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This Offering Memorandum is personal to each prospective purchaser and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the securities offered hereby. Distribution of this Offering Memorandum to any person other than the prospective purchaser and any person retained to advise such prospective purchaser with respect to its purchase is unauthorized, and any disclosure of any of its contents without the issuer’s prior written consent is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and also agrees to make no photocopies or electronic copies of this Offering Memorandum or any documents referred to or incorporated in this Offering Memorandum.

August 12, 2022



XIB FUND

AMENDED AND RESTATED CONFIDENTIAL OFFERING MEMORANDUM

Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units

XIB Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario on July 9, 2019. The objectives, strategy and restrictions of the Fund are described in this Offering Memorandum. The Fund is represented by trust units (the “**Units**”) with equal rights and privileges. The various classes of Units offered pursuant to this Offering Memorandum have the same investment objectives, strategy and restrictions but differ in respect of one or more features such as management fees, sales commissions and minimum investment.

The Fund is offering an unlimited number of Units issued in series on a continuous basis pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “**Offering**”). The minimum initial investment in Units for subscribers resident in any province or territory of Canada (the “**Offering Jurisdictions**”): (i) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* and, in Ontario, section 73.3 of the *Securities Act* (Ontario)) is \$25,000 for Class A Units and Class F Units (US\$25,000 for Class U Units and Class UF Units) and \$100,000 for Class C Units and Class X Units (US\$100,000 for Class UX Units); and (ii) for subscribers, other than individuals or subscribers resident in Alberta, that are not purchasing as “accredited investors”, the minimum investment shall be Units with an aggregate acquisition cost of not less than \$150,000. See “Details of the Offering”.

XIB Asset Management Inc. will act as the trustee (in such capacity, the “**Trustee**”) and the investment fund manager (in such capacity, the “**Manager**”) and promoter of the Fund, and will serve as the portfolio advisor of the Fund. The Fund may be considered a connected and/or related issuer of the Manager for the purposes of applicable Canadian securities laws. See “Conflicts of Interest”.

An unlimited number of Units are being offered. The Units are being distributed to investors resident in all the Offering Jurisdictions, pursuant to available prospectus exemptions under applicable securities laws, subject to the Manager’s discretion to accept or reject subscriptions in whole or in part. This offering may be suspended at any time and from time to time.

Subscriptions will be processed on the first business day of each month and such other days as the Manager may permit provided that a fully completed subscription agreement and subscription monies are received by the Administrator (as defined herein) or the Manager no later than 4:00 p.m. (Toronto time) five (5) business days before the relevant Valuation Date in order for the subscription to be accepted as at that subscription date; otherwise the subscription, if accepted, will be processed as at the next subscription date.

All securities purchased pursuant to this Offering Memorandum are subject to restrictions on resale under applicable securities laws unless a further exemption may be relied upon by the investor or an appropriate discretionary order is obtained pursuant to applicable securities laws. The Units are also subject to redemption and resale restrictions under the Fund's amended and restated declaration of trust dated as of February 1, 2022 (the "Declaration of Trust"). All potential purchasers under the Offering should consult with their legal advisors and to carefully review the Declaration of Trust (available upon request from the Manager) prior to subscribing for the Units. As there is no market for the Units, it may be difficult or even impossible for a holder of Units to sell them. Units may be redeemed in accordance with the provisions of this Offering Memorandum and the Declaration of Trust. See "Redemption of Units".

If there is a misrepresentation in this Offering Memorandum, purchasers resident in the Offering Jurisdictions may, in certain circumstances, be provided with a remedy for rescission or damages. See "Purchasers' Rights of Action for Damages and Rescission".

Potential purchasers should carefully review the Risk Factors outlined in this Offering Memorandum. See "Risk Factors".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Manager believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Manager based on information currently available to such persons. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Fund. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets and the liquidity of investments, fluctuations in currency exchange rates and interest rates, tax consequences, substantial redemptions, executing investment strategies, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled “Risk Factors” in this Offering Memorandum. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Fund disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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SUMMARY

Prospective purchasers are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum. Capitalized terms not otherwise defined in this summary have the meanings ascribed to them in the Glossary. All references in this Offering Memorandum to “dollars” or “\$” are to Canadian dollars unless otherwise indicated.

The Fund: XIB Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the amended and restated declaration of trust dated as of February 1, 2022, as the same may be further amended, supplement or amended and restated from time to time (the “**Declaration of Trust**”). XIB Asset Management Inc. is the trustee (in such capacity, the “**Trustee**”) and the investment fund manager (in such capacity, the “**Manager**”) and promoter of the Fund and will serve as the portfolio advisor of the Fund. See “The Fund”.

Trustee and Manager of the Fund: XIB Asset Management Inc.
200 Bay Street, Suite 2102
P.O. Box 93
Toronto, Ontario
M5J 2J2

The Offering: An unlimited number of Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units (the “**Units**”) issued in series are offered pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “**Offering**”).

The minimum initial investment in Units for subscribers resident in any province or territory of Canada (the “**Offering Jurisdictions**”): (i) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* and, in Ontario, section 73.3 of the *Securities Act* (Ontario)) is \$25,000 for Class A Units and Class F Units (US\$25,000 for Class U Units and Class UF Units) and \$100,000 for Class C Units and Class X Units (US\$100,000 for Class UX Units); and (ii) for subscribers, other than individuals or subscribers resident in Alberta, that are not purchasing as “accredited investors” the minimum investment shall be Units with an aggregate acquisition cost of not less than \$150,000. The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time. See “Details of the Offering”.

A Unitholder may make an additional investment in Units of not less than \$25,000, provided that: (i) at such time the Unitholder is an accredited investor; (ii) the Unitholder is not an individual and is purchasing Units with an aggregate acquisition cost of not less than \$150,000; or (iii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000. See “Details of the Offering”.

Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Units. The Fund is authorized to issue an unlimited number of Classes and Series of Units and an unlimited number of Units in each such Class or Series. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions, liquidation and other events in connection with the Fund. See “Description of

Units”.

Units of the Fund:

There are seven Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units. Each Class is issued in Series. Each Class has the same investment objectives, strategy and restrictions but differ in respect of one or more of their features, such as management fees, sales commissions and minimum investment, as set out herein. Class A Units and Class U Units of the Fund are available to all investors and may carry a front-end sales commission at the time of purchase of up to 2.0%. Class F Units and Class UF Units of the Fund may be purchased by investors who are enrolled in fee-based programs through their broker, dealer or advisor and who are subject to an annual asset-based fee. Class C may be purchased directly through the Manager without a third party dealer. Class X Units and Class UX Units of the Fund are available to certain employees of the Manager and employees of affiliated entities who are qualified investors and who make the required minimum investment and to other investors at the sole discretion of the Manager. Class A Units, Class C Units, Class F Units and Class X Units are denominated in Canadian dollars, and Class U Units, Class UF Units and Class UX Units are denominated in U.S. dollars. See “Details of the Offering”.

Offering Price:

All Classes (as hereinafter defined) of Units are initially offered at \$10.00 or US \$10.00 per Unit, and thereafter on a continuous basis at the applicable Class Net Asset Value per Unit (as hereinafter defined) as of the last Business Day (as hereinafter defined) of each month (each a “**Valuation Date**”). Fractional Units will be issued up to a maximum of four decimal places. See “Purchase of Units”.

Investment Objective of the Fund:

The investment objective of the Fund is to provide Unitholders with long-term capital appreciation through: (i) exposure to the returns of XIB International Fund (the “**International Fund**”), which in turn provides exposure to the returns of XIB International Master Fund (the “**Master Fund**”); and (ii) directly investing in, or selling short equity, debt and other securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Master Fund. See “Investment Objective of the Fund”.

Investment Strategy of the Fund:

To achieve its objective, the Fund may invest the net subscription proceeds from the sale of Units in redeemable Class C participating shares, Class U participating shares, Class X participating shares and Class UX participating shares (the “**International Fund Shares**”) of the International Fund. The International Fund is, in turn, expected to invest substantially all of the funds received from the issuance of International Fund Shares in a class of redeemable Class C participating shares, Class U participating shares, Class X participating shares and Class UX participating shares of the Master Fund (the “**Reference Shares**”). The Offshore Administrator will act as the administrator of the International Fund and will (among other things) administer the issuance and redemption of the International Fund Shares.

To the extent the Fund invests in the International Fund Shares, the return to the holders of Class A Units, Class C Units and Class F Units will be referable to Class C participating shares of the International Fund, the return to the holders of Class U Units and Class UF Units will be referable to Class U participating shares of the International Fund, the return to the holders of Class X Units will be referable to Class X participating shares of the International Fund and the return to the holders of Class UX Units will be referable to Class UX participating shares of the International Fund.

The return to holders of each Class of Units will be dependent upon the return of the International Fund Shares, which, in turn, will be dependent on the return of the

Reference Shares. However, the Unitholders will not have any ownership interest in the International Fund Shares or the Reference Shares. There is no guarantee or other form of principal protection for any amounts invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund will be different than the return of the International Fund and the Reference Shares. See “Investment Strategies of the Fund”.

Use of Leverage:

The Fund has the authority to borrow money to pay redemptions and for cash management purposes. In addition, the Fund may also borrow for investment purposes. The Fund, to the extent it conducts its investment strategy directly, may borrow funds from brokerage firms and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using options, swaps and other derivative instruments. The exposure of the Fund to the returns of the Reference Shares issued by the Master Fund will also have the indirect effect of exposing the Fund to the use of leverage. The investment strategies utilized by the Master Fund may employ leverage when deemed appropriate by the Investment Advisor, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments. The investment program utilized by the Master Fund may employ leverage through the use of options, swaps and other derivative instruments or through trading on margin. See “Investment Strategies of the Fund - Use of Leverage”, “Risk Factors - Leverage” and “Investment Objective and Strategy of the International Fund”.

