CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of Units 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 Offering 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 Offering 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.*

Continuous Offering **May 1, 2018**

HGC ARBITRAGE FUND LP

Limited Partnership Units

HGC Arbitrage 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 primarily engaging in merger arbitrage.

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 a connected issuer of HGC Investment Management Inc. (the "Manager"), the manager of the Partnership and an affiliate of the General Partner.** The Manager will earn fees from the Partnership. Also, the General Partner will be entitled to receive distributions from the Partnership. See "Conflicts of Interest". Purchasers of interests in the Partnership, in the form of limited partnership units (the "**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 Units are being issued in seven different classes: **Class A Units, Class B Units. Class F Units, Class I Units**, **Class M Units**, **Class T Units** and **Class W Units**. Each Class will have different management fees and different profit-sharing arrangements with the General Partner. 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 at least one day prior to 4:00 p.m. on the designated Valuation Date (subscriptions received after that time will be processed as at the next Valuation Date). All subscriptions for Units are subject to acceptance or rejection by 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 Offering 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 exclusively by the Partnership 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 and Québec. 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 away any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any 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 Offering Memorandum.

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SUMMARY

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

The Partnership: HGC Arbitrage 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. The General Partner was instrumental in the formation of the Partnership and is responsible for appointing the Manager and monitoring the activities of the Manager on behalf of the Partnership. The General Partner will receive a share of Partnership profits. See "The General Partner" and "Profit Allocation".

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 primarily engage in merger arbitrage, 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: Seven classes of limited partnership units (the "**Units**") are currently offered:

Class A Units are available to all investors who meet the minimum investment criteria. Class A Units are charged a **2.0%** per annum management fee and share **20%** of profits with the General Partner (based on increases in Net Asset Value).

Class B Units are available to certain investors who invest in (and continue to hold) 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 General Partner (based on increases in Net Asset Value).

Class F Units will only be issued to investors who purchase their Units through another dealer 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 General Partner (based on increases in Net Asset Value).

Class I Units are available to 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 General 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 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 General Partner.

Class T Units are generally only available to other investment funds managed by the Manager. Class T Units are not charged a management fee nor do they share profits with the General Partner.

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).

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 and Québec to investors who are accredited investors or to whom Units may otherwise be sold without a prospectus. See "The Offering", "Summary of Limited Partnership Agreement – The Units" and "Management Agreement".

Minimum Individual Subscription:

The minimum initial investment for Class A Units is **$100,000** from direct investors and **$25,000** from investors acquiring their Units through their own dealer. The minimum initial investment for Class F Units is **$25,000.** Each additional investment must be not less than $25,000.

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)).

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 at least one day prior to 4:00 p.m. on the designated 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. Subscription funds provided prior to a Valuation Date will be kept in a segregated escrow 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).

Redemption proceeds will generally be paid within 10 business days of the Redemption Date, subject to receipt of complete documentation and final determination of Net Asset Value of the Partnership.

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 liquid assets in the Partnership 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 will be honoured and/or deferred on a pro rata basis, but deferred redemptions will be honoured in full before new redemption requests.

The Manager 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 at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 14 days before the designated Redemption Date, which right may be exercised by the Manager in its absolute discretion. 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**, plus
- 1/12 of **1.5%** of the aggregate Net Asset Value of the **Class B Units**, **Class I Units**, and **Class W Units**, plus
- 1/12 of **1.0%** of the aggregate Net Asset Value of the **Class F 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** or **Class T 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.

See "Limited Partnership Agreement – Expenses".

Profit Allocation: The General Partner will share in the profits of the Partnership by receiving distributions payable on the last Valuation Date in each calendar year based on the increase, if any, in the Net Asset Value of each Unit. If a Unit is redeemed on a Redemption Date that is not the last Valuation Date of a calendar year, the General

Partner will receive a distribution in respect of such Unit payable on such Redemption Date. Such distributions are equal to

- **20%** of the positive amount, if any, obtained when the High Water Mark for each such **Class A Unit**, **Class F Unit** and **Class W 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** payment will be made to the General Partner in respect of the performance of the **Class M Units** or **Class T 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 the payment of a distribution to the General Partner in respect of such Unit.

