to directors, officers and employees of the Manager and to managed account clients of the Manager. Class M Units are not charged a management fee nor do they share profits with the Class C Limited Partner. Class M Units are denominated in Canadian dollars.
- **Class MU Units** are generally only available to directors, officers and employees of the Manager and to managed account clients of the Manager. Class MU Units are not charged a management fee nor do they share profits with the Class C Limited Partner. Class MU Units are denominated in U.S. dollars.
- **Class T Units** are no longer available for distribution and all issued and outstanding Class T Units have been exchanged for other classes of Units.
- **Class W Units** are available to all investors who invest in (and continue to hold) Units with a purchase price of a minimum of $2,000,000. Class W Units are charged a 1.5% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class W Units are denominated in Canadian dollars.
- **Class WU Units** are available to all investors who invest in (and continue to hold) Units with a purchase price of a minimum of $2,000,000. Class WU Units are charged a 1.5% per annum management fee and share 20% of profits with the Class C Limited Partner (based on increases in Net Asset Value). Class WU Units are denominated in U.S. dollars.

A new series of Units in each Class will be issued on each successive Valuation Date on which Units are issued. At the end of each calendar year, the Manager may roll some or all series of the same Class of Units into a single series in order to reduce the number of outstanding series of such Class.

Should a Limited Partner cease to qualify to hold Units of a particular class (for example, by redeeming Units such that they no longer meet the minimum investment level), the Manager will have the absolute discretion to re-designate such Units as Units of a Class for which the Limited Partner does meet the applicable investment criteria. For example, an investor that ceases to hold Class B Units with an aggregate purchase price of $2,000,000 may have their Units re-designated as Class A Units. Any applicable High Water Mark will continue to apply to those Units.

The Manager may terminate the offering of any one or more Classes of Units at any time, in its absolute discretion. The offering is restricted to persons who have the capacity and competence to enter into and be bound by the Limited Partnership Agreement.

The Partnership will no longer issue Class T Units. As of January 1, 2020, each issued and outstanding Class T Unit held by The HGC Fund Trust ("**HGC Trust**") have been cancelled and automatically exchanged for a class and series of Unit with terms corresponding to the class and series of trust unit in respect of which HGC Trust acquired such Class T Unit and with a Net Asset Value equal to the net asset value of the corresponding unit of HGC Trust as at such date.

The High Water Mark applicable to each Unit issued to HGC Trust pursuant to such exchange equals the lower of (x) the Net Asset Value of such Unit on the date of exchange, and (y) the high water mark applicable to the unit of the HGC Trust that corresponds to such Unit.

Prospectus Exemptions

Units are being sold under available exemptions from the prospectus requirements under NI 45-106. The Units are being distributed only to (a) investors who are "accredited investors" as defined in NI 45-106, (b) investors who are not individuals and who invest at least $150,000 in the Partnership (the "**Minimum Amount Exemption**"), or (c) investors to whom Units may otherwise be sold. Purchasers will be required to make certain representations in the subscription agreement and power of attorney (together with all related documents, the "**Subscription Agreement**") and the General Partner and Manager will rely on such representations to establish the availability of the exemptions from prospectus requirements described above. Investors, other than individuals, that are not accredited investors, or are accredited investors solely on the basis that they have net assets of at least $5,000,000, must also represent to the Manager (and may be required to provide additional evidence at the request of the Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. The so-called "Offering Memorandum Exemption" is not being relied on, nor is the Minimum Amount Exemption being relied on in Alberta, and investors do not have the benefit of certain additional protections that NI 45-106 gives to investors when an issuer relies on the Offering Memorandum Exemption.

No subscription will be accepted unless the Manager is satisfied that the Subscription Agreement is complete and is in compliance with applicable securities laws.

Accredited Investors

A list of those who qualify as "accredited investors" is set out in the Subscription Agreement delivered with this Memorandum, but generally includes individuals who have net investment assets of at least $1,000,000, or personal income of at least $200,000 or combined spousal income of at least $300,000 (in the previous two years with reasonable prospects of same in the current year).

Sales Commissions and Trailer Fees

There is no commission payable by the purchaser to the Manager upon the purchase of the Units, however purchasers may pay a negotiated fee if purchasing through a dealer other than the Manager. Subject to applicable law, the Manager may pay, out of the fees payable to the Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Class A Units, Class AU Units, Class A1 Units and Class A1U Units (which may include an amount based onthe performance of the Units sold). The Manager may discontinue or change such fee and commissions at any time.

Know-Your-Client and Suitability

Whether the subscriber for Units is purchasing through their own dealer or directly from the Manager (in its capacity as an exempt market dealer), the dealer through whom the Units are purchased has an obligation under applicable securities laws to determine suitability of the investment for such purchaser, unless the purchaser is a "permitted client" and either waives such requirement or the dealer is otherwise exempt from such requirement. Subscribers purchasing directly from the Manager will be required to provide certain information in the Subscription Agreement (referred to as know-your-client information) on which the Manager will rely in determining such suitability.

Complaints, Dispute Resolution and Mediation

Where the subscriber for Units is purchasing directly from the Manager (in its capacity as an exempt market dealer), the Manager has an obligation under applicable securities laws to use its reasonable best efforts to resolve any dispute with the subscriber respecting the purchase of Units and, if such a dispute cannot be resolved, to engage, at the Manager's expense, an independent dispute resolution or mediation service in accordance with applicable law.

Leverage Disclosure Statement (Using Borrowed Money to Purchase Units)

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 ofthe loan remains the same even if the value of the Units purchased declines. Furthermore, there may be negative tax consequences for an investor who borrows money to purchase Units.

Benchmarks

Investors may find it helpful to compare the returns from their investments against one or more relevant benchmarks (i.e. the return that they may have received had they invested in a comparable investment, or a comparison of their investment to an average or median return of a basket of comparable investments). A benchmark for an investment fund such as the Partnership might be an index of issuers with similar investment mandates. Investors should be aware of the similarities and differences between the benchmark and the investment, such as the concentration/diversification of securities, industries and or markets, the impact of fees and expenses on such returns, and risks inherent in such investments and investment strategies. Should the Manager use a benchmark comparison when reporting the performance of the Partnership, an explanation of the similarities and differences between the Partnership and the benchmark will be provided at that time.

RESTRICTED INVESTORS

The Partnership is designed to attract investment capital which is surplus to an investor's basic financial requirements.

The following persons and entities may not invest in the Partnership:

(a) a "non-resident", a partnership other than a "Canadian partnership", a "tax shelter", a "tax shelter investment", or any entity an interest in which is a "tax shelter investment", or in which a "tax shelter investment" has an interest, within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**");

(b) a person whose investment would cause the Partnership to be a financial institution within the meaning of Section 142.2 of the Tax Act;

(c) or a "SIFT Partnership" within the meaning of subsection 197(1) of the Tax Act; and

(d) a partnership which does not prohibit investment by the foregoing persons.

By purchasing Units, a Limited Partner represents and warrants that he, she or it is not one of the above and shall indemnify and hold harmless the Partnership and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of a breach of such representation and warranty. Any Limited Partner who fails to provide evidence satisfactory to the Manager of such status when requested to do so from time to time may be removed as a Limited Partner by the redemption of his Units in accordance with the Limited Partnership Agreement.

Any Limited Partner whose status changes in regard to the above shall be deemed to have ceased to be a Limited Partner (for all purposes other than taxation and liability) immediately prior to the date on which such status changes and shall thereafter only be entitled to receive from the Partnership an amount equal to the lesser of the Net Asset Value of such Limited Partner's Units as at the date on which he or she ceases to be a Limited Partner and the Net Asset Value of such Units as at the date the Manager learns that such Limited Partner's status has changed, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed his or her Units.

In addition, any Limited Partner that is or becomes a "financial institution" within the meaning of Section 142.2 of the Tax Act (as same may be amended or replaced from time to time) shall disclose such status to the Manager at the time of subscription (or when such status changes) and the Manager may (if the Manager determines that it is in the best interest of the Partnership and the other Limited Partners to do so) restrict the participation of any such Limited Partner or require any such Limited Partner at any time to redeem all or some of such Limited Partner's Units. A Limited Partner who fails to identify itself as a financial institution shall indemnify and hold harmless the Partnership and each other Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by the Partnership or such other Limited Partner, as the case may be, that result from or arise out of such failure. Any Limited Partner who is or who becomes a financial institution after becoming a Limited Partner will (if the Manager determines it would be prejudicial to the Partnership and the other Limited Partners not to) be deemed to have, immediately prior to the date on which it becomes a financial institution (or the date of issue of Units to such financial institution, whichever is later), redeemed (or rescinded its subscription for) some or all of such Limited Partner's Units to the extent necessary to result in financial institutions owning in the aggregate Units having a Net Asset Value that is less than one-half of the Net Asset Value of all of the Units, and shall be entitled to receive from the Partnership as redemption proceeds an amount equal to the

lesser of the Net Asset Value of such redeemed Units as at the date on which it is deemed to have redeemed such Units and the Net Asset Value of such Units as at the date the Manager learns that such Limited Partner is a financial institution, less all such deductions as provided in the Limited Partnership Agreement as if such Limited Partner voluntarily redeemed its Units.

Registered Plans

Units are not eligible for investment by registered retirement savings plans, registered retirement income funds or other registered plans that are restricted to investing in "qualified investments" (for purposes of the *Income Tax Act* (Canada)).

SUBSCRIPTIONS

Subscriptions will be accepted on a monthly basis, being on the last business day in each month or such other date as the Manager may permit (each, a "**Valuation Date**"), subject to the Manager's absolute discretion to refuse subscriptions in whole or in part, provided a duly completed Subscription Agreement and subscription proceeds are received by the Manager not later than 4:00 p.m. (ET) on the day prior to the relevantValuation Date (however the Manager may in its absolute discretion accept a subscription at any time up until 4:00 p.m. (ET) on such Valuation Date). Units will be issued on the business day following the Valuation Date on which the subscription is accepted. A new series of Units in each Class will be issued on each successive Valuation Date on which Units are issued.