Currency Hedging:

Class A Units, Class C Units and Class F Units are denominated in Canadian dollars, and Class U Units, Class UF Units and Class UX Units are denominated in U.S. dollars. The functional currency of the Master Fund is Canadian dollars. The exposure of the Canadian dollar-denominated and U.S. dollar-denominated Classes of Units to the underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, is the same except that the returns to the U.S. dollar-denominated Classes of Units are subject to fluctuations in the Canadian to U.S. dollar exchange rate. It is anticipated that the currency exposure of the U.S. dollar-denominated Classes of Units to the underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, will be substantially, but not fully, hedged.

The underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, may be denominated in Canadian dollars and U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against the U.S. dollar and in the Canadian dollar or U.S. dollar (as the case maybe) against other foreign currencies could cause the value of the underlying investments to diminish or increase irrespective of performance. There may be circumstances in which the Fund or the Master Fund, as applicable, may determine that it is advisable to hedge its exposure to foreign currencies. There is no assurance that the Fund or the Master Fund, as applicable, will hedge the foreign currency exposure of the respective underlying investments or that it will be possible to remove all currency risk exposure.

Any costs and related liabilities and/or benefits relating to such hedging will be reflected in the Class Net Asset Value or the net asset value of the Reference Shares, as applicable, to which such hedging relates. See “Currency Hedging”.

The International Fund:

The International Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law on April 9, 2019. The constitution of the International Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the International Fund provide that the Directors may appoint an administrator and investment manager of the International Fund and may entrust to and confer upon the administrator and the investment manager, as

applicable, any of the duties, powers, authorities and discretions exercisable by them as Directors (other than the power to make calls and to forfeit shares). The registered office of the International Fund is XIB International Fund c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Substantially all of the capital of the International Fund is expected to be invested in the Master Fund. See “The International Fund”.

The Master Fund

The Master Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law on April 9, 2019. The constitution of the Master Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the Master Fund provide that the directors of the Master Fund may appoint an administrator and investment manager to act for and on behalf of the Master Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as directors of the Master Fund (other than the power to make calls and to forfeit shares). The registered office of the Master Fund is XIB International Master Fund c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. See “The Master Fund”.

Directors of the International Fund:

The Directors are responsible for the overall management of the International Fund. The Directors serve in a non-executive capacity and have delegated the day-to-day operation of the International Fund to service providers including the Offshore Administrator. See “Management and Administration of the International Fund”.

Investment Advisor to the Master Fund:

The Master Fund has engaged XIB Asset Management Inc. to act as the investment advisor in respect of the investment portfolio of the Master Fund (in its capacity as the “**Investment Advisor**”) pursuant to an investment advisory agreement between the Master Fund and the Investment Advisor (the “**Investment Advisory Agreement**”). The Master Fund engaged the Investment Advisor from the inception of the Master Fund. See “Management and Administration of the International Fund”.

Investment Objective of the International Fund:

The investment objective of the International Fund, which invests in the Master Fund, is to maximize absolute returns while attempting to mitigate risk by taking long and short positions in equity, debt and other securities and investments. To meet its investment objective, the International Fund will pursue a flexible investment strategy. The International Fund’s strategy will include investing without limitation in equity, debt and convertible securities, profit sharing arrangements and other financial instruments and assets. The International Fund may also look to invest in event driven opportunities such as corporate reorganizations and security deletions driven by market index related events. The International Fund will take both long and short positions in securities and will make use of leverage. The International Fund has no limitations on the exchanges, markets, instruments or assets in or on which it may invest.

References in this Offering Memorandum to the investment objectives, strategies and restrictions of the International Fund are intended to refer also to the investment objectives, strategy and restrictions of the Master Fund.

There can be no assurance that the investment objectives will be achieved and investment results may vary substantially over time. See “Investment Objective and Strategy of the International Fund”.

Investment Strategy of the International Fund and Master Fund:

The Master Fund, in which the International Fund invests, may employ a combination of investment techniques and strategies, including but not limited to, the following:

Equity Trading Strategies

Equity trading strategies involve the development of a long/short equity portfolio and employing trading processes that utilize the investment skills of the Investment Advisor to generate alpha by selecting what it considers to be quality equities for long positions and inferior quality equities for short positions. The strategy includes the use of hedging, which may include equities, options and exchange traded funds. The equity trading strategy will generally have a degree of hedging at times and the degree of hedging will vary during different periods in order to maximize the generation of risk adjusted returns.

The equity trading strategies utilized by the Investment Advisor on behalf of the Master Fund may include but are not limited to the following:

- **Long Positions:** Investing in equity securities where the Investment Advisor believes that the security is undervalued but have strong underlying fundamentals;
- **Short Positions:** Short selling of securities, which the Investment Advisor believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more long positions;
- **Fundamental Long/Short:** The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns.
- **Pairs Trading:** Buying and selling shares of two companies in the same industry in an attempt to gain from the relative value differences between them;
- **Merger Arbitrage:** Taking positions in securities whose value is dependent upon corporate restructurings, mergers, takeovers, spin-offs and legislative changes;
- **Private Placements:** Participating in select private placements that may be priced at a discount relative to the current market price;
- **Mezzanine Investments:** Participating in structured mezzanine investments;
- **Arbitrage:** Taking simultaneous long and short positions in securities to capture the mispricing of assets; and
- **Warrant Arbitrage:** A warrant arbitrage trade combines a long position in an issuer's warrant securities with a short position in its common equity.

Credit Trading Strategies

Credit trading strategies involve trading processes that take positions on an issuer's debt instruments. These strategies may provide a significant stream of contractual cash flows. The credit trading strategies employed by the Investment Advisor may include but are not limited to the following:

- **Long Positions:** Investing in publicly traded and private debt securities based on fundamental analysis of the issuer;

- **Short Positions:** Short selling of publicly traded debt based on fundamental analysis of the issuer;
- **Credit Default Swaps:** Buying and selling individual and basket credit default swaps;
- **Distressed Securities:** Taking positions in distressed securities of companies that are involved in bankruptcy proceedings, reorganizations or financial restructurings.
- **Fixed Income Arbitrage:** Taking offsetting long and short positions in government bonds and investment grade corporate bonds, government agency securities, swap contracts, futures and options on fixed income instruments that are mathematically, fundamentally, or historically interrelated;
- **Yield and Credit Curve Arbitrage:** Yield and credit curve trades that combine a long position in an issuer's bond at one maturity with a short position in the bonds of the same issuer at a different maturity;
- **Capital Structure Arbitrage:** Buying and selling different parts of an issuer's capital structure including different classes of common equity, preferred shares, corporate bonds and bank loans; and
- **Convertible Securities:** Lending or investing in securities that consist of interest-paying debt which can be converted, at the option of the holder or the issuer, into an equity position of the issuer.

Futures and Derivative Trading Strategies

Futures and Derivatives trading strategies may be employed by the Investment Advisor on behalf of the Master Fund on an ancillary basis to complement other investment strategies employed on behalf of the Master Fund and may include but are not limited to the following:

- **Futures Trading:** Taking long or short positions in commodity, financial or currency futures where the advising representative of the Investment Advisor believes there are opportunities for systematically identifiable or fundamentally driven opportunities typically defined as either trend, mean-reversion or relative value. the Investment Advisor may also use futures for hedging purposes;
- **Volatility Arbitrage:** Trading strategies that attempt to exploit differences between the forecasted future volatility of an asset and the implied volatility of options based on the that asset; and
- **Option Trading:** Buying or selling option contracts for trading purposes, as an instrument to hedge other investments, or to secure the right to purchase or sell an underlying security at a price that the Investment Advisor believes will be advantageous at a future date.

Additional Investment Strategies

The Investment Advisor may pursue additional investment strategies involving other financial instrument and assets, and may include but are not limited to the following:

- **Profit Sharing Arrangements:** Agreements with other parties where each party receives profits based on a contractually agreed upon ratio.

This description is not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Investment Advisor will depend upon its assessment of market conditions and the relative attractiveness of the available opportunities. The Investment Advisor may, in its discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to shareholders of the Master Fund, subject to its authority under the Investment Advisory Agreement and the approval of the board of directors of the Master Fund.

The Master Fund is also subject to certain investment guidelines and restrictions. See “Investment Objective and Strategy of the International Fund”.

Net Asset Value:

The Administrator has been appointed by the Manager to calculate the net asset value (“**Net Asset Value**”) of the Fund. The Net Asset Value, the Net Asset Value per Unit, the Net Asset Value for each Class of Units (the “**Class Net Asset Value**”) and the Class Net Asset Value per Unit will be determined by the Administrator in accordance with the Fund’s valuation policy as of each a Valuation Date. See “Determination of Net Asset Value”.

Suspension of Calculation of Net Asset Value:

The Fund may suspend the calculation of Net Asset Value and Class Net Asset Value and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, the International Fund or the Master Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or (ii) during a period in which the calculation of the value of or redemption of the International Fund Shares or Reference Shares has been suspended, or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws. See “Determination of Net Asset Value - Suspension of Calculation”.

Calculation of the valuation of the International Fund Shares may be suspended upon the occurrence of certain events or during any period when, in the judgment of the Directors of the International Fund, there exist any circumstances that render the calculation of the net asset value impracticable. See “Determination of Net Asset Value - Net Asset Value of the International Fund Shares and Reference Shares”.

Purchase Procedure:

Units of the Fund are offered and sold pursuant to available exemptions from the prospectus requirements under applicable securities legislation in the Offering Jurisdictions. Prospective investors that are Canadian residents must invest the minimum initial subscription amount of:

- (a) \$25,000 for Class A Units and Class F Units (US\$25,000 for Class U Units and Class UF Units) and \$100,000 for Class C Units and Class X Units (US\$100,000 for Class UX Units), for subscribers that qualify as “accredited investors” (as such term is defined in NI 45-106 and, in Ontario, section 73.3 of the *Securities Act* (Ontario)); or
- (b) \$150,000 for Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units, for subscribers, other than individuals or subscribers resident in Alberta, that are not purchasing as “accredited investors”.