Any distribution paid to the General Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective Units. See "Profit Allocation".

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 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, and (ii) 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 the 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, distributions if any paid to the General Partner 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 will be allocated 99.999% of net losses; the remaining 0.001% shall be allocated to the General Partner. 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 year end. 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 "Summary of Limited Partnership Agreement – Reports to Limited Partners". 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 fee and commissions at any time.
Legal Counsel:	Borden Ladner Gervais LLP, Toronto, Ontario
Auditors:	KPMG LLP, Toronto, Ontario
Prime Broker:	CIBC World Markets Inc.
Administrator:	Apex Fund Services (Canada) Ltd., Toronto, Ontario

THE PARTNERSHIP

HGC Arbitrage 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 January 1, 2016 (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 366 Adelaide Street West, Unit 601, Toronto ON M5V 1R9.

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

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 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 General Partner remains responsible for monitoring the Manager's activities on behalf of the Partnership. The General Partner will receive a share of Partnership profits. See "Profit Allocation".

THE MANAGER

HGC Investment Management Inc. (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 366 Adelaide Street West, Unit 601, Toronto ON M5V 1R9.

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
David Heden, CIM Toronto, Ontario	Chief Executive Officer and Secretary
Sean Kallir, CIM Toronto, Ontario	President and Chief Investment Officer

Name and Municipality of Residence	Position with the Manager
Brett Lindros Toronto, Ontario	Executive Vice President and Chief Operating Officer
Osie Ukwuoma Toronto, Ontario	Chief Compliance Officer

David Heden

Prior to founding the Manager in 2013, Mr. Heden was a Managing Partner at K2 Investment Management Inc., a Toronto based hedge fund manager. At K2, he developed significant expertise in merger arbitrage, participating in over 1000 merger, arb and spin-off situations, with a primary focus on the energy sector. This energy expertise led Mr. Heden to build a complete energy investment group within K2, opening offices in Calgary, and expanding energy investments to include mezzanine lending, distressed debt, and activist situations.

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 6 years of experience Sean has been involved in hundreds of merger arb positions, and has become well versed in nuances of special situations. Sean holds an Honors BA in Economics from the University of Western Ontario.

Brett Lindros

In his role as Chief Operating Officer, Mr. Lindros manages the business aspects of HGC including internal finance, human resources and service providers such as fund administrator, legal and auditor. He is also responsible for the marketing of the funds and investor relations.

Osie Ukwuoma

Osie holds a J.D. degree from the Queen's University Faculty of Law as well as a Bachelor of Commerce from the Queen's School of Business. Osie has been a member of the Law Society of Upper Canada since 2014, and he completed his articles at a large Canadian law firm. Prior to joining HGC, Osie worked as legal counsel at the Canadian Securities Transition Office and more recently in the compliance department of a large buy-side fixed income investment firm.

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 primarily engage in merger arbitrage, 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 Vehicles) 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) ***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.

(c) ***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.

(d) ***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.

(e) ***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.

(f) ***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.

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 100% 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.

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 to investors resident in Ontario, Alberta, British Columbia, Manitoba and Québec (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**").

Seven classes of Units, issuable in series, are currently being offered:

- **Class A Units** are available to all investors who meet the minimum investment criteria. Class A Units are charged a 2.0% per annum management fee and share 20% of profits with the General Partner (based on increases in Net Asset Value).

- **Class B Units** are available to certain investors who invest in (and continue to hold) 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 General Partner (based on increases in Net Asset Value).

- **Class F Units** will only be issued to investors who purchase their Units through another dealer 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 General Partner (based on increases in Net Asset Value).

- **Class I Units** are available to 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 General 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 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 General Partner.

- **Class T Units** are generally only available to other investment funds managed by the Manager. Class M Units are not charged a management fee nor do they share profits with the General Partner.

- **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).

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.

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 Offering 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. 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 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 of the 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 this 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; and

(c) 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 <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)).

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 at least one day prior to 4:00 p.m. on the relevant Valuation Date (however the Manager may in its absolute discretion accept a subscription at any time up until 4:00 p.m. (Eastern time) 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 escrow 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 Units is $100,000 from direct investors and $25,000 from investors acquiring their Units through their own dealer. The minimum initial investment for Class F Units is $25,000.