Subscriptions for Units must be made by completing and executing the Subscription Agreement provided by the Manager and by forwarding to the Manager such form together with a cheque (or other form of funds transfer acceptable to the Manager) representing payment of the subscription price. The Manager may in its discretion accept subscription payments in kind, provided the assets so tendered fall within the Partnership's investment strategies (such assets to be valued in the same manner as the Partnership's other portfolio assets). Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Manager in its absolute discretion. Subscription funds provided prior to a Valuation Date will be kept in a segregated trust account without interest accruing thereon. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction. Purchasers may forward completed subscriptions directly to the Manager.

The Limited Partnership Agreement and the Subscription Agreement (required to be executed by an investor) include an irrevocable power of attorney authorizing the General Partner on behalf of the holder of the Unit to execute the Limited Partnership Agreement, and any amendments thereto, and all other instruments necessary to reflect the formation of, amendment to or dissolution of the Partnership or the registration of the Partnership in any jurisdiction as well as any elections, determinations or designations under the Tax Act or other taxation legislation or laws of like import with respect to the affairs of the Partnership or a Limited Partner's interest in the Partnership.

Subscription Price

Units of each series will be issued at a subscription price of $100 per Unit.

Minimum Subscriptions

The minimum initial investment for Class A and AU Units is $100,000, in the currency in which such Units are issued, for investors who purchase their Units through the Manager. The minimum initial investment for Class A, AU, A1, A1U, F, FU, F1 and F1U Units is $25,000, in the currency in which such Units are issued, from investors acquiring their Units through a dealer other than the Manager.

See "*The Offering*" for the minimum investment amounts applicable to Class B, I, W and WU Units.

Each additional investment must be not less than $25,000; however investors that are not accredited investors must make an additional investment of not less than $150,000 unless (i) they already hold Units of the same Class having an acquisition price or Net Asset Value of not less than $150,000, or (ii) another prospectus exemption is available. 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 the covenants and representations contained in the Subscription Agreement delivered by the investor to the Manager at the time of the initial investment. Subsequent additional investments are subject to acceptance or rejection by the Manager.

The Manager retains the right to amend or waive the minimum investment for any class of Units or in respect of any purchase at any time.

These minimums are net of any front end commissions paid by an investor to his or her agent.

REDEMPTIONS

An investment in Units is intended to be a long-term investment. However, subject to the Lock-Up Period (as defined below), a Limited Partner shall be entitled to redeem Units as at a Valuation Date that falls on the last business day of a month (each a "**Redemption Date**") The "**Lock-Up Period**" begins on the date of issuance of the Unitsto a Limited Partner and expires one (1) year from the date of issuance of such Units to the Limited Partner.

Redemption requests will only be considered if the Manager receives a written request for such redemption

(a) in the case of Class A Units, Class AU Units, Class A1 Units, Class A1U Units, Class B Units, Class F Units, Class FU Units, Class F1 Units, Class F1U Units, Class M Units, Class MU Units, Class W Units and Class WU Units, at least 15 days prior to the proposed Redemption Date, and

(b) in the case of Class I Units,

  (i) for a redemption request of up to $5 million of redemption proceeds payable, at least 15 days prior to the proposed Redemption Date,

  (ii) for a redemption request on the next $5 million of redemption proceeds payable, at least 30 days prior to the proposed Redemption Date, and

  (iii) any remaining amount of redemption proceeds payable, at least 60 days prior to the proposed Redemption Date.

Any request for a redemption of Units that does not meet the applicable minimum notice period will generally be processed on the following Redemption Date. The Manager reserves the right in its absolute discretion to reduce the applicable minimum notice period in respect of a particular redemption.

The redemption price will equal the Net Asset Value per Unit of the applicable Class and series of Units being redeemed, determined as of the close of business on the relevant Redemption Date, less applicable deductions.

If a redeeming Limited Partner owns Units of more than one series within a single Class, Units will be redeemed on a "first-in, first-out" basis, meaning that Units of the earliest series of the applicable Class owned by the Limited Partner will be redeemed first, at the redemption price for Units of such series, until such Limited Partner no longer owns Units of such series (although this policy may be amended depending on tax considerations).

The Partnership will pay the redemption proceeds (determined as of the relevant Redemption Date) to a Limited Partner with respect to the Units being redeemed within 12 business days after the applicable Redemption Date. To the extent a Limited Partner has purchased Units through a dealer other than the Manager, the payment of redemption proceeds will be made in accordance with the terms of the Limited Partner's Subscription Agreement but the receipt of such proceeds by the Limited Partner from the dealer may be subject to delay.

The General Partner will exercise commercially reasonably efforts to remit payments within the above mentioned timelines.

Redemptions may be suspended or deferred in certain circumstances (see below). The Manager will not permit redemptions (either in whole or in part) and/or may elect to pay redemption proceeds partly in cash and partly in kind at any time where the Manager is of the opinion, in its absolute discretion, that there are insufficient assets in the Partnership that are not illiquid securities to fund such redemptions entirely in cash or that the liquidation of assets would be to the detriment of the Partnership generally.

Redemption at the Option of the Manager

The Manager, in its sole and absolute discretion has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date designated by the Manager at the Net Asset Value per Unit thereof, less any Profit Allocation made to the Class C Limited Partner in respect of such Unit and less such fees and other deductions permitted under this Memorandum and the Limited Partnership Agreement, by notice in writing to the Limited Partner given at least 14 days before the designated Redemption Date, or without notice and on such other dates as provided in the Limited Partnership Agreement and as described herein.

Redemption Deduction

The Manager may in its absolute discretion allow Units to be redeemed within the Lock-up Period, however such Units will be subject to a 2% early redemption deduction (which will be retained by the Partnership). This early redemption deduction will not apply to a Unit unless the Net Asset Value of such Unit at the time of redemption has increased by more than 2% of its purchase price. The Manager may in its absolute discretion waive all or a portion of the early redemption deduction from time to time. Units held by a redeeming Limited Partner will be redeemed on a first-in, first-out basis within the same Class.

Suspension of Redemptions

The Manager may suspend the redemption of Units or payments in respect thereof at its sole discretion if:

(a) the Manager determines in its sole discretion that (i) conditions exist which render impractical, the sale of assets of the Partnership or which impair the ability of the

Partnership to determine the value of any of the Partnership's assets; (ii) the market is acting irrationally and does not allow for proper liquidity or fair pricing for securities; or (iii) there are insufficient assets in the Partnership that are not illiquid securities to fund such redemptions or the liquidation of assets would be detrimental to the Partnership;

(b) normal trading is suspended on any securities exchange on which securities held by the Partnership are listed and posted for trading, if those securities represent more than 50% by value, or underlying market exposure, of the total Net Asset Value of the Partnership;

(c) required to do so under securities legislation or any exemptive relief granted under securities legislation.

Any suspension may apply to all redemption requests received prior to the suspension (unless payment for such redemption request has already been made) as well as to all redemption requests received while the suspension is in effect. All Limited Partners making redemption requests will be advised by the Manager in writing forthwith of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. The Manager may allow Limited Partners who have submitted redemption requests to withdraw their requests for redemption during the period of suspension of redemptions. 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 then exists. The Manager will notify Limited Partners of the termination of suspension in writing forthwith. Any declaration of suspension made by the Manager will be conclusive.

If the Manager determines to partially suspend redemptions in respect of a Redemption Date, all then effective requests for redemption will be honoured on a *pro rata* basis (based on the respective Net Asset Value of Units to be so redeemed) for such Redemption Date. All such requests for redemption that were suspended will be honoured on a subsequent Redemption Date prior to any subsequent redemption requests.

TRANSFER OR RESALE

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

Subscribers are advised to consult with their legal advisers concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and the Limited Partnership Agreement.

NET ASSET VALUE

The Net Asset Value of the Partnership and the Net Asset Value Per Unit of each Class and series of Units will be determined as of 4:00 p.m. (Eastern time) on each Valuation Date by a third party engaged by the Manager for that purpose (the "**NAV Administrator**") in accordance with the Limited Partnership Agreement.

The Net Asset Value of the Partnership as of any date will mean the value of the Partnership's investment assets and the Partnership's other assets, less all liabilities, costs, and expenses accrued or

payable of every kind and nature, including management fees and distributions due but not yet paid or made. In determining the Partnership's liabilities, the Manager may estimate expenses of a regular or recurring nature in advance, and may accrue the same into one or more valuation periods, any such accrual to be binding and conclusive on all Limited Partners, irrespective of whether such accrual subsequently proves to have been incorrect in amount (in which case any adjustments shall be made in the valuation period when such error is recognized).

The Net Asset Value of each series will generally increase or decrease proportionately with the increase or decrease in the Net Asset Value of the Partnership (before deduction of Class-specific and series-specific fees and expenses), and the Net Asset Value per Unit shall be determined (after deduction of Class-specific and series-specific fees and expenses) by dividing the Net Asset Value of each series by the number of Units of such series outstanding.

Valuation Principles

The value of the assets and the amount of the liabilities of the Partnership shall be calculated in such manner as the NAV Administrator, shall determine from time to time, subject to the following:

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

(b) The value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a business day, on the last business day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over the counter markets while being listed or traded on such securities exchanges or over the counter markets will be valued on the basis of the market quotation which, in the opinion of the NAV Administrator, in consultation with the Manager, most closely reflects their fair value.

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

(d) The value of any restricted security shall be the fair value thereof based on any available reported quotations in common use or those of a freely-traded equivalent security and subject to an appropriate liquidity discount applied at the discretion of the Manager (in consultation with the NAV Administrator).

(e) Securities held in private issuers shall be recorded at cost unless an upward adjustment is considered appropriate and supported by persuasive and objective evidence such as a

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

(f) All Partnership property valued in a foreign currency and all liabilities and obligations of the Partnership payable by the Partnership in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources by the NAV Administrator to calculate Net Asset Value.