A Unitholder may make an additional investment in Units of not less than \$25,000,

provided that: (i) at such time the Unitholder is an accredited investor; (ii) the Unitholder is not an individual and is purchasing Units with an aggregate acquisition cost of not less than \$150,000; or (iii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000.

At the discretion of the Manager, subscriptions for lesser amounts which comply with available exemptions from prospectus requirements under applicable securities legislation may be accepted. To initially subscribe for units of the Fund, an investor must complete a subscription agreement (the “**Subscription Agreement**”). An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to the dealer. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

In order for a subscription request to be processed at the Class Net Asset Value per Unit determined on a particular Valuation Date, a completed Subscription Agreement must be received by the Administrator before 4:00 p.m. (EST) at least five (5) business days before the relevant Valuation Date (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received after to 4:00 p.m. (EST) on the relevant Valuation date). All subscription requests received after such time will be processed at the Class Net Asset Value per Unit determined as of the Valuation Date for the following month. Payment must be received with the completed Subscription Agreement or, in the case where a registered dealer (a “**Registered Dealer**”) acts as an agent for an investor, subscription funds may be provided by the Subscriber directly from the Subscriber’s account at the Subscriber’s Registered Dealer within two (2) business days following the date the subscription request is received.

Units of the Fund are offered by the Manager directly and through registered dealers. No sales commission is charged by the Fund or the Manager for the purchase of Units of the Fund through the Manager.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days after the next Valuation Date following receipt of the request. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction. See “Purchase of Units”.

Redemption of Units:

Upon receipt by the Administrator of a written redemption request, the Fund will redeem all or any part of the Units of a Class held by a Unitholder at the Class Net Asset Value per Unit determined by the Administrator as of the next Valuation Date following receipt of the redemption request. All redemption requests received after 4:00 p.m. (EST) on the date which is forty-five (45) days prior to a Valuation Date (or such later date as the Manager may accept in its sole discretion) will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the following month. Redemption requests will be processed in the order in which they are received. The redemption proceeds (net of any Redemption Charge, as hereinafter defined) will be paid to the Unitholder on or about the 15th Business Day of the month following the redemption date.

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 10% short-term trading redemption charge (a “**Redemption Charge**”), based on the Class Net Asset Value of the redeemed Units, to any Unitholder who redeems Units within the first twelve (12) months of the purchase of

such Units.

The Manager may suspend, or continue a suspension of, the right of redemption of Units of the Fund in certain circumstances. See “Redemption of Units – Suspension of Redemption”.

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder’s investment below an amount established from time to time by the Manager may result in the Fund requiring a mandatory redemption of all Units held by such Unitholder or redesignating such Unitholder’s Units as Units of another Class with a lower minimum investment. The Manager may in its sole discretion also require the mandatory redemption of Units or redesignation of Units under other circumstances. See “Redemption of Units – Mandatory Redemptions”.

Special Allocation of the Master Fund:

The Master Fund will deduct from the net assets of the Master Fund attributable to the Reference Shares, and allocate to the net assets of the Master Fund attributable to the Master Fund Class M Shares, a special allocation which shall be calculated and accrue monthly and be allocated annually (the “**Class M Allocation**”). The Class M Allocation is deducted in respect of the Reference Shares on a series-by-series basis. In calculating the Class M Allocation for a share of each series of Reference Shares, the Master Fund shall determine the Reference Share Excess Amount, if any, between the Reference Share Adjusted Net Asset Value of such Reference Share and the Reference Share High-Water Mark of such Reference Share on such valuation day or redemption day, as the case may be. If the Reference Share Excess Amount for a particular series of Reference Shares during a particular fiscal year exceeds the Reference Share High-Water Mark for the same period (or prorated for partial periods of less than twelve months), the amount of the Class M Allocation shall be allocated to the Master Fund Class M Shares. No Class M Allocation is assessed in respect of Class X participating shares and Class UX participating shares of the Master Fund.

The Class M Allocation for a fiscal year of the Reference Shares (other than Class X participating shares and Class UX participating shares) shall be an amount equal to 12.5% of the amount by which the Reference Share Excess Amount exceeds the Reference Share High-Water Mark multiplied by the number of Reference Shares of that series or class outstanding on such valuation day or redemption day (or prorated for partial periods of less than twelve months). In addition, if the Reference Share Excess Amount during a particular fiscal year represents an increase of greater than 50% above the Reference Share High-Water Mark, the Class M Allocation applicable to the Reference Shares for such fiscal year shall include an additional amount equal to the Reference Share Excess Amount greater than 50% above the Reference Share High-Water Mark (on an annualized basis) multiplied by 10% (or prorated for partial periods of less than twelve months). See “Special Allocation to Class M Participating Shares of the Master Fund”.

Eligibility for Investment:

Provided that the Fund qualifies and continues to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, the Units will be “qualified investments” under the Tax Act for a trust governed by a tax-free savings account, registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan or registered disability savings plan. See “Eligibility for Investment”.

Distributions and Automatic Reinvestment of Distributions:

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. All distributions will be made to each registered Unitholder determined as of the close of business on the record date of the distribution. Distributions, if any, are paid as of the last Business Day of the

calendar year, and at such other times as may be determined by the Manager. Subject to the Manager's discretion to make distributions of cash, including to those Unitholders who have redeemed their Units during the applicable calendar year, all distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units at the Net Asset Value per Unit next determined after the declaration of the distribution. Following such distributions and reinvestments, Units will be immediately consolidated such that the number of outstanding Units held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. All distributions payable in respect of a Class of Units will be made on a pro rata basis to Unitholders of that Class. No sales charge or commission shall be payable by a Unitholder in connection with any such reinvestment. Other than as set forth above, the Manager does not intend to make any distributions on the Units. See "Distribution Policy."

Canadian Federal Income Tax Considerations:

A Unitholder who is resident in Canada for the purposes of the Tax Act will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year. Amounts payable to a Unitholder that holds Units as capital property for purposes of the Tax Act in excess of the Unitholder's share of the Fund's net income and net realized capital gains will reduce the adjusted cost base of the Unitholder's Units. If the reductions to a Unitholder's adjusted cost base would cause the adjusted cost base of a Unit held as capital property to be negative, the Unitholder will be deemed to realize a capital gain equal to such negative amount. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income) exceed (or are exceeded by) the aggregate of the adjusted cost base of Units and any reasonable costs of disposition. See "Certain Canadian Federal Income Tax Considerations"

Each investor should satisfy itself as to the tax consequences of an investment in Units by obtaining advice from its tax advisor. For a detailed summary of certain of the Canadian federal income tax considerations generally relevant to investors, see "Certain Canadian Federal Income Tax Considerations".

Risk Factors:

An investment in the Units is subject to certain risks. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Units:

Certain Risk Factors Applicable to the Fund

- Reliance on the Manager
- Limited Ability to Liquidate Investment
- Possible Effect of Redemptions
- Taxation of the Fund
- Taxation of the International Fund
- Taxation of the Master Fund
- Charges to the Fund
- Leverage
- Illiquidity

- Suspension of Trading
- Conflicts of Interest
- Not a Mutual Fund Offered by Prospectus
- No Operating History
- Class Risk
- Unitholder Liability

Certain Risk Factors Applicable to the Investment Strategy of the Fund

- Overall Investment Risk
- Changes in Investment Strategy
- General Economic and Market Conditions
- Market Risks and Liquidity
- Risks of Executing Investment Strategies
- Liquidity of Underlying Investments
- Fixed Income Securities
- Equity Securities
- Options
- Foreign Currency Risk
- Small to Medium Capitalization Companies
- Derivative Instruments
- Short Sales
- Leverage
- Counterparty and Settlement Risk
- Discretion of the Investment Advisor; Concentration of Investments
- Charges to the Master Fund
- Conflicts of Interest

See “Risk Factors”.

Prime Broker for the Reference Shares:

CIBC World Markets Inc. and TD Securities Inc. serve as the prime brokers for, and may receive fees from, the Fund and the Master Fund. The Fund and/or the Master Fund, as applicable, may appoint other prime-brokers in respect of the Fund and the Master Fund from time to time.

Administrator:

SGGG Fund Services Inc.
121 King Street West
Suite 300
Toronto, Ontario,
Canada M5H 3T9
(the “**Administrator**”)

Auditors:

KPMG LLP

Toronto, Ontario

Legal Counsel:

McMillan LLP
Toronto, Ontario

Year-end:

December 31

**Statutory and Contractual
Rights of Action:**

Purchasers of Units are entitled to the benefit of certain statutory or contractual rights of action. See “Purchasers’ Rights of Action for Damages and Rescission”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses relating to the Fund and Unitholders. Unitholders may have to pay some of these fees and expenses directly. The fees and expenses payable by the Fund will reduce the value of your investment in the Fund. See “Fees and Expenses Relating to the Fund”.