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, or such other date as the Manager in its absolute discretion may determine (each a "**Redemption Date**") The "**Lock-Up Period**" begins on the date of issuance of the Units to 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 B Units, Class F Units, Class M Units, Class T Units and Class W 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).

Generally, the payment of redemption proceeds are expected to be as follows: The Partnership will pay 85% of the redemption proceeds (determined as of the relevant Redemption Date) to a Limited Partner with respect to the Units being redeemed generally within seven (7) days after the applicable Redemption Date. The Partnership will pay the remaining 15% of the redemption proceeds (determined as of the relevant Redemption Date) to the Limited Partner generally within five (5) business days after the Net Asset Value per Unit at the applicable Redemption Date is confirmed by the Manager.

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 liquid assets in the Partnership 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 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, by notice in writing to the Limited Partner given at least 30 days before the designated Redemption Date, which right may be exercised by the Manager in its absolute discretion.

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 for:

(a) in which the Manager determines in its sole discretion that (i) conditions exist which render impractical, the sale of assets of the Partnership or which impairs 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 liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be detrimental to the Partnership;

(b) in which 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) when 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.

TRANSFER OR RESALE

As the Units offered by this Offering 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 this 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 General Partner's distributions 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**, plus
- 1/12 of **1.5%** of the aggregate Net Asset Value of the **Class B Units**, **Class I Units**, and **Class W Units**, plus
- 1/12 of **1.0%** of the aggregate Net Asset Value of the **Class F 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** or **Class T 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 General Partner will share in the profits of the Partnership by receiving distributions payable on the last Valuation Date in each calendar year based on the increase, if any, in the Net Asset Value of each Unit. If a Unit is redeemed on a Redemption Date that is not the last Valuation Date of a calendar year, the General Partner will receive a distribution in respect of such Unit payable on such Redemption Date. Such distributions are equal to

- **20%** of the positive amount, if any, obtained when the High Water Mark for each such **Class A Unit**, **Class F Unit** and **Class W 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** payment will be made to the General Partner in respect of the performance of the **Class M Units** or **Class T 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 the payment of a distribution to the General 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.

Any distribution paid to the General Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective 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 General Partner's distributions.

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 arrangement with the General Partner, and may have such other features as the Manager may determine. As at the date hereof, seven Classes of Units (Class A Units, Class B Units, Class F Units, Class I Units, Class M Units, Class T Units and Class W Units) have been created, having the attributes described in this Offering 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 redemption fee 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 distributions paid to the General 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, and redesignated 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 Value per Unit of such second series, or (ii) the ratio of the High Water Mark to the Net Asset Value per Unit for each 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) Limited Partners 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 and distributions payable to the General Partner 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

(d) net losses will be allocated as to (i) 0.001%, to the General Partner, and (ii) 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

The General Partner will receive distributions from the Partnership based on the increase in the Net Asset Value of each Unit on the last Valuation Date in each calendar year and upon the redemption of such Unit, as more fully described above under "Profit Allocation". Such distributions will be deducted from the Net Asset Value of such Unit (or, in the case of a redemption, from the redemption proceeds). The General Partner will not be required to repay any distributions if distributions received on a redemption of Units in a fiscal year exceed the Partnership's net profits in that year.

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

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 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, 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 175 Bloor St East, Suite 807, South Tower, Toronto, Ontario, M4W 3R8.

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.

PRIME BROKERAGE AGREEMENT

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. 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 Investment Industry Regulatory Organization of Canada, 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.

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.

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 General Partner Distributions

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

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 anticipated transaction does not in fact occur, the Partnership may be required to sell its investment at a loss.

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 world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the 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 bid up 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 Rate Risks

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

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. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and 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 at a time when there are effectively no buyers in the market at all or at any but highly distressed prices. These market 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 Offering Memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

CONFLICTS OF INTEREST

Securities regulation in Canada requires that potential conflicts of interest be fully disclosed in this offering memorandum. Such potential conflicts are perceived to arise whenever a registrant such as the Manager participates in the distribution of securities of a related or connected issuer.