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

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

(i) Liabilities include only those expenses paid or payable by the Partnership, including accrued contingent liabilities; however (A) organizational and start -up expenses will be amortized by the Partnership over a 5 year period (and if the Partnership is wound up or terminated within a period of 5 years, all unamortized expenses shall be brought current), and (B) expenses and fees allocable only to a particular class and series of Units shall not be deducted from the Net Asset Value of the Partnership prior to determining the Net Asset Value of each class and series, but shall thereafter be deducted from the Net Asset Value so determined for each such class and series.

The Manager may amend the foregoing and/or determine such other rules as it deems necessary from time to time, which rules may deviate from Canadian generally accepted accounting principles and international financial reporting standards, so long as such rules are consistent with industry practice.

The Manager may determine that certain assets, liabilities, income and/or losses are attributable to only one or more, but not all, classes and series of Units from time to time. The Net Asset Value of the Partnership and the Net Asset Value per Unit for each class and series of Units established by the NAV Administrator in accordance with the provisions of the Limited Partnership Agreement shall be conclusive and binding on all Partners unless the General Partner agrees otherwise.

Net asset value calculated in this manner will be used for the purpose of calculating the Manager's (and other service providers') fees and the Class C Limited Partner's Profit Allocation and will be published net of all paid and payable fees and distributions. Such Net Asset Value will be used to determine the subscription price and redemption value of Units. For the purposes of financial reporting, the Partnership is required to calculate Net Asset Value in accordance with International Financial Reporting Standards.

All valuations will be binding on all persons and in no event shall the NAV Administrator, the

General Partner or the Manager incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of manifest error or bad faith, or in the case of the NAV Administrator, fraud, negligence or wilful default.

MANAGEMENT AGREEMENT

In order to set out the duties of the Manager, the Partnership has entered into an amended and restated Fund Management Agreement (the "**Management Agreement**") with the Manager dated as of January 1, 2016. Pursuant to the Management Agreement, the Manager directs the business, operations and affairs of the Partnership and provides day-to-day management services to the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the Units of the Partnership, and such other services as may be required from time to time. The General Partner has assigned its powers and obligations under the Limited Partnership Agreement to the Manager to the extent necessary to permit the Manager to carry out its duties under the Management Agreement. The Manager may delegate certain of these duties from time to time.

Pursuant to the Management Agreement, as compensation for providing services to the Partnership, the Manager shall be paid a monthly management fee (the "**Management Fee**") on the last business day of each month equal to

- 1/12 of **2.0%** of the aggregate Net Asset Value of the **Class A Units**, **Class AU Units**, **Class A1 Units** and **Class A1U Units**, plus
- 1/12 of **1.5%** of the aggregate Net Asset Value of the **Class B Units**, **Class F1 Units**, **Class F1U Units**, **Class I Units**, **Class W Units** and **Class WU Units**, plus
- 1/12 of **1.0%** of the aggregate Net Asset Value of the **Class F Units** and **Class FU Units**

in each case calculated before deduction of any distribution payable to the General Partner in respect of such Units on such date. Each Class of Units is responsible for the Management Fee attributable to that Class of Units. **No** Management Fee is payable in respect of **Class M Units** and **Class MU Units**.

Management Fees payable by the Partnership are subject to HST and will be deducted as an expense of the Partnership in the calculation of the net asset value of the Partnership.

The Management Agreement may be terminated by either the General Partner or the Manager on 30 days' notice to the other, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Limited Partnership Agreement.

PROFIT ALLOCATION

The Class C Limited Partner will share in the profits of the Partnership by receiving an allocation to its capital account following each calendar year-end based on the increase, if any, in the Net Asset Value of each Unit during such calendar year. If a Unit is redeemed on a Redemption Date that is not the last Valuation Date of a calendar year, the Class C Limited Partner will receive an allocation to its capital account in respect of such Unit as of such Redemption Date. Such allocations (each, a "**Profit Allocation**") are equal to:

- **20%** of the positive amount, if any, obtained when the High Water Mark for each such **Class A Unit**, **Class AU Unit**, **Class A1 Unit**, **Class A1U Unit**, **Class F Unit**, **Class FU Unit**, **Class F1 Unit, Class F1U Unit**, **Class W Unit** and **Class WU Unit**, and
- **15%** of the positive amount, if any, obtained when the High Water Mark for each such **Class B Unit** and **Class I Unit**

is subtracted from the Net Asset Value of such Unit on such Valuation Date or Redemption Date (if the resulting amount is negative, the distribution in respect of such Unit shall be zero). No allocation will be made to the Class C Limited Partner in respect of the performance of the **Class M Units** and **Class MU Units**.

A Unit's "**High Water Mark**" is, initially, its subscription price, and thereafter shall be adjusted from time to time to equal its Net Asset Value immediately following a Profit Allocation to the Class C Limited Partner in respect of such Unit. The High Water Mark of a Unit will be appropriately adjusted in the event of a consolidation or subdivision of Units.

The Partnership will no longer issue Class T Units. As of January 1, 2019, each issued and outstanding Class T Unit held by The HGC Fund Trust ("**HGC Trust**") have been cancelled and exchanged for a class and series of Unit with terms corresponding to the class and series of trust unit in respect of which HGC Trust acquired such Class T Unit and with a Net Asset Value equal to the net asset value of the corresponding unit of HGC Trust as at such date.

The High Water Mark applicable to each Unit issued to HGC Trust pursuant to such exchange equals the lower of (x) the Net Asset Value of such Unit on the date of exchange, and (y) the high water mark applicable to the unit of the HGC Trust that corresponds to such Unit.

Limited Partners will, therefore, effectively share in net profits and net losses of the Partnership by increases or decreases in the Net Asset Value of their Units, which will be reduced by the Class C Limited Partner's Profit Allocations.

Any Profit Allocation made to the Class C Limited Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective Unit.

The Class C Limited Partner may withdraw all or any part of its capital account at any time following a Profit Allocation without notice to the Limited Partners and without being subject to any of the Lock-up Period, early redemption deduction, provisions which limit redemptions, minimum notice provisions or other redemption restrictions.

If the Class C Limited Partner does not withdraw the balance of its capital account in respect of its Class C interest promptly following the effective date of a Profit Allocation, the General Partner shall, unless otherwise agreed between the Class C Limited Partner and the General Partner, automatically convert such remaining balance into Class M Units as of the Valuation Date determined by the General Partner, to be held by the Class C Limited Partner. The Class C Limited Partner will receive such number of Class M Units at $100 per Unit as may be acquired with the balance in excess of $1 in its capital account in respect of its Class C interest. Upon receipt of such Class M Units, the Class C Limited Partner will become a Limited Partner for purposes of the Partnership Agreement and this Memorandum and shall be treated the same as all other Limited Partners holding Class M Units in accordance with the Partnership Agreement and this Memorandum.

SUMMARY OF LIMITED PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners and of the General Partner are governed by the Limited Partnership Agreement (as amended from time to time) and the LP Act. The following is a summary of the Limited Partnership Agreement entered into by the General Partner and the initial limited partner. **This summary is not intended to be complete and each investor should carefully review the Limited Partnership Agreement itself for full details of these provisions.**

Authority and Duties of the General Partner

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

The General Partner shall exercise the powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Partnership and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. See Article 6 - Management of Limited Partnership in the Limited Partnership Agreement.

The General Partner has assigned its powers and obligations under the Limited Partnership Agreement to the Manager to the extent necessary to permit the Manager to carry out its duties under the Management Agreement. However the Manager is not and is not intended to be a Partner. This summary reflects the assignment of powers, obligations and authority by the General Partner to the Manager.

The Units

The Partnership may issue an unlimited number of Units. The Manager may in its discretion create different Classes of Units. Each Class may be subject to different management fees, may have a different profit- sharing arrangements and may have such other features as the Manager may determine. As at the date hereof, [fourteen] Classes of Units (Class A Units, Class AU Units, Class A1 Units, Class A1U Units, Class B Units, Class F Units, Class FU Units, Class F1 Units, Class F1U Units, Class I Units, Class MUnits, Class MU Units, Class W Units and Class WU Units) have been created, having the attributes described in this Memorandum. The Manager may exchange or redesignate a Limited Partner's Units from one Class to another (and amend the number of such Units so that the Net Asset Value of the Limited Partner's aggregate holdings remains unchanged) and will do so in accordance with the Limited Partnership Agreement.

Units within each Class may be designated by the Manager as being Units of a series, and the opening Net Asset Value of each such series may be determined by the Manager. Each issued and outstanding Unit of a series shall be equal to each other Unit of the same series with respect to all matters. The respective rights of the holders of Units of each series will be proportionate to the Net Asset Value of such series relative to the Net Asset Value of each other series. Each Unit carries with it a right to vote, with one vote for each $1.00 of Net Asset Value attributed to such Unit (the Net Asset Value of all Units held by a Limited Partner shall be aggregated for the purpose of determining voting rights.) Fractional Units may be issued. A person wishing to become a Limited Partner shall subscribe for Units by means of a subscription form and power of attorney. The acceptance of any such subscription in whole or in part shall be subject to the Manager in its absolute discretion. See Article 3 The Units in the Limited Partnership Agreement.

On the first closing, Units designated by the Manager as Series 1 Units of each Class will be issued at a Net Asset Value per Unit of $100. On each successive Valuation Date on which Units are issued, a new series of Units within each Class will be issued at a Net Asset Value per Unit to be determined by the Manager (the Manager's current policy is to issue Units of each new series at $100). All changes in Net Asset Value (i.e. all income and expenses, and all unrealized gains and losses) of the Partnership shall be borne proportionately by each Class and series of Units based on their respective Net Asset Values, except as follows: (i) subscription proceeds received by the Partnership in respect of a series of Units shall accrue to the Net Asset Value of such series; (ii) all redemption proceeds paid out by the Partnership in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; (iii) the management fee and

early redemption reduction payable to the Manager in respect of a Unit of a series shall be deducted from the Net Asset Value of such series and (iv) any other expenses and any allocations made to the Class C Limited Partner that are allocable to a specific Class or series shall be deducted only from the Net Asset Value of that Class or series. The Net Asset Value per Unit of each Class and series shall be calculated by dividing the Net Asset Value of such respective Classes and series by the number of Units of such Classes and series then outstanding.