<u>Type of Fee</u>	<u>Description</u>
Management Fees:	<p>The Fund shall pay the Manager a management fee (the “Management Fee”) based upon the Class Net Asset Value of each Class of Units. The Manager will receive a monthly fee equal to: (i) 1/12 of 3.0% of the aggregate Class Net Asset Value of the Class A Units and the Class U Units of the Fund (the Manager will pay a service fee equal to a 1.0% of the aggregate Class Net Asset Value of the Class A Units and Class U Units of the Fund to brokers, dealers and advisors); and (ii) 1/12 of 2.0% of the aggregate Class Net Asset Value of the Class C Units, Class F Units and Class UF Units of the Fund, plus applicable taxes. No Management Fees are payable to the Manager in respect of Class X Units and Class UX Units of the Fund. No service fees are payable by the Manager in respect of Class F Units, Class C Units and Class UF Units of the Fund. The Management Fee is calculated and paid monthly as at the last calendar day of each month and as at any other day as the Manager may determine. For the purposes of calculating the Management Fee, the Manager shall make an adjustment to take into account any accrued Reference Share Performance Fee and Class M Allocation charged to the Reference Shares in which the International Fund invests.</p> <p>The Fund will invest in a zero management fee class of Participating Shares of the International Fund. The Master Fund does not pay any management fees in respect of the Reference Shares in which the International Fund invests.</p> <p>See “Fees and Expenses Relating to the Fund - Management Fees”.</p>
Performance Fees:	<p><i>Performance Fees payable by the Fund</i></p> <p>The Fund, to the extent it conducts its investment strategy directly, will pay to the Manager a performance fee which shall be calculated and accrue monthly and be paid annually (the “Performance Fee”) plus applicable taxes, if any. The Performance Fee is calculated on a series-by-series and class-by-class basis in respect of the Units. No Performance Fee is payable by the Fund to the Manager in respect of any portion of the Net Asset Value of the Fund invested in the International Fund Shares. No Performance Fees are payable to the Manager in respect of Class X Units and Class UX Units of the Fund.</p> <p>To the extent the Fund conducts its investment strategy directly, the Performance Fee in respect of each Series of Units (other than Class X Units and Class UX Units of the Fund) shall be equal to 20% of the difference, if any, between the Series Adjusted Net Asset Value per Unit of such Series of Units and the Series High-Water Mark of such Series of Units (“Series Excess Amount”), whether positive or negative, calculated on such Valuation Date (or prorated for partial periods of less than twelve months). In addition, if the Series Excess Amount during a particular fiscal year represents an increase of greater than 50% above the Series High-Water Mark, the Performance Fee applicable in respect of each Series of Units shall include an additional amount equal to the Series Excess Amount greater than 50% above the Series High-Water Mark (on an annualized basis) multiplied by 15% (or prorated for partial periods of less</p>

than twelve months).

Performance Fees payable by the Master Fund

The Master Fund will pay to the Investment Advisor a performance fee (the “**Reference Share Performance Fee**”) assessed against the Reference Shares issued by the Master Fund which shall be calculated and accrue monthly and be paid annually. The Reference Share Performance Fee is charged to the Reference Shares on a series-by-series and class-by-class basis. No Reference Share Performance Fees are payable to the Investment Advisor in respect of Class X participating shares and Class UX participating shares of the Master Fund.

In calculating the Reference Share Performance Fee for each series of Reference Shares, the Master Fund shall determine the difference, if any, between the Reference Share Adjusted Net Asset Value of such Reference Share and the Reference Share High-Water Mark of such Reference Share (the “**Reference Share Excess Amount**”), whether positive or negative, on such valuation day or redemption day, as the case may be. If the Reference Share Excess Amount for a particular series or class of Reference Shares during a particular fiscal year exceeds the Reference Share High-Water Mark for the same period (or prorated for partial periods of less than twelve months), the relevant amount of the Reference Share Performance Fee in respect thereof shall be paid to the Investment Advisor by the Master Fund.

The Performance Fee for a fiscal year for each series of the Reference Shares (other than Class X participating shares and Class UX participating shares) shall be an amount equal to 7.5% of the amount by which the Reference Share Excess Amount exceeds the Reference Share High-Water Mark multiplied by the number of Reference Share of that series outstanding on such valuation day (or prorated for partial periods of less than twelve months). In addition, if the Reference Share Excess Amount during a particular fiscal year represents an increase of greater than 50% of the Reference Share High-Water Mark, the Reference Share Performance Fee applicable to the Reference Share for such fiscal year shall include an additional amount equal to the Reference Share Excess Amount greater than 50% above the Reference Share High-Water Mark (on an annualized basis) multiplied by 5% (or prorated for partial periods of less than twelve months).

See “Fees and Expenses Relating to the Fund - Performance Fees”.

Establishment and Operating Expenses of the Fund:

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including, but without limitation, the fees and expenses of legal counsel and the Fund’s auditors. The Fund intends to amortize these costs over the five year period following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund’s bank accounts, custodial, prime broker and safekeeping fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund’s existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund and all taxes, assessments or other regulatory and governmental charges levied against the Fund. The Fund is generally required to

pay applicable sales taxes on the Management Fee, Performance Fee and on most administration expenses that it pays. Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes. See “Fees and Expenses Relating to the Fund”.

Dealer Compensation:

A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units and Class U Units. Such commission is typically negotiated between the investor and the Registered Dealer through whom the investor purchases the Units and is paid by the investor.

In respect of Class A Units and Class U Units, the Manager will pay to Registered Dealers a service fee based on the aggregate market value of their clients’ investment in Class A Units and Class U Units, at an annualized rate of 1.0%. Service fees are calculated and paid on a quarterly basis in arrears approximately 15 days after the determination of the applicable Class Net Asset Value of the Class A Units and Class U Units. A Registered Dealer is entitled to such fees in respect of Class A Units and Class U Units for so long as its clients hold such Units.

There is no sales commission or service fee payable in respect of an investor’s investment in Class C Units, Class F Units, Class X Units, Class UF Units or Class UX Units of the Fund.

In respect of a purchase of Units, the Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to receive a commission. Commissions may be modified or discontinued by the Manager at any time. See “Dealer Compensation”.

GLOSSARY

In this Offering Memorandum, the following terms have the meanings set forth below, unless otherwise indicated.

“**accredited investor exemption**” means the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 and, in Ontario, section 73.3 of the *Securities Act* (Ontario);

“**Adjusted Net Asset Value**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Administration Agreement**” means the administration agreement between the Manager and the Administrator dated February 1, 2022, as amended from time to time;

“**Administrator**” means SGGG Fund Services Inc., the record-keeper and fund administrator of the Fund;

“**Alberta Act**” means the *Securities Act* (Alberta), as amended;

“**applicable securities laws**” means, at any time, the securities laws, regulations and rules in the Offering Jurisdictions and the requirements, rules and policies of the Canadian securities regulatory authorities that are then applicable to the Fund in the circumstances;

“**Articles of Association**” mean the Articles of Association of the International Fund as the same may be amended from time to time;

“**Articles of Association of the Master Fund**” means the Articles of Association of the Master Fund as the same may be amended from time to time;

“**Business Day**” means any day (other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario) on which the Toronto Stock Exchange is open for trading;

“**Canadian IGA Legislation**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Foreign Tax Reporting”;

“**Capital Gains Refund**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of the Fund”;

“**CIMA**” means the Cayman Islands Monetary Authority;

“**Class**” means a particular class of Units;

“**Class M Allocation**” has the meaning given to such term in “Special Allocation to Class M Participating Shares of the Master Fund”;

“**Class Net Asset Value**” means the net asset value of any Class of Units calculated as described under “Determination of Net Asset Value”;

“**Class Net Asset Value per Unit**” means the Class Net Asset Value attributable to each Unit in such Class;

“**Companies Law**” means the *Companies Law* (2018 Revision) of the Cayman Islands as amended or replaced from time to time;

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

“**Declaration of Trust**” has the meaning given to such term in “The Fund”;

“**Directors**” mean the Board of Directors of the International Fund;

“**DPSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**FATCA**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – US Foreign Account Tax Compliance Act”;

“**FATCA Tax**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – US Foreign Account Tax Compliance Act”;

“**Financial Institution**” has the meaning given to it in ss.142.2 of the Tax Act.

“**Fund**” means XIB Fund, an open-end investment trust established under the laws of the Province of Ontario on July 9, 2019 pursuant to the Declaration of Trust;

“**IGA**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – US Foreign Account Tax Compliance Act”;

“**International Fund**” means XIB International Fund, an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law on April 9, 2019;

“**International Fund Shares**” has the meaning given to such term in “Investment Strategies of the Fund”;

“**Investment Assets**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of the Fund”;

“**Investment Advisor**” means XIB Asset Management Inc., acting in its capacity as investment advisor to the Master Fund;

“**Investment Advisory Agreement**” means the agreement dated January 22, 2021 between the Master Fund and Investment Advisor whereby the Investment Advisor will provide investment management and investment advisory services to the Master Fund;

“**IRS**” means the U.S. Internal Revenue Services;

“**Management Fee**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Management Fees”;

“**Manager**” means XIB Asset Management Inc., a company incorporated under the laws of the Canada and the manager of the Fund or, if applicable, its successor;

“**Manitoba Act**” means *Securities Act* (Manitoba), as amended;

“**Master Fund**” means XIB International Master Fund, an exempted company incorporated with limited liability in the Cayman Islands under the laws of the Cayman Islands on April 9, 2019 ;

“**Memorandum**” mean the Memorandum of the International Fund as the same may be amended from time to time;

“**minimum amount exemption**” means the exemption from the prospectus requirements contained in section 2.10 of NI 45-106;

“**Misrepresentation**” has the meaning given to such term in “Purchasers’ Rights of Action for Damages and Rescission”;

“**Negative Return**” has the meaning given to such term in “Special Allocation to Class M Participating Shares of the Master Fund”;

“**Net Asset Value**” means the net asset value of the Fund calculated as described under “Determination of Net Asset Value”;

“**Net Asset Value per Unit**” means the Net Asset Value attributable to each Unit;

“**Nova Scotia Act**” means the *Securities Act* (Nova Scotia), as amended;

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure* of the Canadian Securities Administrators;

“**Offering**” means the offering of an unlimited number of Units of the Fund on a continuous basis pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation;

“**Offering Jurisdictions**” means, collectively, the provinces and territories of Canada;

“**Offering Memorandum**” means this amended and restated confidential offering memorandum of the Fund dated August 12, 2022, as the same may be amended or amended and restated from time to time;