In this case, because the Manager is an affiliate of the General Partner and because the Manager earns fees from the ongoing management of the Partnership's investment portfolio, the Partnership is considered to be a connected issuer of the Manager. Details of this relationship and the fees earned by the Manager are fully disclosed elsewhere in this offering memorandum.

Furthermore, David Heden is registered as both an advising representative (portfolio manager), having control over the Partnership's investment portfolio, and the Chief Compliance Officer of the

Manager (however the Manager intends to appoint a non-advising officer as Chief Compliance Officer within the next 12 months).

CONFLICTS OF INTEREST POLICY

Securities regulation in certain jurisdictions in Canada requires that potential conflicts of interest be fully disclosed in the Offering Memorandum. Such potential 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 respective principals and affiliates 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

The Manager may engage in activities as an investment fund manager, portfolio manager and exempt market dealer in respect of securities of related or connected issuers but will do so only in compliance with applicable securities legislation.

The securities laws of certain jurisdictions in Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The 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 and Manitoba. 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 from the Partnership for its investment fund management and portfolio management services. The Manager may also act as an exempt market dealer with respect to the distribution of the Units. There is no commission payable to the Manager in its capacity as an exempt market dealer in respect of Units purchased directly by an investor from the Manager.

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, the Manager will block orders and all client transactions will be done at the same standard institutional per share commission rate.

The Manager may purchase or sell securities from or to other managed accounts provided that the transaction is effected through an independent broker at the current market price of the security or at the mid-point of the current market bid/ask price, unless a deviation is permitted in writing by the Chief Investment Officer.

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

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

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

Brokerage Arrangements

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

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.

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.

Dispute Resolution

Subscribers who purchase Units directly from the Manager (in its capacity as an exempt market dealer) may avail themselves of independent dispute resolution and mediation services, at the Manager's expense, to mediate any dispute that may arise between the Subscriber and the Manager about the services provided by the Manager.

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. See "Summary of Limited Partnership Agreement - Reports to Limited Partners."

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

In addition to and without derogation from any right or remedy that a purchaser of Units may have at law, securities legislation in certain of the provinces of Canada provides that a purchaser has or must be granted rights of rescission or damages, or both, where the Offering Memorandum and any amendment thereto contains a Misrepresentation. However, such rights must be exercised by the purchaser within prescribed time limits.

As used herein, "**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made. A "**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units.

Purchasers should refer to the applicable provisions of the securities legislation of their province of residence for the particulars of their rights or consult with a legal adviser. The following is a summary of the rights of rescission or damages, or both, available to purchasers under the securities legislation of the Offering Jurisdictions.

Rights for Purchasers in Ontario

If this Offering Memorandum, together with any amendment or supplement hereto, delivered to a purchaser of Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action against the Partnership for damages or, while still the owner of the Units purchased by that purchaser, for rescission (in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Partnership) provided that:

(a) the Partnership shall not be held liable pursuant to either right of action if the Partnership proves the purchaser purchased the Units with knowledge of the Misrepresentation;

(b) in an action for damages, the Partnership is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the purchaser as a result of the Misrepresentation relied upon;

(c) the Partnership will not be liable for a Misrepresentation in forward-looking information if the Partnership proves that:

(i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(ii) the Partnership has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;

(d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired; and

(e) no action may be commenced to enforce such right of action more than,

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

(ii) in the case of an action for damages, the earlier of

(A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or

(B) three years after the date of purchase of the Units.

The foregoing rights do not apply if the purchaser purchased Units under the "accredited investor" exemption and is:

(a) a Canadian financial institution (as defined in Ontario Securities Commission Rule 45-501) or a Schedule III bank;

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

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

Rights for Purchasers in Manitoba

If this Offering Memorandum delivered to a purchaser of Units resident in Manitoba contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such purchaser, the purchaser will be deemed to have relied on such Misrepresentation and will have a right of action against the Partnership and every person performing a function or occupying a position with respect to the Partnership which is similar to that of a director of a company, for damages or against the Partnership for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Partnership, provided that among other limitations:

(a) the Partnership will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;

(b) in the case of an action for damages, the Partnership will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;

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

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

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

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

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

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

(ii) believed there had been a Misrepresentation;

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

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

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

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

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

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

(i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

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

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

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