Units of a series of any Class may from time to time be consolidated or subdivided, andredesignated by the Manager as Units of another series or renamed such that they have the same name as another series of the same Class, with the consolidation/subdivision ratio based on their respective Net Asset Values per Unit, if (i) the High Water Mark for the first such series is equal to the Net Asset Value per Unit for such first series and the High Water Mark for the second series is equal to the Net Asset Valueper Unit of such second series, or (ii) the ratio of the High Water Mark to the Net Asset Value per Unit foreach such series is identical. (For the definition of "High Water Mark", see "*Profit Allocation*" above.)

Allocation of Income and Loss

Income and loss for taxation purposes, as well as taxable capital gains and allowable losses, of the Partnership in each fiscal year will generally be allocated to the Partners according to the following guidelines:

(a) Limited Partners who redeemed Units in the year will first be allocated a portion of income and taxable capital gains to reflect the realization of such amounts necessary to fund the redemptions;

(b) the General Partner will be allocated a portion of income, dividends and taxable capital gains in a total amount generally equal to the distributions received by the General Partner payable in such year;

(c) the Class C Limited Partner will be allocated a portion of income, dividends and taxable capital gains in a total amount generally equal to the Profit Allocation, if any, allocated to the capital account of the Class C Limited Partner in respect of such year;

(d) Limited Partners who hold Units will be allocated the remaining income, dividends and taxable capital gains in a fair manner based on the number, Class and series of Units held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each Class and series of Units, the fees paid or payable in respect of each Class and series of Units, the amount of the Profit Allocation, if any, in respect of each Class and Series of Units, and the date of realization of each such item of income, gain or loss, among other factors deemed by the Manager to be relevant; and

(e) net losses will be allocated as to (i) 0.0005%, to the General Partner, (ii) 0.0005% to the Class C Limited Partner, and (iii) 99.999%, to Limited Partners who hold Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year).

The Manager may adopt and amend an allocation policy from time to time intended to fairly and equitably allocate income or loss in the circumstances. See "Section 4.7 - Allocations in the Limited Partnership Agreement".

Distributions

While the General Partner does not currently intend to make distributions to Limited Partners, net profit of the Partnership allocated to the Limited Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner, the Class C Limited Partner or a Limited Partner.

Redemptions

Redemption rights are described above under the heading "Redemptions". Also, see Article 5 - Redemption in the Limited Partnership Agreement.

Expenses

The Partnership is responsible for all costs incurred by it in connection with the creation and organization of the General Partner and the Partnership and the ongoing activities of the Partnership, including but not limited to:

(a) third party fees and expenses of the Partnership, which include Manager's fees, accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communicationexpenses, organizational expenses, the cost of maintaining the Partnership's existence andregulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses;and

(b) fees and expenses relating to the Partnership's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees

To the extent that such expenses are borne by the General Partner or Manager, the General Partner or Manager, as the case may be, shall be reimbursed by the Partnership from time to time. Expenses attributable to a particular Class or series of Units will be deducted from the Net Asset Value of such Class or series. See Section 6.2 – Expenses in the Limited Partnership Agreement.

Power of Attorney

The Limited Partnership Agreement contains a limited power of attorney in favour of the General Partner in connection with all matters related to the operation of the Partnership, and authorizes the General Partner to, for example, execute documents on behalf of each Limited Partner (including tax elections and amendments to the Limited Partnership Agreement). See Section 6.4 – Power of Attorney in the Limited Partnership Agreement.

Management Fees

The Partnership may pay to the Manager such fees, in such amounts and at such intervals, as the General Partner and the Manager may agree to from time to time. All such fees are described above under "Management Agreement". See Section 7.2 – Fees in the Limited Partnership Agreement.

Liability

Subject to the provisions of the LP Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner. A Limited Partner may lose his, her or its status as a limited partner and the benefit of limited liability if such Limited Partner takes part in the control of the business of the Partnership or if certain other provisions of the LP Act are contravened.

Where a Limited Partner has received the return of all or part of the Limited Partner's "Contributed Capital" (as defined in the Limited Partnership Agreement), the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Contributed Capital. Furthermore, if after a distribution the Manager determines that a Limited Partner was not entitled to all or some of such distribution, the Limited Partner shall be liable to the Partnership to return the portion improperly distributed, together with interest at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers if repayment of such excess amount is not made by the Limited Partner within 15 days of receiving notice of such overpayment. The Manager may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by a predecessor of such Limited Partner. See Section 4.12 - Repayments and Section 8.2 - Limited Liability of Limited Partners in the Limited Partnership Agreement.

The General Partner shall be liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the LP Act and as set forth in the Limited Partnership Agreement to the extent that Partnership assets are insufficient to pay such liabilities.

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

Fiscal Year

The fiscal year of the Partnership shall end on December 31 in each calendar year.

Amendment

The General Partner may, without prior notice or consent from any Limited Partner, amend the Partnership Agreement (i) in order to protect the interests of the Limited Partners, if necessary; (ii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner; (iii) to reflect any changes to any applicable legislation; or (iv) in any other manner, if such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner.

Otherwise, the Partnership Agreement may be amended at any time by:

(a) the General Partner with the consent of the Limited Partners given by Special Resolution; or

(b) the General Partner, without the consent of the Limited Partners, provided the Limited Partners are given not less than 60 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Limited Partner is given the opportunity to redeem all of such Limited Partner's Units prior to the effective date of such amendment. See Article 13 - Amendment of Agreement in the Limited Partnership Agreement (in such event the Manager shall be deemed to have waived, to the extent necessary, any Lock-Up Period and notice period, and to have waived any redemption deductions for Units that are redeemed within the specific period).

Term

The Partnership has no fixed term. Dissolution may only occur (i) at any time on 30 days written notice by the Manager to each Limited Partner, or (ii) on the date which is 60 days following the removal of the General Partner, unless the Limited Partners agree by Ordinary Resolution to appoint a replacement General Partner and continue the Partnership. See Article 12 - Termination of the Partnership in the Limited Partnership Agreement.

ADMINISTRATION AGREEMENT

Apex Fund Services (Canada) Ltd. (the "**Administrator**") has been appointed by the Partnership, pursuant to an administration agreement dated May 8, 2015 (the "**Administration Agreement**"), to provide administrative services to the Partnership. The Administrator is an affiliate of Apex Fund Services Limited and has its principal place of business at 333 Bay St, Suite 1130, Toronto, Ontario, M5H 2S5.

The Administrator will calculate the net asset value of the Partnership, keep the books and records of the Partnership as required by applicable law or otherwise for the proper recording of the financial affairs of the Partnership, liaise with the Partnership's auditors with respect to the audit of the financial statements for each financial year of the Partnership, reconcile records of investments maintained by the Partnership, calculate all the operating expenses of the Partnership, determine management fees and performance fees, determine the net asset value of the Units of each Limited Partner, calculate distributions to Limited Partners and complete the T5013 return and relevant slips for the Limited Partners, maintain the register of Limited Partners of the Partnership, prepare financial statements for the Partnership, pay to or deposit with the Partnership's bankers all moneys, bills and notes received by it on behalf of the Partnership, make payments from accounts of the Partnership, process allocations and distributions of income (including capital gains), dividends and/or losses to the Limited Partners and provide other services as agreed between the Partnership and the Administrator from time to time.

The Administrator will receive fees from the Partnership in accordance with the Administration Agreement.

The Administrator has agreed to provide its services with reasonable care, subject to the control of and review by the Manager. The Partnership has agreed to indemnify and hold harmless the Administrator against all liabilities, damages, costs, claims and expenses incurred by the Administrator or its officers, employees, servants, or agents in the performance of any of their obligations or duties under the Administration Agreement except where such liabilities, damages, costs, claims and expenses arise from the Administrator's own gross negligence, wilful misconduct, fraud or material breach of the

Administration Agreement. The Administrator will not be responsible to the Partnership for any loss suffered by the Partnership or Manager in connection with the performance by the Administrator of its obligations under the Administration Agreement, except a loss resulting directly from the gross negligence, wilful misconduct or fraud, or material breach of the Administration Agreement on the part of the Administrator in the performance of its obligations and duties. The Administrator will not be liable for any indirect, special or consequential loss howsoever arising.

The Administration Agreement may be terminated by either party upon at least 60 days prior written notice to the other party. The Administration Agreement may also be terminated immediately by either party under certain circumstances, including bankruptcy or insolvency of the other party.

BROKERAGE AND CUSTODIAL ARRANGEMENTS

Prime Broker

The Partnership has appointed CIBC World Markets Inc. (the "**Prime Broker**") as prime broker in respect of the Partnership's portfolio transactions pursuant to the terms of a prime brokerage service agreement dated June 10, 2013, as amended November 30, 2015 (the "**Prime Broker Agreement**"). These services include the provision to the Partnership of trade execution, settlement and/or holding of investments and cash, at the discretion of the Prime Broker. Subject to the regulatory constraints related to the custody of the Partnership's assets described below under "Custody Arrangements," the Partnership may utilise other brokers and dealers for the purposes of executing transactions for the Partnership. The Prime Broker assumes possession of and a security interest in the assets as part of its prime brokerage function in accordance with the terms of the Prime Broker Agreement. Assets not required as margin on borrowings are required to be segregated (from the Prime Broker's own assets) under the rules of the Canadian Investment Regulatory Organization (CIRO), which regulates the Prime Broker, but the Partnership's assets may be commingled with the assets of other clients of the Prime Broker. However, the Partnership's cash and credit balances on account with the Prime Broker are not segregated and may be used by the Prime Broker in the ordinary conduct of its business, and the Partnership is an unsecured creditor in respect of those assets. The Partnership may request delivery of any assets not required by the Prime Broker for margin or borrowing purposes.