“**Offshore Administration Agreement**” has the meaning given to such term in “Management and Administration of the International Fund - The Offshore Administrator”;

“**Offshore Administrator**” means SGGG Fund Services (Cayman) Inc., a company incorporated under the laws of the Cayman Islands, retained to provide certain administrative services for the International Fund and the Master Fund;

“**Ontario Act**” means the *Securities Act* (Ontario), as amended;

“**Participating Shares**” means participating redeemable shares of the International Fund, issuable in classes and in series, with a nominal or par value of U.S.\$0.01 each, and includes the Class A Participating Shares, the Class B Participating Shares, the Class C Participating Shares, the Class U Participating Shares, Class X Participating Shares and Class UX Participating Shares;

“**PEI Act**” means *Securities Act* (Prince Edward Island), as amended;

“**Performance Fee**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Plan**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**Prime Brokers**” means CIBC World Markets Inc. and TD Securities Inc., which have been appointed to provide custodial services, margin lending, reporting and trade execution on behalf of the Fund and the Master Fund, together with any replacement or additional entities appointed from time to time;

“**RDSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**Redemption Charge**” means the 10% short-term trading redemption charge relating to a redemption of Units within the first twelve (12) months of purchase;

“**Reference Share Adjusted Net Asset Value**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Reference Share Excess Amount**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Reference Share High Water Mark**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Reference Share Negative Return**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Reference Share Performance Fee**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Reference Shares**” has the meaning given to such term in “Investment Strategies of the Fund”;

“**Registered Dealers**” means dealers or brokers that are registered under applicable securities laws of the Offering Jurisdictions to sell securities of investment funds and that are not restricted from selling the Units including, for greater certainty, dealers registered in the category of exempt market dealers;

“**Registered Plan**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**RESP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**RRIF**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**RRSP**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**Saskatchewan Act**” means *The Securities Act, 1988* (Saskatchewan), as amended;

“**Series**” means a particular series of a Class of Units;

“**Series Adjusted Net Asset Value**” means the net asset value of any Series of a Class of Units calculated as described under “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Series Excess Amount**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Series High-Water Mark**” has the meaning given to such term in “Fees and Expenses Relating to the Fund - Performance Fees”;

“**Series Net Asset Value**” means the net asset value of any Series of a Class of Units calculated as described under “Determination of Net Asset Value”;

“**Series Net Asset Value per Unit**” means the Series Net Asset Value attributable to each Unit in such Series;

“**Share Rights**” has the meaning given to such term in *The International Fund – Variation of Rights*”;

“**Share Trustee**” has the meaning given to such term in *The International Fund - Share Capital and Rights*”;

“**Special Dividends**” has the meaning given to such term in *The International Fund – Voting Shares held by Share Trustee*”;

“**Subscriber**” means a person subscribing for Units of the Fund under a Subscription Agreement;

“**Subscription Agreement**” means the subscription agreement an investor must complete to initially subscribe for units of the Fund;

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time and all regulations promulgated thereunder;

“**Tax Proposals**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations”;

“**Termination Date**” has the meaning given to such term in “Termination of the Fund”;

“**TFSA**” has the meaning given to such term in “Certain Canadian Federal Income Tax Considerations – Taxation of Registered Plans”;

“**Trustee**” means XIB Asset Management Inc., a company incorporated under the laws of the Canada and the trustee of the Fund or, if applicable, its successor;

“**Units**” means the Units of the Fund, and each a “**Unit**”;

“**U.S.**” means United States of America;

“**Unitholders**” means the holders of Units, and each a “**Unitholder**”;

“**Valuation Date**” means the last Business Day of any month on which the Toronto Stock Exchange is open for business and December 31 or any such other day as determined from time to time by the Manager;

“**Valuation Time**” means 4:00 p.m. (EST) or such other time as the Manager, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value;

“**Voting Shares**” means non-participating, non redeemable, voting shares of par value US\$1.00 in the capital of the International Fund designated as Management Shares; and

“**XIB**” means XIB Asset Management Inc., a company incorporated under the laws of the Province of Ontario.

THE FUND

XIB Fund (the “**Fund**”) is an open-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the declaration of trust dated as of February 1, 2022, as the same may be further amended, supplement or amended and restated from time to time (the “**Declaration of Trust**”). XIB Asset Management Inc. is the trustee (in such capacity, the “**Trustee**”) and the investment fund manager (in such capacity, the “**Manager**”) of the Fund and is responsible for the management and administration of the Fund. The principal office of the Fund and the head office of the Manager of the Fund are situated at 200 Bay Street, Suite 2102, P.O. Box 93, Toronto, Ontario, Canada M5J 2J2.

The only undertaking of the Fund is the investment of its assets. An investment in the Fund is represented by trust units (the “**Units**”). Subscribers whose subscriptions have been accepted will become unitholders of the Fund. Holders of Units are hereinafter referred to as “**Unitholders**”.

THE TRUSTEE

Pursuant to the Declaration of Trust, the Trustee acts on behalf of all Unitholders in matters relating to the Fund. The principal office of the Trustee is located at 200 Bay Street, Suite 2102, P.O. Box 93, Toronto, Ontario, Canada M5J 2J2.

The Trustee, and any successor trustee, must be a resident of Canada for tax purposes. If the Trustee becomes a non-resident of Canada, it shall be automatically removed and replaced by the Manager. The Trustee may resign upon 90 days’ written notice to the Unitholders and may be removed on 60 days’ written notice in the event the Trustee is in material breach or default of the provisions of the Declaration of Trust, and, if capable of being cured, such breach or default has not been cured within twenty (20) Business Days’ from written notice to the Trustee of such breach or default if such removal has been approved by an extraordinary resolution of the Unitholders. The Trustee shall be deemed to have resigned in certain circumstances including upon the dissolution, insolvency or bankruptcy of the Trustee, or if the Trustee ceases to be a resident in Canada for the purposes of the Tax Act. If the Trustee resigns or is deemed to resign, a successor trustee shall be appointed by the Manager to fill such vacancy and the replacement trustee, other than an affiliate of the Manager or successor to the Trustee or a registered trust company nominated by the Trustee, shall be elected by majority vote at a special meeting of the Unitholders called to approve such appointment. If, after the resignation or removal of the Trustee, no successor has been appointed within ninety (90) days, the Unitholders may elect a successor trustee by majority vote at a meeting of Unitholders called for such purpose. In each case, if, upon the expiry of a further thirty (30) days, neither the Manager nor the Unitholders of the Trust have appointed a successor Trustee, the Fund shall terminate.

The Declaration of Trust provides that the Trustee shall not be liable to the Fund or to any Unitholder for any loss or damage relating to any matter regarding the Fund except in cases where the Trustee fails to act honestly and in good faith and in the best interests of Unitholders to the extent required by the laws applicable to trustees, or breaches its standard of care. In performing its obligations and duties, the Trustee must act honestly and in good faith, with a view to the best interests of Unitholders and must exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Furthermore, the Trustee shall not be liable for any acts or omissions based on reliance upon the instructions of the Manager, the custodian (if not the Trustee), record keeper (if not the Trustee), any registrar or transfer agent of the Fund (unless the Trustee is acting in such capacity), or any person or organization to whom its responsibilities are delegated.. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by any of them in carrying out the Trustee’s duties.

The Trustee will not receive fees from the Fund but is entitled to be reimbursed for all out-of-pocket expenses which are properly incurred by the Trustee in connection with the performance of its duties.

THE MANAGER

The Manager is responsible for the management of the Fund pursuant to the Declaration of Trust. The Manager's responsibilities include the provision of general administrative and management services. The Manager has delegated certain administrative functions to the Administrator pursuant to the Administration Agreement. As the principal distributor of the Fund, the Manager is also responsible for the offering and sale of Units of the Fund. Units of the Fund may also be purchased from a Registered Dealer.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. Among its other powers, the Manager may establish the Fund's operating expense budget and authorize the payment of operating expenses. If the Manager is in material breach or material default of its obligations under the Declaration of Trust and, if capable of being cured, such breach or default has not been cured within 20 Business Days' notice of such breach or default to the Manager, the Fund shall give notice thereof to the Unitholders and the Unitholders may remove the Manager by an extraordinary resolution and appoint a replacement manager of the Fund.

The Manager shall be deemed to have resigned its rights, powers, duties and responsibilities under the Declaration of Trust without notice in certain circumstances including upon the dissolution, insolvency or bankruptcy of the Manager, or if the Manager ceases to be resident in Canada for the purposes of the Tax Act. The Manager may resign as manager of the Fund at any time on 90 days' written notice to the Trustee and the Unitholders. The Declaration of Trust contains provisions for the appointment of a successor fund manager in the event of the removal or resignation of the Manager. If no successor fund manager is appointed, the Fund will be terminated. If the Manager resigns or is removed, a replacement manager shall forthwith be appointed by the Trustee or the resigning Manager and, unless the replacement manager is an affiliate of the resigning Manager, such appointment must be approved by a majority of the votes cast by Unitholders at a meeting called for such purpose.

The Manager and its directors, officers, partners, employees and agents shall not be liable to the Fund for any loss or damage relating to any matter regarding the Fund, except in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care, or by any material breach or material default by the Manager of its obligations under the Declaration of Trust. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Manager and indemnifying the Manager, and any of its officers, partners, employees and agents.

The Manager was established under the laws of Canada. The Manager is registered as a portfolio manager, an investment fund manager and an exempt market dealer under the securities laws of Ontario, as an investment fund manager and an exempt market dealer under the securities laws of Quebec, and as an exempt market dealer under the securities laws of Alberta, British Columbia, New Brunswick and Saskatchewan.