Under the terms of the Prime Broker Agreement, the Partnership has agreed to indemnify the Prime Broker for losses it may incur in providing services under the Prime Broker Agreement. Neither the Prime Broker nor any brokers appointed has or will have investment discretion in relation to the Partnership and no responsibility will be taken by the Prime Broker for any of the assets of the Partnership held by other brokers.

Custody Arrangements

The Partnership will maintain one or more bank accounts with Canadian and global financial institutions in addition to holding cash and securities in its prime brokerage account(s). The Partnership's account banks, brokers, including the Prime Broker, and other financial institutions (collectively, "**Custodians**") will maintain custody of the Partnership's cash, securities and other financial instruments. The Manager has internal policies and procedures in place to protect against unauthorized access to client accounts, including access to the accounts of the Partnership. However, there is a risk of fraud and errors by the employees of the Manager notwithstanding any such policies and procedures. See "*Material Conflicts of Interest – Trade Errors*."

CIBC World Markets Inc. is a "Canadian custodian" for the purposes of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**").

However, the Partnership may hold assets and enter into Customer Documents (as defined below) for prime brokerage and other trading, clearing and brokerage services with one or more "foreign custodian(s)" (as defined under NI 31-103) for certain trades or for all trades where such foreign custodian(s) has access to foreign securities and instruments, financial stability, pricing, access to a larger balance sheet, reputation or can provide research, brokerage or other services that are, in the aggregate, not available from, or are superior to, those available from a Canadian custodian.

The Manager intends to hold the cash, securities and other assets of the Partnership in accounts in the Partnership's name with Custodians, including the Prime Broker, that constitute "qualified custodians" for the purposes of NI 31-103. In connection therewith, certain of the Custodians may provide certain clearing (including prime brokerage) services to the Partnership and may also provide margin financing and other financing facilities. Such services and facilities will be provided pursuant to a series of agreements (the "**Customer Documents**"), including the Prime Brokerage Agreement, and may include institutional account agreements, other prime brokerage agreements and custodian agreements. The Custodians also provide custody services for the assets of the Partnership that are held in custody by the Custodians or such other broker-dealers or banks as part of their brokerage and/or custodial functions in accordance with the terms of the Customer Documents. The Custodians may appoint sub-custodians, including affiliates of the respective Custodians, of the assets of the Partnership, which could be located invarious countries and/or jurisdictions depending on the types of trades entered into by the Partnership. Furthermore, the Manager reserves the right to change the Partnership's brokerage and custodial arrangements (including using additional prime brokers and custodians or terminating the services of any of the prime brokers) and the Partnership may change its account bank, in each case without prior notice toand without the consent of Limited Partners.

Under Canadian and U.S. laws, there are rules intended to protect customer assets held by Custodians in the event of a financial crisis and/or insolvency of the Custodian, including rules regarding segregation of client assets, portability of client accounts and orderly liquidation of a broker. Notwithstanding these and other such protections, if a Custodian becomes insolvent, there may be a substantial delay in proceedings against a Custodian, the assets of the Partnership may become substantially impaired during such proceedings and if there are insufficient assets at the Custodian to cover all client accounts and other obligations of the Custodian, the Partnership may suffer material losses.

Cash, securities and other assets held by Custodians located outside Canada and the United States (including sub-Custodians appointed by Custodians located in Canada or the United States) could be subject to laws and regulations that are less favorable to the Partnership than those of Canada or the United States (including with respect to the priority of any claims upon a bankruptcy, insolvency or liquidation of any Custodian, which may result in the Partnership being a general unsecured creditor of a Custodian rather than the owner of assets that were previously included in the Partnership's portfolio). Under certain circumstances, including certain transactions where the Partnership's assets are pledged as collateral for leverage, the securities and other assets deposited with the Custodian may not be clearly identified as being assets of the Partnership and hence the Partnership could be exposed to a credit risk with regard to such parties. Placement of a Custodian in bankruptcy or similar proceedings outside of Canada and the United States could result in a great deal of uncertainty as to the status of assets held by such Custodian for various clients, the risk that such clients no longer own positions previously maintained by such Custodian (and instead hold claims against an insolvent entity) and a significant likelihood of low recoveries. To the extent that any of the Custodians are subject to bankruptcy or similar proceedings outside of Canada or the United States, the Partnership could suffer a total loss of positions held by such Custodian. In addition, there may be a substantial delay in such proceedings and as a result the Partnership may suffer a substantial loss. See "*Certain Risk Factors – Risks Associated with an Investment in the Partnership – Custody Risk," " – Prime Brokerage Arrangements"* and *"– Broker or Dealer Insolvency*".

Information concerning the Partnership's prime brokers and counterparties is available from the "National Registrations Search" page of the CSA website: www.securities-administrators.ca and the FINRA website: http://brokercheck.finra.org.

The Partnership reserves the right to change its brokerage and custodial arrangements (including using additional prime brokers and custodians or terminating the services of any of the prime brokers) without prior notice to and without the consent of Limited Partners.

"Soft Dollars"

The Manager is authorized to determine the broker to be used for each securities transaction on behalf of the Partnership. In selecting brokers and negotiating commission rates for the Partnership, the Manager takes into account the financial stability and reputation of brokerage firms, and the quality of the investment research, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by the broker, even though the Partnership may or may not in any particular instance be the direct or indirect beneficiary of the research or other services provided. In selecting brokers or dealers to execute transactions, the Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

The Manager does not intend to enter into any "soft dollar" arrangements in connection the services it provides to the Partnership. However, if the Manager does enter into any such arrangements it will only do so as permitted under applicable securities laws, including National Instrument 23-102 – Use of Client Brokerage Commissions promulgated by the Ontario Securities Commission ("NI 23-102"), under which the Partnership may bear the costs of certain products and services received by the Manager that constitute "order execution goods and services" or "research goods and services". Such products and services may benefit Other Accounts in addition to the Partnership.

Brokers may refer investors to the Manager. As a result, the Manager has an incentive to select or recommend brokers based on such brokers providing client referrals, rather than upon the Partnership's receiving the most favourable execution from the broker.

The Manager will provide to the Partnership and to each Limited Partner the disclosure of "soft dollar" activities required under NI 23-102.

Non-Securities Trading

In respect of investing in asset classes other than securities (for example, futures, forwards and swap contracts), commissions and spreads are solely a matter of negotiation between the trader and the counterparty.

The Manager negotiates all commission and trading arrangements (as well as interest income arrangements in the case of counterparties holding the Partnership's assets as collateral) at arm's length and has no affiliation with any of the Partnership's brokers or counterparties.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES

Investors are urged to consult with their tax advisers respecting the purchase, holding and disposition of Units of the Partnership. Investors should be aware of the tax considerations and consequences associated with an investment in a limited partnership generally and in an actively managed investment pool in particular.

RISK FACTORS

Investment in Units involves certain risk factors, including risks associated with the Partnership's investment strategies. The following risks should be carefully evaluated by prospective investors.

Risks Associated with an Investment in the Partnership

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Limited Partnership Agreement, including prior consent by the Manager, and applicable securities legislation. Although the LP Act permits a Limited Partner to assign his or her economic rights to distributions of profit and capital, legal ownership of the Units, and all other rights and liabilities of the Limited Partner as a partner of the Partnership, may only be transferred with such prior consent. See "Transfer or Resale". Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Investment Risk

An investment in the Partnership may be deemed to be speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should review closely the investment objective and investment strategies to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership.

Reliance on Manager and Track Record

The success of the Partnership will be primarily dependent upon the efforts of the Manager and its principals. Management personnel may change without notice.

Governance of the Partnership

The management, policies and control of the Partnership are vested exclusively in the Manager. No Limited Partner, in its capacity as such, will take any part in the control of the affairs of the Partnership, undertake any transactions on behalf of the Partnership, or have any power to sign for or otherwise to bind the Partnership.

Tax Liability

Net Asset Value of the Partnership and Net Asset Value per Unit will be marked to market and therefore calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses. In computing each Limited Partner's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption of Units by a Limited Partner in a fiscal year, will be taken into account. Therefore, the change in Net Asset Value of a Limited Partner's Units may differ from his share of income and loss for tax purposes. Furthermore, investors may be allocated income for tax purposes and not generally receive any cash distributions from the Partnership.

Possible Loss of Limited Liability

Under the LP Act, the General Partner has unlimited liability for the debts, liabilities, obligations

and losses of the Partnership to the extent that they exceed the assets of the Partnership. The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Partnership. In accordance with the LP Act, if a Limited Partner has received a return of all or part of the Limited Partner's contribution to the Partnership, the Limited Partner is nevertheless liable to the Partnership, or where the Partnership is dissolved, to its creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims arose before the return of the contribution. **The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Partnership.**

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership's capital is reduced and the Partnership is unable to pay its debts as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

Income

An investment in the Partnership is not suitable for an investor seeking an income from such investment, as the Partnership may not, or may be unable to, distribute income earned by it.

Not a Public Mutual Fund

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

Custody Risk

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

Prime Brokerage Arrangements

A majority of the assets of the Partnership will be held in one or more accounts with the Partnership's prime brokers, pursuant to which each prime broker offers execution and settlement services, margin and securities lending services, among other things. Under the terms of prime brokerage agreements, a prime broker is not obligated to provide these services and may, in its discretion, refuse to provide any or all such services to the Partnership. The Manager may execute a trade that the prime broker refuses to settle (using assets of the Partnership held by the prime broker), and unless the Manager has the cash (in the case of a purchase) or relevant securities (in the case of a sale) in another account, the Manager may have to break the trade and the Partnership may suffer a loss as a result.

Broker or Dealer Insolvency

The Partnership's assets may be held in one or more accounts maintained for the Partnership by its

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

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Partnership, employees of the Manager may make "trading errors" — i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and *vice versa*). Trading errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by employees of the Manager. Consequently, the Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Partnership, unless they are the result of conduct by the Manager which is inconsistent with the Manager's standard of care.

Changes in Investment Strategy

The Manager may alter its strategy without prior approval by the Limited Partners if the General Partner and the Manager determine that such change is in the best interest of the Partnership.

Valuation of the Partnership's Investments

While the Partnership is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Partnership's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Partnership could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement.

Although the Partnership generally will invest in exchange-traded and liquid over-the-counter securities, the Partnership may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Partnership holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Manager in respect of a redemption. In addition, there is risk that an investment in the Partnership by a new Limited

Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the actual value of such investments is higher than the value designated by the Manager. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Manager. The Partnership does not intend to adjust the Net Asset Value of the Partnership retroactively.

Potential Indemnification Obligations

Under certain circumstances, the Partnership might be subject to significant indemnification obligations in favour of the General Partner, the Manager, other service providers to the Partnership or certain persons related to them in accordance with the respective agreement between the Partnership and each such service provider. The Partnership will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the Partnership has agreed to indemnify them. Any indemnification paid by the Partnership would reduce the Partnership's Net Asset Value.

Possible Effect of Redemptions

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

Possible Effect of Class C Limited Partner Allocation

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

Charges to the Partnership

The Partnership is obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Partnership realizes profits. In addition, the Partnership may make a distribution to the General Partner upon a mid-year redemption in a fiscal year in which there is a net loss for such year.

Lack of Independent Experts Representing Limited Partners

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

No Involvement of Unaffiliated Selling Agent

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

Possible Negative Impact of Regulation of Hedge Funds

The regulatory environment for hedge funds is evolving and changes to it may adversely affect the Partnership. To the extent that regulators adopt practices of regulatory oversight in the area of hedge funds that create additional compliance, transaction, disclosure or other costs for hedge funds, returns of the Partnership may be negatively affected. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action that may adversely affect the value of the investments held by the Partnership. The effect of any future regulatory or tax change on the portfolio of the Partnership is impossible to predict.

Cyber Security Breaches and Identity Theft

Information and technology systems of the Partnership, the General Partner, the Manager and their respective service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the Partnership, the General Partner and/or the Manager may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Partnership's, the General Partner's and/or the Manager's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Partnership's, the General Partner's or the Manager's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Disease and Epidemics

The impact of disease and epidemics may have a negative impact on the Manager, the General Partner, the Partnership and the Partnership's underlying investments. In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. COVID-19 has resulted in health and other government authorities recommending or requiring the closure of offices or other businesses, and has also resulted in a general economic decline, supply chain and delivery interruptions, travel restrictions and increased rates of unemployment. The duration and depth of the economic dislocation caused by COVID-19 remains uncertain. Renewed outbreaks of COVID-19 or other epidemics or the outbreak of new epidemics could result in health or other government authorities recommending or requiring the closure of offices or other businesses, and could also result in a general economic decline. Moreover, the Manager's operations and those of the General Partner and the Partnership could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of the Manager, the General Partner and the Partnership. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably

estimated. The extent to which COVID-19 (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain this coronavirus or treat its impact, among others.

Risks Associated with the Partnership's Underlying Investments

General Economic and Market Conditions

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

Systemic Risk

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

Merger Arbitrage Risk

The Partnership may invest in issuers involved in, or the target of, corporate restructurings, mergers, acquisition attempts, tender offers, takeovers, spin-offs and similar transactions. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including management or shareholder opposition, government intervention, market conditions, compliance with applicable legal requirements and inability to obtain adequate financing. Additionally, such investments can result in a distribution of cash or a new security the value of which may be less than the purchase price of the security in respect of which such distribution is received. Similarly if an anticipatedtransaction does not in fact occur, the Partnership may be required to sell its investment at a loss.

SPAC Risk

The Partnership may invest in stock, warrants, and other securities of SPACs or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in government securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity's shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries, which may increase the volatility of their prices. In addition, these securities may be considered illiquid and/or be subject to restrictions on resale. SPACs may be subject to litigation which, notwithstanding management indemnifications, may result in the value of the SPAC being materially negatively impacted. The value of a SPAC is difficult to determine and the Manager may have no basis upon which to evaluate a SPAC's ability to achieve its business objective of completing an initial business combination with one or more target businesses.

Investments in Initial Public Offerings ("IPOs")

Investments in IPOs or shortly thereafter may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including (without limitation) the limited number of shares available for trading, unseasoned trading, lack of investor knowledge about the issuer and limited operating history of the issuer. In addition, some companies in IPOs are involved in relatively new industries or lines of business which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental-stage companies without revenues or operating income or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and for the value of the Partnership.

Special Situations/Event-Driven Investing

The Partnership may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies andsimilar transactions. The consummation of mergers, tender offers and exchange offers can be prevented ordelayed by a variety of factors, including: (i) opposition of the management or shareholders of the target company, which often results in litigation to enjoin the proposed transaction; (ii) intervention of governmentagencies; (iii) efforts by the target company to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) an attempt by a third party to acquire the offeror; (v) in the case of a merger, failure to obtain the necessary shareholder approvals; (vi) market conditions resulting in material changes in securities prices; (vii) compliance with any applicable legal requirements; and (viii) inability to obtain adequate financing.

Additionally, such investment can result in a distribution of cash or securities, the value of which is less than the purchase price of the security in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Partnership may be required to sell its investment at a loss. The Partnership may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed when the portfolio enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

Concentration Risk

The Partnership does not have any specific limits on holdings in securities of issuers in any one country, region or industry. As a result, the Partnership's portfolio may be subject to more rapid or dramatic changes in value than would be the case if the Partnership were required to maintain a wide diversification among companies, industries, regions, types of securities and other asset classes.

Deal Risks

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

Commodity Price Risk

The Partnership may be invested in securities of energy-related companies and thus exposed to the risks associated with an investment in commodities. The price of commodities can be affected by a variety of factors, such as the global economy, weather, politics, and OPEC policy. There can be no assurances that

losses due to unexpected commodity price fluctuations will not occur.

Fixed Income Securities

The Partnership may invest in bonds or other fixed income securities of U.S., Canadian and other foreign governments, as well as other issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the federal, state or provincial government in the United States or Canada or a governmental agency; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Partnership invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Partnership may suffer a loss at the time of sale of such securities.

Equity Securities

To the extent that the Partnership holds equity portfolio investments, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Partnership are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Partnership.

Additionally, to the extent that the Partnership holds any foreign investments, it will be influenced by worldpolitical and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Partnership.

Small to Medium Capitalization Companies

The Partnership may invest a portion of its assets in the stocks of companies with small- to medium-sized market capitalizations. While the Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Liquidity of Underlying Investments

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

Shorting

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

Lending Risk

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

Trading Costs

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

Currency and Exchange Exposure and Currency Hedging

Because the Partnership may invest in securities that are denominated or quoted in non-Canadian currencies, whereas the functional currency of the Partnership is Canadian dollars, performance may be significantly affected, either positively or negatively, by fluctuations in the relative currency exchange rates and by exchange control regulations. The Classes of Units of the Partnership issued in U.S. dollars will be subject to exchange rate risk given that the Partnership's assets are predominantly Canadian dollar denominated and that the functional currency of the Partnership is Canadian dollars. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Manager may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. To the extent the Partnership seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Partnership may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Partnership at one rate, while offering a lesser rate of exchange should the Partnership desire immediately to resell that currency to the dealer. The Partnership conducts its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies and entering into foreign currency borrowings.

To the extent the Partnership enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Partnership fails to predict accurately the direction of currency exchange rates, or if the Partnership fails to predict accurately the size

of its exposure. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Partnership for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

There can be no guarantee that instruments suitable for hedging currency exchange-rate risks will be available at the time the Manager wishes to use them or will be able to be liquidated when the Manager wishes to do so. In addition, the Manager may choose not to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

Counterparty Risk

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

Leverage

The Partnership may use financial leverage by borrowing funds against the assets of the Partnership. Leverage increases both the possibilities for profit and the risk of loss for the Partnership. Fromtime to time, the credit markets are subject to periods in which there is a severe contraction of both liquidityand available leverage. The combination of these two factors can result in leveraged strategies being required to sell positions typically at highly disadvantageous prices in order to meet margin requirements, contributing to a general decline in a wide range of different securities. Illiquidity can be particularly damaging to leveraged strategies because of the essentially discretionary ability of dealers to raise margin requirements, requiring leveraged strategy to attempt to sell positions to comply with such requirements ata time when there are effectively no buyers in the market at all or at any but highly distressed prices. Thesemarket conditions have in the past resulted in major losses to a substantial number of private investment funds. Such conditions, although unpredictable, can be expected to recur.

Market Value Borrowings and Derivatives

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

Uncertain Exit Strategies

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

political or other factors.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire Memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

MATERIAL CONFLICTS OF INTEREST

In accordance with applicable securities laws, the Manager must take reasonable steps to identify and disclose to its clients existing material conflicts of interest and material conflicts of interest that are reasonably foreseeable between the Manager and a client and between each individual acting on the Manager's behalf and a client. The Manager is required to address all material conflicts of interest between a client and itself, including each individual acting on its behalf, in the best interest of the client. However, there can be no assurance that the Manager will resolve all conflicts of interest in a manner that is favorable to the Partnership. In certain circumstances, the Manager must exercise its judgment to resolve conflicts of interest between its clients. The Manager will act in good faith in a fair and reasonable manner in applying its policies to resolve such conflicts. In addition to the conflicts of interest and risks discussed elsewhere in this Memorandum, prospective investors should consider the following inherent and potential conflicts of interest in respect of the Partnership. Prospective investors must also review and carefully consider the specific conflicts associated with the Partnership's investment strategy.

The Partnership is subject to a number of actual and potential material conflicts of interest.

The Manager

The Manager and its affiliates and their respective principals face numerous material conflicts of interest and other potential material conflicts of interest between their own interests and those of clients, including the Partnership, and between the interests of different clients in connection with the management and the investment management of the Partnership.