Officers, Directors and Key Investment Personnel of the Manager

The name and position with the Manager of its directors and officers are set out below:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Sean McNulty Southampton, Bermuda	Chief Executive Officer	Portfolio Manager
Peter Hatzioannou Toronto, Ontario	President, Secretary and Portfolio Manager	Executive of the Manager
Chris Seyffert Toronto, Ontario	Portfolio Manager	Portfolio Manager

Sean McNulty, CFA

Sean McNulty – Mr. McNulty is a Portfolio Manager and Co-Founder of XIB. Sean brings over 10 years of capital markets and investing experience to the Fund through his prior work as an M&A investment banker, institutional equity sales professional, and part of the investment team at a globally recognized hedge fund. In addition to his role at XIB, Sean is also a Principal and Co-Founder of XIB Financial Inc., a capital markets and M&A advisory firm. Sean is a CFA Charterholder and has a Bachelor of Business Administration, majoring in finance and human resource management from the University of New Brunswick.

Peter Hatzioannou

Peter Hatzioannou – Mr. Hatzioannou, is the President and co-founder of XIB. Mr. Hatzioannou brings over a decade of capital markets, mergers and acquisitions analysis, deal structuring, and advisory experience to the Investment Advisor, through his prior work as an investment banker at a major Canadian bank. As an investment banker, Mr. Hatzioannou was an integral member of the mergers and acquisitions investment banking group, advising on over \$26 billion in mergers and acquisitions mandates comprising of a variety of transaction structures across multiple jurisdictions and industries. Mr. Hatzioannou is also a principal and co-founder of XIB Financial Inc. Mr. Hatzioannou graduated Magna Cum Laude from York University, where he received the Overall Excellence Award majoring in finance and accounting

Chris Seyffert, CIM

Chris Seyffert – Mr. Seyffert is a portfolio manager at XIB. Prior to joining, Mr. Seyffert spent over ten years at one of North America’s largest and award-winning asset management companies, RBC Global Asset Management (“GAM”), where he specialized in North American equities. Mr. Seyffert began his career at GAM trading and scaling up the derivatives business to become one of the largest and most active in Canada. After four years, he moved on to become a multi-sector senior analyst focusing on high growth and dividend paying companies for both GAM and Phillips Hager & North, with assets under management totalling over \$3.5 billion. Mr. Seyffert graduated from McGill with an Honours degree in International Relations and Economics. Mr. Seyffert has his Chartered Investment Manager designation.

INVESTMENT OBJECTIVE OF THE FUND

The investment objective of the Fund is to provide Unitholders with long-term capital appreciation through: (i) exposure to the returns of XIB International Fund (the “**International Fund**”), which in turn provides exposure to the returns of XIB International Master Fund (the “**Master Fund**”); and (ii) directly investing in, or selling short equity, debt and other securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Master Fund.

There can be no assurance that the investment objective will be achieved.

INVESTMENT STRATEGIES OF THE FUND

To achieve its objective, the Fund may invest the net subscription proceeds from the sale of Units in redeemable Class C participating shares, Class U participating shares, Class X participating shares and Class UX participating shares (the “**International Fund Shares**”) of the International Fund. The International Fund is, in turn, expected to invest substantially all of the funds received from the issuance of International Fund Shares in a class of redeemable Class C participating shares, Class U participating shares, Class X participating shares and Class UX participating shares of the Master Fund (the “**Reference Shares**”). The Offshore Administrator will act as the administrator of the International Fund and will (among other things) administer the issuance and redemption of the International Fund Shares.

To the extent the Fund invests in the International Fund Shares, the return to the holders of Class A Units, Class C Units and Class F Units will be referable to Class C participating shares of the International Fund, the return to the holders of Class U Units and Class UF Units will be referable to Class U participating shares of the International Fund, the return to the holders of Class X Units will be referable to Class X participating shares of the International Fund and the return to the holders of Class UX Units will be referable to Class UX participating shares of the International Fund.

The return to holders of each Class of Units will be dependent upon the return of the International Fund Shares, which, in turn, will be dependent on the return of the Reference Shares. However, the Unitholders will not have any ownership interest in the International Fund Shares or the Reference Shares. There is no guarantee or other form of principal protection for any amounts invested by a Unitholder. Due to variations in fees and expenses, the return of the Fund will be different than the return of the International Fund and the Reference Shares.

Use of Leverage

The Fund has the authority to borrow money to pay redemptions and for cash management purposes. In addition, the Fund may also borrow for investment purposes. The Fund, to the extent it conducts its investment strategy directly, may borrow funds from brokerage firms and banks and purchase investments on margin. The Fund may also utilize a form of leverage by using options, swaps and other derivative instruments.

The exposure of the Fund to the returns of the Reference Shares issued by the Master Fund will also have the indirect effect of exposing the Fund to the use of leverage. The investment strategies utilized in respect of the Reference Shares may employ leverage when deemed appropriate by the Investment Advisor, including to enhance returns and to meet redemptions that would otherwise result in the premature liquidation of investments. The investment program utilized in relation to the Reference Shares may employ leverage through the use of options, swaps and other derivative instruments or through trading on margin.

Borrowing for investment purposes is known as “leverage”. Leverage is defined as the absolute market value of all long positions and short positions over net asset value. Leverage is defined as a factor (rather than an independent source of risk) that influences the rapidity with which changes in market risk, credit risk or liquidity risk change the value of an investment portfolio. Although leverage presents opportunities for increasing total investment return, it also has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Fund could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage, directly or indirectly could result in a loss that would be greater than if leverage were not employed. In addition, to the extent the Fund borrows money, the rates at which it can borrow may affect its operating results.

See “Risk Factors - Leverage” and “Investment Objective and Strategy of the International Fund”.

Currency Hedging

Class A Units, Class C Units, Class F Units and Class X Units are denominated in Canadian dollars, and Class U Units, Class UF Units and Class UX Units are denominated in U.S. dollars. The functional currency of the Master Fund is Canadian dollars. The exposure of the Canadian dollar-denominated and U.S. dollar-denominated Classes of Units to the underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, is the same except that the returns to the U.S. dollar-denominated Classes of Units are subject to fluctuations in the Canadian to

U.S. dollar exchange rate. It is anticipated that the currency exposure of the U.S. dollar-denominated Classes of Units to the underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, will be substantially, but not fully, hedged.

The underlying investments held in the portfolio of the Fund and the Master Fund, as applicable, may be denominated in Canadian dollars and U.S. dollars and other foreign currencies and any return on such investments will be in the same currency. A fluctuation in the Canadian dollar against the U.S. dollar and in the Canadian dollar or U.S. dollar (as the case maybe) against other foreign currencies could cause the value of the underlying investments to diminish or increase irrespective of performance. There may be circumstances in which the Fund or the Master Fund, as applicable, may determine that it is advisable to hedge its exposure to foreign currencies. There is no assurance that the Fund or the Master Fund, as applicable, will hedge the foreign currency exposure of the respective underlying investments or that it will be possible to remove all currency risk exposure.

Any costs and related liabilities and/or benefits relating to such hedging will be reflected in the Class Net Asset Value or the net asset value of the Reference Shares, as applicable, to which such hedging relates.

INVESTMENT RESTRICTIONS OF THE FUND

The investment activities of the Fund are subject to the following investment restrictions:

- (a) **Purchasing Securities.** Other than the International Fund Shares, the Fund will typically purchase securities through normal market facilities. Purchases of securities under other circumstances will only be permitted where the purchase price for such securities approximates the prevailing market price or is negotiated or established on an arm's length basis.
- (b) **"Mutual Fund Trust" Status.** The Fund will not make or hold any investment, undertake any activity or otherwise do (or fail to do) anything that would result in the Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act.

The Fund may directly invest in, or sell short, equity, debt and derivative securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Master Fund. See "Investment Objective and Strategy of the International Fund".

THE INTERNATIONAL FUND

The International Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law on April 9, 2019. The constitution of the International Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the International Fund provide that the Board of Directors (the "**Directors**") of the International Fund may appoint an administrator and investment manager of the International Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as Directors (other than the power to make calls and to forfeit shares). Its registered office is at XIB International Fund c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The International Fund has been incorporated with unrestricted objects. The Directors of the International Fund have adopted the investment policy of the International Fund as described in this Offering Memorandum. See "Investment Objective and Strategy of the International Fund".

The International Fund is managed by its Directors that have appointed SGGG Fund Services (Cayman) Inc. (the "**Offshore Administrator**") to provide certain administrative services and valuation services to the International Fund. The following contracts which are material, have been entered into otherwise than in the ordinary course of business:

- (a) the Offshore Administrative Services Agreement between the International Fund and the Offshore Administrator whereby the Offshore Administrator will provide certain administrative services to the International Fund.

Substantially all of the capital of the International Fund is expected to be invested in the Master Fund. The International Fund is authorized to invest outside of the Master Fund, although it does not anticipate doing so unless a particular investment, if made by the Master Fund, would have unfavourable tax consequences for the International Fund.

Directors of the International Fund

The current Directors of the International Fund are Mr. Philip Griffiths, Mr. Ben Pershick, and Mr. Sean McNulty. Each of the directors is a registered director under The Directors Registration and Licensing Law, 2014 of the Cayman Islands.

Philip Griffiths

Mr. Griffiths serves as an independent director at Calderwood, where he accepts appointments on the boards of investment funds and related structures, advising on corporate governance and regulatory compliance. He leads Calderwood's Asia Pacific practice. Mr. Griffiths was a founding member and Executive Chairman of JP Integra Group where he was instrumental in building an international fund services business across Europe, Asia and the Americas, between 2011 and 2018 he served as director of JP Fund Administration (Cayman) Ltd, a Cayman Islands Monetary Authority ("CIMA") regulated fund administration company and has worked in the investment fund industry since 2008. Prior to JP Integra, Mr. Griffiths worked as a financial markets senior executive in Europe, Asia and Australasia with Exco International/ICAP, Thomson Reuters and Saxo Bank. Mr. Griffiths' career in regulated markets has spanned over 30 years giving him a unique perspective on the changing regulatory environment, he has represented his companies at the Wholesale Brokers Association and the Bank of England's London Foreign Exchange Joint Standing Committee. Over the last 10 years, he has specialised in fund administration both in the Cayman Islands and Asia.