Material conflicts are perceived to arise whenever a registrant such as the Manager participates in the distribution of securities of a related or connected issuer.

The Manager and its affiliates and their respective principals do not devote their time exclusively to the management or portfolio management of the Partnership. In addition, such persons may perform similar or different services for others and may sponsor or establish other investment funds during the same period during which they act on behalf of the Partnership. Such persons therefore may have conflicts of interest in allocating management time, services and functions to the Partnership 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 the Partnership and other clients in a manner believed by the Manager to be fair and equitable.

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, Related Issuers and Connected Issuers; Proprietary Products

The Manager may engage in the promotion and marketing of, and may advise, including on a discretionary basis, clients to invest in, securities of related issuers and connected issuers, including the Partnership, but will do so only in compliance with applicable securities laws. Applicable securities laws require securities dealers and advisers, when they trade in or advise with respect to their own securities or

securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients and by the same medium of communication as any recommendation, to inform them of the relevant relationships and connections with the issuer of the securities. Prospective investors and Limited Partners should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. The definitions of the terms "related issuer" and "connected issuer" can be found in National Instrument 33-105 – *Underwriting Conflicts* of the Canadian Securities Administrators.

The Manager is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario, as an investment fund manager and exempt market dealer in Québec, and as an exempt market dealer in British Columbia, Alberta, Manitoba, Saskatchewan, Prince Edward Island, Nova Scotia and New Brunswick. The Manager will also ensure that it is registered as an exempt market dealer, portfolio manager and/or investment fund manager in such other provinces and territories of Canada as required under applicable laws in connection with the offering of Units of the Partnership.

Potential conflicts of interest could arise in connection with the Manager acting in different capacities as manager and/or exempt market dealer. As an exempt market dealer, the Manager may sell securities of related and/or connected limited partnerships and other pooled funds organized by the Manager in accordance with applicable laws, and will not be remunerated by such partnerships or other funds for acting in that capacity.

The Manager receives fees for the investment advisory and management services it provides to the Partnership and is entitled to be reimbursed for certain of its costs and expenses as described in this Memorandum. The General Partner and the Class C Limited Partners are affiliates of the Manager. The Class C Limited Partner, an affiliate of the Manager, is entitled to a share in the profits of the Partnership, in the form of the Profit Allocation. The Manager may act in connection with the distribution of Units of the Partnership and accordingly, the Partnership may be considered to be a "related issuer" and a "connected issuer" of the Manager within the meaning of applicable Canadian securities laws. The Manager has policies and procedures in place to ensure that any recommendation to invest in the Partnership is made in accordance with the Manager's obligations to its clients and in accordance with applicable securities laws. Other than as referred to above, the Manager does not receive compensation for selling or placing the Units.

The Partnership constitutes a "proprietary product" of the Manager because it is a related issuer and connected issuer and because the Manager is the investment fund manager of the Partnership. Generally, the Manager will only make recommendations with respect to proprietary products. This creates a conflict of interest between the interests of investors and the interests of the Manager because the Manager is incentivized to recommend an investment in the Partnership in order to earn Management Fees and for affiliates of the Manager and other parties with whom the Manager has a relationship to receive performance and incentive allocations, if earned. The Manager has policies and procedures in place and has trained its registered dealing representatives to ensure they will not sponsor a fund like the Partnership, or recommend an investment in the Partnership, unless such investment satisfies the suitability criteria of the prospective investor, including that such investment puts the client's interest first.

As a result of the Manager exclusively offering proprietary products, in connection with the Manager's suitability assessment, the Manager is not required to consider investments as an alternative to recommending that a client invest in the Partnership. Accordingly, the Manager has not conducted, and does not intend to conduct, any review of the market to consider alternative products in which a client may invest that have similar investment objectives and other terms to the Partnership or that are dissimilar to the Partnership. Even if the Manager is aware of other products in the market that are similar to the Partnership or that offers similar investment characteristics, the Manager has not conducted, and does not intend to conduct, any financial, legal, or operational due diligence to evaluate any such alternative investments for its clients.

Allocation of Investment Opportunities

The Manager and its employees shall conduct themselves with integrity and honesty and act in an ethical manner in all of their dealings with its clients, including the Partnership. The Manager shall not knowingly participate or assist in the violation of any statute or regulation governing securities and investment matters. The responsible persons shall exercise reasonable supervision over subordinate employees subject to their control to prevent any violation by such persons of applicable statutes or regulations. The Manager shall exercise diligence and thoroughness on taking an investment action on behalf of each client and shall have a reasonable and adequate basis for such actions, supported by appropriate research and investigations. Before initiating an investment transaction for a client, the Manager will consider its appropriateness and suitability. The Manager will manage each account within the guidelines established between the Manager and the client. The Manager shall ensure that each client account is supervised separately and distinctly from other clients' accounts. The Manager owes a duty to each client and, therefore, has an obligation to treat each client fairly.

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

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

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally on the amount of equity of each client's account;
- where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis;
- in the case of hot issues and IPOs, participation is split equally between clients based proportionately on the equity in each account;
- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, and
- trading commissions for block trades are allocated on a pro rata basis, in accordance with the foregoing trade allocation policies.

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

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

Some of the Manager's clients have selected a dealer to act as custodian for the clients' assets and direct the Manager to execute transactions through that dealer. It is not the Manager's practice to negotiate commission rates with such dealers. For clients who grant the Manager brokerage discretion, like the Partnership the Manager will block orders and all client transactions will be done at the same standard institutional per share commission rate.

Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of 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 applicable securities regulations.

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 its management of the Partnership. 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 does not have any agreements or arrangements in place with any dealer for portfolio transactions regarding the Partnership. However, the Manager is provided with research, from time to time, from the dealers with whom it places trades for the Partnership, as well as for its other clients. The Manager does not take into account the research it receives in determining dealers through whom it will place portfolio transactions for the Partnership. Names of the dealer(s) that provided the Manager with such research services in connection with the portfolio transactions for the Partnership during the last financial year of the Partnership will be provided on request by contacting the Manager.

The Manager generally has limited, and generally intends to continue to limit, its use of "soft dollars" to obtaining services that the Manager reasonably believes are permitted under NI 23-102 and other applicable securities laws, and are or for which the Partnership would otherwise pay directly. See "*Brokerage and Custodial Arrangements*." However, even when using "soft dollars" within the safe harbor and in accordance with NI 23-102, the Manager will have a conflict of interest between its obligation to seek best execution for the Partnership and its interest in receiving products and services for which it might otherwise have to pay. In addition, where the Manager uses "soft dollars" to pay for services that the Partnership would otherwise have to pay for directly, the cost of such services is not as transparent to the Limited Partners as are direct payments by the Partnership, which are disclosed in the Partnership's audited financial statements.

Personal Trading

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

Transactions for clients shall have priority over personal transactions so that the Manager's

personal transactions do not act adversely to a client's interest.

Referral Arrangements

While the Manager currently has no referral arrangements with respect to this offering and nor does it receive any referral fees in connection with this offering, the Manager may in the future, in its absolute discretion, enter into referral arrangements whereby it pays a fee for the referral of a client to the Manager or to one of the funds it manages. No such payment will be made unless all applicable securities laws in connection with referral arrangements are complied with.

Profit Allocations

The Profit Allocation creates a conflict between the Manager's interests in earning a profit in the short term with the long-term interests of the Partnership. Specifically, the Manager may have an incentive to invest Partnership assets in investments that are riskier or more speculative than would be the case if the Manager were only compensated based on a flat percentage of capital, because these investments may allow the Manager's affiliate to collect larger performance-based compensation.

Allocation of Expenses

Expenses related to the operations and conduct of the Manager, the General Partner and their affiliates incurred while fulfilling their respective roles and responsibilities will not be allocated to the Partnership, except as otherwise specifically provided in this Memorandum. However, the Manager may have a conflict of interest in determining whether an expense constitutes an operating expense of the Partnership or such other party's general overhead. In addition, the Manager manages numerous accounts and has many clients and the allocation of expenses as between such accounts and clients creates a conflict. The Manager may, to the extent permissible and reasonably practicable, allocate such cost and expenses among its accounts and clients (including the Partnership) on the basis of their relative capitalizations or in such other manner as the Manager determines to be fair and reasonable under the circumstances.

Trade Errors

The Manager will from time to time make trade errors. Trade errors are not errors in judgment, strategy, market analysis, or economic outlook, but rather errors in implementing specific trades which the Manager had determined (rightly or wrongly) to make. Examples of trade errors include: (i) buying or selling an investment at a price or quantity that is not intended; or (ii) buying rather than selling a particular investment (and *vice versa*). Trade errors can result from clerical mistakes, miscommunications between Manager personnel and other reasons. Importantly, however, trade errors are not the function of poor strategies, valuation models, economic expectations, undue speculation, unauthorized trades, or the like, but rather of the physical implementation of specific trades on which the Manager had decided.

The Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Partnership, unless they are the result of conduct by the Manager which is inconsistent with the Manager's standard of care. The Manager will, accordingly, be obligated to reimburse the client for any trade error resulting from the Manager's fraud, gross negligence or reckless or intentional misconduct, but not otherwise. This approach does not contemplate that the Manager would determine whether any individual trade error resulted from the Manager's fraud, bad faith, gross negligence or reckless or intentional misconduct *per se*; rather, the Manager would likely consider itself to have been grossly negligent if the Manager determines that its supervisory procedures were inadequate to prevent such errors from recurring with any frequency.

The Manager has a conflict of interest in determining whether a trade error should be for the account of the client or the Manager and attempts to resolve such conflict by an objective determination of the status

of such trade error under the applicable liability standard.

Trade error costs can be significant – including market losses resulting from the position incorrectly acquired as well as the additional brokerage costs of closing out or reversing the error. The opportunity cost (lost profits) of not having made the trade intended to be made is not considered a trade error cost.

Any gains recognized on trade errors will be for the benefit of the Partnership; none will be retained by the Manager.