With a deep knowledge and understanding of offshore fund structures and their administration as well as foreign exchange, equity and capital markets, Mr. Griffiths has been an invaluable asset to fund managers and their investors. Mr. Griffiths has served on the board of numerous Cayman Islands and other jurisdiction companies and accepts appointments on the boards of investment funds and related structures.

Ben Pershick

Mr. Pershick is a principal of Calderwood. He currently serves as an independent director on the boards of investment funds and financial services entities, advising on fund governance and regulatory compliance. He also services as the Anti-Money Laundering Compliance Officer and Money Laundering Reporting Officer for Calderwood clients. Mr. Pershick is an active participant among various professional associations and often contributes to industry publications and panels. He has 23 years of experience in the financial services industry – the last 18 in hedge and private equity fund services. Prior to joining Calderwood, Mr. Pershick served as the Managing Director for Maitland Financial Group, an independent international fund administrator with offices in the Cayman Islands, United States, Canada, Ireland and South Africa. Mr. Pershick served Maitland (and Admiral Administration Ltd. "Admiral" prior to Maitland acquiring Admiral in 2012) for the full 18 years of his funds experience. In his journey with the firm, Mr. Pershick has become an industry expert in fund structuring, portfolio valuation, investor services, and regulatory compliance. He was responsible for the hedge fund and private equity fund divisions for Maitland including fund accounting, transfer agency, regulatory reporting, and AML/KYC service offerings. He was instrumental in the combination effort to amalgamate Maitland and Admiral's hedge and North American private equity operations and maintained overall responsibility for the firm's hedge and North American private equity administration business since the acquisition.

Prior to joining Admiral, Mr. Pershick began his career with KPMG Vancouver in 1993. After five years with KPMG and obtaining his Chartered Accountancy designation, he worked as an analyst for a public real estate firm in Vancouver, BC. He moved to the Cayman Islands from Canada in 2000. Mr. Pershick holds a Bachelor of Business Administration in Accounting from Simon Fraser University in Vancouver and is a qualified Chartered Accountant. He is a Registered Professional Director with CIMA.

Sean McNulty, CFA

Please see “The Manager - Officers, Directors and Key Investment Personnel of the Manager” above.

Share Capital and Rights

The International Fund has an authorized share capital of US\$50,000 which is made up of 1,000 Voting Shares of US\$1.00 par value each and 4,900,000 Participating Shares of US\$0.01 par value each which may be issued in different classes and series. The Directors are authorized under the Articles of Association to resolve from time to time the class to which Participating Shares are to be designated and/or redesignated. The Directors may differentiate between classes on various bases, including as to the operational currency of each class, the level of fees payable in respect of each class and the redemption or information rights in respect of each class.

Subject to the provisions of the Articles of Association and the Companies Law, the International Fund may increase or reduce its authorized share capital, divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount. The Articles of Association provide that unissued Participating Shares are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. All Participating Shares will be issued in registered form only. There are no provisions under the laws of the Cayman Islands or under the Articles of Association conferring pre-emption rights on the holders of Participating Shares or Voting Shares. No capital of the International Fund is under option or agreed conditionally or unconditionally to be put under option.

Voting Shares held by Share Trustee

All of the Voting Shares, which are the shares which hold the voting rights in the International Fund, are held by Maple FS Limited (the “**Share Trustee**”) pursuant to a declaration of trust under Cayman Islands law to benefit certain qualified charities.

The Share Trustee will be entitled to receive a special dividend payable in respect of the Voting Shares (the “**Special Dividend**”) with respect to the Share Trustee’s remuneration for the provision of the trustee services.

Rights of the Voting Shares

The Voting Shares are held by the Share Trustee, as trustee, pursuant to a declaration of trust under Cayman Islands law to benefit certain qualified charities. The Voting Shares carry voting rights, each Voting Share conferring upon the holder thereof the right to receive notice of, and to attend and vote at, general meetings of the International Fund. The Voting Shares do not generally participate in the profits and losses of the International Fund. On the winding up of the International Fund, the holder of the Voting Shares is only entitled to receive its paid up capital of US\$1.00 per Voting Share. Voting Shares are not redeemable. Except as described under “Variation of Rights” below, the holders of the Voting Shares have the exclusive right to vote (to the exclusion of the holders of the Participating Shares) in respect of all matters relating to the International Fund. Each holder of Voting Shares is entitled to one vote for each Voting Share held by it.

Rights of the Participating Shares

The Participating Shares are participating, redeemable shares of the International Fund. A Participating Shareholder will have no right to receive notice of, attend and vote at general meetings of the International Fund except as described under “Variation of Rights”, provided that for as long as the International Fund is not CIMA registered, the holders of such shares shall be entitled to appoint and/or remove the directors of the Fund. Participating Shares within each class carry an equal right to such dividends as the Directors may declare. On a winding up of the International Fund, the Participating Shares are entitled to the full amount of the assets of the International Fund after the return of the paid up capital of US\$1.00 per Voting Share to the holders thereof and payment of all accrued but unpaid Special Dividends in respect of the Voting Shares. The surplus assets of the International Fund attributable to each class will be distributed among the holders of Participating Shares of that class according to the net asset value of such Participating Shares held by each of them.

Resale Restrictions

The Articles of Association of the International Fund provide that the Participating Shares may not be sold, assigned, transferred, conveyed or disposed of without the prior written consent of the Directors, which consent may be given or withheld in its discretion. Any attempt to sell or transfer Participating Shares without prior approval by the Directors may subject such Participating Shares to a compulsory redemption. There is no independent market for the purchase or sale of Participating Shares, and none is expected to develop.

Dividend Policy

The Directors have the ability from time to time to declare dividends in respect of the Participating Shares and the Voting Shares in their discretion from time to time and to pay interim dividends. Dividends when declared and paid will be debited to the International Fund. The dividend policy for the International Fund will be communicated to the shareholders holding Participating Shares from time to time. Shareholders will be given the opportunity of reinvesting dividend payments. It is not envisaged that any income or gains will be distributed to the Shareholders with respect to their Participating Shares by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.

Rights on Winding Up

The Fund may voluntarily commence to wind up and dissolve by a special resolution of the holders of the Voting Shares. Upon a liquidation of the International Fund, the assets of the International Fund available for distribution to shareholders will, after settlement of the International Fund's liabilities, be applied based on the respective net asset value of the Participating Shares. If the International Fund shall be wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in specie the whole or any part of the assets of the International Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such divisions shall be carried out as between the shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator shall think fit, and the liquidation of the International Fund may be closed and the International Fund dissolved, but so that no shareholder shall be compelled to accept any assets in respect of which there is liability.

If the Directors decide that the investment strategy is no longer viable they may resolve that the International Fund be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to shareholders in such manner as they determine to be in the best interests of the International Fund, in accordance with the terms of the Articles of Association, including, without limitation, compulsorily redeeming Participating Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realized. This process is integral to the business of the International Fund and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the holder of the Management Shares to place the International Fund into liquidation.

Variation of Rights

The Articles of Association provide that, subject to the Companies Law of the Cayman Islands and the other provisions of the Articles of Association, all or any of the class rights or other terms of offer whether set out in this Offering Memorandum, any subscription agreement or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of Participating Shares) (collectively referred to as "**Share Rights**") for the time being applicable to any class or series of the Participating Shares in issue (unless otherwise provided by the terms of issue of those Participating Shares) may (whether or not the International Fund is being wound up) be varied without the consent of the holders of the issued Participating Shares of that class or series where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation shall be made only with the prior consent in writing of the holders of not less than two-thirds by net asset value of such Participating Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Participating Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Participating Shares. Each subscriber for Participating Shares will be required to agree that the terms of offer set out in the applicable Subscription Agreement

and the rights attaching to the Participating Shares can be varied in accordance with the provisions of the Articles of Association.

Meetings of Shareholders

As an exempted company under Cayman Islands law, the International Fund is not required to hold an annual general shareholders meeting. Such a meeting may, however, be convened at the discretion of the Directors. Only the Share Trustee, as holder of the Voting Shares, has the right to attend at any general meetings of the shareholders.

THE MASTER FUND

The Master Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law on April 9, 2019. The constitution of the Master Fund is defined in its Memorandum and Articles of Association. The Articles of Association of the Master Fund provide that the directors of the Master Fund may appoint an administrator and investment manager to act for and on behalf of the Master Fund and may entrust to and confer upon the administrator and the investment manager, as applicable, any of the duties, powers, authorities and discretions exercisable by them as directors of the Master Fund (other than the power to make calls and to forfeit shares). Its registered office is at XIB Master Fund c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Master Fund is managed by its directors and the directors of the Master Fund have appointed: (i) the Offshore Administrator to provide administrative services to the Master Fund; and (ii) the Investment Advisor to provide investment advisory services to the Master Fund. The directors of the Master Fund are also responsible for appointing and reviewing the performance of the prime brokers in respect of the Master Fund activities.

The directors of the Master Fund are Mr. Philip Griffiths, Mr. Ben Pershick, and Mr. Sean McNulty. Mr. Philip Griffiths, Mr. Ben Pershick, and Mr. Sean McNulty serve as non-executive directors of the Master Fund. See “The International Fund - Directors of the International Fund”. Mr. Sean McNulty is an officer and a director of the Investment Advisor. He is also, directly or indirectly, a shareholder of the Investment Advisor. See “The Manager - Officers, Directors and Key Investment Personnel of the Manager”.