Compensation of the Manager and Employees

The terms of the Units in general, and the Management Fees in particular, have not been negotiated at arm's-length. The Management Fees payable to the Manager in respect of the Partnership will be payable without regard to the overall success of or income earned by the Partnership.

The compensation arrangements of certain of the officers and employees of the Manager may be related to its revenues and profits. These types of compensation arrangements create a conflict of interest as such officers and employees are incentivized to put their interests ahead of clients to maximize the amount of capital raised by the Partnership and upon which Management Fees are determined. However, the Manager does not compensate employees in direct relation to capital raised or investment returns and have policies and procedures in place to ensure that their registered individuals do not act in a manner inconsistent with putting the interests of clients first. The Manager has various policies in place to ensure that such compensation arrangements do not interfere with the Manager's and its registered individuals' obligations to Limited Partners and other clients, including the suitability determination obligation under applicable securities laws. In addition, the Manager may impose disciplinary action against any employees that fail to comply with such policies and procedures.

Preferential Information

In response to questions and requests and in connection with due diligence meetings and other communications, the Manager may provide additional information to certain Limited Partners and prospective investors that is not distributed to other Limited Partners and prospective investors in the Partnership. Such information may affect a prospective investor's decision to invest in the Partnership or a Limited Partner's decision to stay invested in the Partnership. Each investor is responsible for asking such questions as it believes are necessary to make its own investment decisions and must decide for itself whether the limited information provided by the Manager or the Partnership is sufficient for its needs.

COMPLAINTS HANDLING PROCEDURE

If a Limited Partner (other than a "permitted client" as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, unless such permitted client is an individual) has a complaint relating to the trading or advising services provided by the Manager or one of its representatives, the Limited Partner may file the complaint with the Manager within six years of the day when the Limited Partner first knew or reasonably ought to have known of an act or omission that is a cause of or contributed to the complaint. If the Manager does not provide the Limited Partner with a decision regarding the complaint within 90 days of the Manager's receipt of the complaint, the Limited Partner may have the complaint considered by the Ombudsman for Banking Services and Investments ("**OBSI**") at the Manager's expense provided that the Limited Partner agrees that any amount it will claim for the purpose of OBSI's consideration will be no greater than $350,000. Alternatively, if the Manager decides to reject the complaint or to make an offer to resolve the complaint, and the Limited Partner is not satisfied with the Manager's decision, the Limited Partner may within 180 days of the Limited Partner's receipt of written notice of the Manager's decision, have the complaint considered by OBSI at the Manager's expense, provided that the Limited Partner agrees that any amount it will claim for the purpose

of OBSI's consideration will be no greater than $350,000.

OBSI can be reached by telephone at 1-888-451-4519 or at www.obsi.ca, and must be contacted within 180 days of receiving the final response to a Limited Partner's complaint.

ANTI-TERRORISM AND ANTI-MONEY LAUNDERING LEGISLATION

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

If, as a result of any information or other matter which comes to the Manager's attention, any director, officer or employee of the Manager, or its professional advisers, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

LIMITED PARTNER REPORTING

The Partnership is not a reporting issuer for the purpose of applicable securities legislation and Limited Partners will receive only those reports required by the Limited Partnership Agreement and by National Instrument 81-106 – *Investment Fund Continuous Disclosure* applicable to non-reporting issuer investment funds.

Within 90 days after the end of each fiscal year, the Manager will forward to each Limited Partner an annual report for such fiscal year consisting of (i) unless otherwise instructed, audited financial statements for such fiscal year together with a report of the auditor on such financial statements; (ii) tax information to enable each Limited Partner to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

Within 60 days following the end of the first six months of each fiscal year, the Manager will forward to each Limited Partner, unless otherwise instructed, unaudited semi-annual financial statements.

The Manager will also forward to each Limited Partner monthly unaudited financial information respecting the Net Asset Value per Unit of the Units held by them.

The Manager will forward such other reports to Limited Partners as are from time to time required by law. For example, if the Manager is the dealer through whom Units are purchased, the Manager must provide:

- a written confirmation of the purchase indicating, among other things, the number and series of Units issued as well as the purchase price thereof and any charges applicable to the purchase;
- a written confirmation of any redemption of Units, indicating, among other things, the number and series of Units redeemed as well as the redemption proceeds therefrom and any charges applicable to the redemption;
- a statement to the Limited Partner at the end of each quarter (or month, if the Limited Partner requests monthly reporting or if there was a subscription for or redemption of Units by the Limited Partner during the month) showing, for each purchase, redemption or transfer made by the Limited Partner during the period (i) the date of the transaction, (ii) whether the transaction was a purchase, redemption or transfer, (iii) the number and Series of Units purchased, redeemed or transferred, (iv) the price per Unit paid or received by the Limited Partner and (v) the total value of the transaction, as well as the number, Class, series, original cost and Net Asset Value of Units held by the Limited Partner at the end of the period (if there is no dealer of record for a Limited Partner, the Manager will provide this information to the Limited Partner on an annual basis); and

- an annual statement on certain charges and other compensation charged to the Limited Partner during the year, as well as a report on investment performance on the Limited Partner's Units.

STATUTORY RIGHTS OF ACTION AND RESCISSION

Securities legislation in some of the Canadian provinces provides some purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages or both where an offering memorandum and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. Those remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation. Each purchaser should refer to the provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 – *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this Canadian offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption provided in Section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to Section 73.3 of the *Securities Act* (Ontario), the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;

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

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

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

Section 130.1 provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean 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 not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this Canadian offering memorandum is furnished to a prospective purchaser of securities in

connection with a trade made in reliance on Section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the issuer and a selling security holder on whose behalf the distribution is made for damages or, while still the owner of the securities, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause ofaction; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The defendant shall not be liable for a misrepresentation if it proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

In no case shall the amount recoverable for the misrepresentation exceed the price at which the securities were offered.

The liability of all persons and companies referred to above is joint and several. The issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the issuer, unless themisrepresentation, (a) was based on information that was previously publicly disclosed by the issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of Financial and Consumer Services Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this Canadian offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. In the event that any information relating to the offering provided to the purchaser contains a "misrepresentation", Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action against the issuer and a selling security holder on whose behalf the distribution is made for damages or, while still the owner of the securities, for rescission. Section 150 also provides such investors with a statutory right of action against every person who was a director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum. The term "misrepresentation" is defined to mean 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 not misleading in the light of the circumstances in which it was made.

Where this Canadian offering memorandum is delivered to a prospective purchaser of securities in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this offering memorandum

contains a misrepresentation, a purchaser who purchases the securities shall be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the issuer and a selling security holder on whose behalf the distribution is made for damages or, while still the owner of securities, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

The defendant shall not be liable for a misrepresentation if it proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

In no case shall the amount recoverable for the misrepresentation exceed the price at which the securities were offered.

The liability of all persons and companies referred to above is joint and several. The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

Rights for Purchasers in Nova Scotia

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

(a) no action shall be commenced to enforce the right of action for rescission or damages under Section 138 later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

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

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

(d) in no case will the amount recoverable under Section 138 exceed the price at which the securities were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

Rights for Purchasers in Saskatchewan

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

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

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

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

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

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

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

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

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

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

(d) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of, or an extract from, the person's or company's own report, opinion or statement as an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(e) no person who or company that sells securities on behalf of the issuer or selling security holder will be liable if that person or company can establish that he, she or it cannot reasonably be expected to have had knowledge of any misrepresentation in the offering memorandum or any amendment to it;

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

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

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

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

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

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

(i) there had been a misrepresentation; or

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

(d) with respect to any part of the offering memorandum or of any amendment to it purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of, or an extract from, the person's or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:

(i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the offering memorandum or of any amendment to it fairly represented the person's or company's report, opinion or statement; or

(ii) on becoming aware that the part of the offering memorandum or of any amendment to it did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Financial and Consumer Affairs Authority of Saskatchewan and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the offering memorandum or of any amendment to it; or

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

The liability for damages of all persons and companies referred to above is joint and several, provided that the court may deny the right to recover a contribution where, in all the circumstances of the case, it is satisfied that to permit recovery of a contribution would not be just and equitable.

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

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

The rights of action for damages or rescission under sections 138, 138.1 and 138.2 of the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Subsection 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

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

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

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

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

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

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

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Rights for Purchasers in Newfoundland and Labrador

In accordance with Section 130.1 of the *Securities Act* (Newfoundland and Labrador), in the event this offering memorandum contains a misrepresentation, a purchaser to whom this offering memorandum has been delivered and who purchases Securities shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has a right of action for damages against the issuer and, subject to certain defences against the issuer, every director of the issuer at the date of this offering memorandum and every person or company who has signed this offering memorandum. The purchaser may instead elect to exercise a right of rescission against the issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person. For the purposes of the Securities Act (Newfoundland and Labrador) "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A defendant is not liable: (a) if the purchaser had knowledge of the misrepresentation; (b) in an action for damages, for all or any portion of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon. In an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the issuer, is liable:

(a) if the person or company proves that this offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge or consent;

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

(c) with respect to any part of this offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that there had been a misrepresentation or the relevant part of

this offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation.

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

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

The liability of all persons and companies referred to above is joint and several.

Pursuant to Section 138 of the *Securities Act* (Newfoundland and Labrador), no action shall be commenced to enforce the rights conferred by Section 130.1 thereof unless commenced:

(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, other than an action for rescission, the earlier of:

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

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

General

The foregoing summary is subject to the express provisions of the *Securities Act* (Ontario), the *Securities Act* (New Brunswick), the *Securities Act* (Nova Scotia), the *Securities Act* (Newfoundland and Labrador) and *The Securities Act, 1988* (Saskatchewan) and the rules and regulations thereunder and reference is made thereto for the complete text of such provisions. Purchasers in other provinces may have similar rights of action pursuant to the securities legislation of such provinces and purchasers in such provinces should consult the complete text of such legislation. The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

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