The Articles of Association of the Master Fund provide that every director and officer of the Master Fund shall be indemnified out of the assets of the Master Fund against any liability incurred as a result of any act or failure to act in carrying out his or her functions other than such liability (if any) that may be incurred by reason of the actual fraud, wilful default or Gross Negligence (as defined in the Articles of Association of the Master Fund) of such director or officer. The Articles of Association of the Master Fund also provide that no such director or officer shall be liable to the Master Fund for any loss or damage in carrying out his or her functions unless that liability arises through the actual fraud, wilful default or Gross Negligence of such director or officer.

The Master Fund has been incorporated with unrestricted objects. The directors of the Master Fund have adopted the investment policy of the Master Fund as described in this Offering Memorandum. Substantially all of the capital of the International Fund is expected to be invested in the Master Fund. See “Investment Objective and Strategy of the International Fund”.

INVESTMENT OBJECTIVE AND STRATEGY OF THE INTERNATIONAL FUND

Investment Objective

The International Fund will invest all or substantially all of its assets, to the extent not retained in cash to meet operating expenses, in the shares of the Master Fund.

The investment objective of the International Fund, which invests in the Master Fund, is to seek to maximize absolute returns while attempting to mitigate risk by taking long and short positions in equity, debt and other securities and investments. To meet its investment objective, the International Fund will pursue a flexible investment strategy. The International Fund’s strategy will include investing without limitation in equity, debt and convertible securities, profit sharing arrangements and other financial instruments and assets. The International Fund may also

look to invest in event driven opportunities such as corporate reorganizations and security deletions driven by market index related events. The International Fund will take both long and short positions in securities and will make use of leverage. The International Fund has no limitations on the exchanges, markets, instruments or assets in or on which it may invest. **References in this Offering Memorandum to the investment objectives, strategies and restrictions of the International Fund are intended to refer also to the investment objectives, strategy and restrictions of the Master Fund.**

There can be no assurance that the investment objectives will be achieved and investment results may vary substantially over time.

Investment Strategy

To achieve its investment objective, the Master Fund may employ a combination of investment techniques and strategies, including but not limited to, the following:

Equity Trading Strategies

Equity trading strategies involve the development of a long/short equity portfolio and employing trading processes that utilize the investment skills of the Investment Advisor to generate alpha by selecting what it considers to be quality equities for long positions and inferior quality equities for short positions. The strategy includes the use of hedging, which may include equities, options and exchange traded funds. The equity trading strategy will generally have a degree of hedging at times and the degree of hedging will vary during different periods in order to maximize the generation of risk adjusted returns.

The equity trading strategies utilized by the Investment Advisor on behalf of the Master Fund may include but are not limited to the following:

- **Long Positions:** Investing in equity securities where the Investment Advisor believes that the security is undervalued but have strong underlying fundamentals;
- **Short Positions:** Short selling of securities, which the Investment Advisor believes are overvalued and/or have deteriorating fundamentals. Short sales may also be employed as hedges against some component of risk related to one or more long positions;
- **Fundamental Long/Short:** The stock selection process is based on determining the relative attractiveness of stocks within a universe of equities utilizing a set of pre-defined factors to forecast returns.
- **Pairs Trading:** Buying and selling shares of two companies in the same industry in an attempt to gain from the relative value differences between them;
- **Merger Arbitrage:** Taking positions in securities whose value is dependent upon corporate restructurings, mergers, takeovers, spin-offs and legislative changes;
- **Private Placements:** Participating in select private placements that may be priced at a discount relative to the current market price;
- **Mezzanine Investments:** Participating in structured mezzanine investments;
- **Arbitrage:** Taking simultaneous long and short positions in securities to capture the mispricing of assets; and
- **Warrant Arbitrage:** A warrant arbitrage trade combines a long position in an issuer's warrant securities with a short position in its common equity.

Credit Trading Strategies

Credit trading strategies involve trading processes that take positions on an issuer's debt instruments. These strategies may provide a significant stream of contractual cash flows. The credit trading strategies employed by the Investment Advisor may include but are not limited to the following:

- **Long Positions:** Investing in publicly traded and private debt securities based on fundamental analysis of the issuer;
- **Short Positions:** Short selling of publicly traded debt based on fundamental analysis of the issuer;
- **Credit Default Swaps:** Buying and selling individual and basket credit default swaps;
- **Distressed Securities:** Taking positions in distressed securities of companies that are involved in bankruptcy proceedings, reorganizations or financial restructurings.
- **Fixed Income Arbitrage:** Taking offsetting long and short positions in government bonds and investment grade corporate bonds, government agency securities, swap contracts, futures and options on fixed income instruments that are mathematically, fundamentally, or historically interrelated;
- **Yield and Credit Curve Arbitrage:** Yield and credit curve trades that combine a long position in an issuer's bond at one maturity with a short position in the bonds of the same issuer at a different maturity;
- **Capital Structure Arbitrage:** Buying and selling different parts of an issuer's capital structure including different classes of common equity, preferred shares, corporate bonds and bank loans; and
- **Convertible Securities:** Lending or investing in securities that consist of interest-paying debt which can be converted, at the option of the holder or the issuer, into a equity position of the issuer.

Futures and Derivative Trading Strategies

Futures and Derivatives trading strategies may be employed by the Investment Advisor on behalf of the Master Fund on an ancillary basis to complement other investment strategies employed on behalf of the Master Fund and may include but are not limited to the following:

- **Futures Trading:** Taking long or short positions in commodity, financial or currency futures where the advising representative of the Investment Advisor believes there are opportunities for systematically identifiable or fundamentally driven opportunities typically defined as either trend, mean-reversion or relative value. the Investment Advisor may also use futures for hedging purposes;
- **Volatility Arbitrage:** Trading strategies that attempt to exploit differences between the forecasted future volatility of an asset and the implied volatility of options based on the that asset; and
- **Option Trading:** Buying or selling option contracts for trading purposes, as an instrument to hedge other investments, or to secure the right to purchase or sell an underlying security at a price that the Investment Advisor believes will be advantageous at a future date.

Additional Investment Strategies

The Investment Advisor may pursue additional investment strategies involving other financial instrument and assets, and may include but are not limited to the following:

- **Profit Sharing Arrangements:** Agreements with other parties where each party receives profits based on a contractually agreed upon ratio.

This description is not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Investment Advisor will depend upon its assessment of market conditions and the relative attractiveness of the available opportunities. The Investment Advisor may, in its discretion, use strategies other than those described above or discontinue the use of any strategy without prior approval or advance notice to shareholders of the Master Fund if the Investment Advisor determines that such change is in the best interest of the Master Fund and consistent with the investment objective, subject to its authority under the Investment Advisory Agreement and the approval of the board of directors of the Master Fund. The Investment Advisor will give shareholders of the Master Fund not less than 60 days' notice of any change to the investment objective or investment strategies of the Master Fund that the directors of the Master Fund have determined in good faith to be a material change.

If the Directors, in consultation with the Investment Advisor, decide that the investment strategy is no longer viable they may resolve that the International Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Shareholders in such manner as they determine to be in the best interests of the International Fund, in accordance with the terms of the Articles of Association, including, without limitation, compulsorily redeeming Participating Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realised. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the holders of the Voting Shares to place the International Fund into liquidation.

Investment Guidelines and restrictions

The activities of the Master Fund are subject to certain investment guidelines and restrictions described below and incorporated in the Investment Advisory Agreement. The investment guidelines and restrictions may be changed by the Investment Advisor without notice to any shareholder provided that such change is in accordance with the investment objective of the Master Fund. All amounts and percentage limitations apply at the date the relevant investment is made, and any subsequent change in any applicable percentage resulting from changing values will not require the disposition of any security from the Master Fund's portfolio. These guidelines and restrictions govern the activities of the Master Fund (and hence, indirectly the activities of the International Fund) and relate to the investment of its assets, the incurrence of debt, and provide as follows:

- (a) *Sole Undertaking* – The Master Fund will not engage in any undertaking other than the investment of the Master Fund's assets, in accordance with the Master Fund's investment objectives and, subject to the investment restrictions, such activities as are necessary or ancillary with respect thereto; and
- (b) *Purchasing Securities* – The Master Fund will not purchase securities other than through normal market facilities unless the purchase price thereof approximates or is less than the prevailing market price or is negotiated or established on an arm's length basis by the Investment Advisor.

The Investment Advisor may, at any time, adopt new strategies or deviate from the foregoing guidelines as market conditions dictate, subject to its authority under the Investment Advisory Agreement. While the Investment Advisor typically will try to minimize risk in selecting investments, it should be understood that the risk management techniques utilized by the Investment Advisor cannot provide any assurance that the Master Fund will not be exposed to risks of significant investment losses. See "Risk Factors".

MANAGEMENT AND ADMINISTRATION OF THE INTERNATIONAL FUND

Directors

Meetings and other activities of the board of directors of the International Fund and the Master Fund will be undertaken exclusively outside Canada. At no time will a majority of the board of directors of the International Fund or the Master Fund consist of persons resident in Canada for purposes of the Tax Act.

The Directors are responsible for the overall management of the International Fund. However, they serve in a non-executive capacity and have delegated the day-to-day operation of the International Fund to service providers including the Offshore Administrator. Directors will not be liable to the International Fund for any acts or omissions in the performance of their duties, provided that they act honestly and in good faith in the interests of the International Fund in the absence of willful neglect or default and the Articles of Association of the International Fund contain provisions for the indemnification of the Directors and officers out of the assets of the International Fund, against any liability incurred as a result of any act or failure to act in carrying out his or her functions other than such liability (if any) that may be incurred by reason of the actual fraud, wilful default or Gross Negligence (as defined in the Articles of Association) of such director or officer. The Articles of Association also provide that no such director or officer shall be liable to the International Fund for any loss or damage in carrying out his or her functions unless that liability arises through the actual fraud, wilful default or Gross Negligence of such director or officer.

Directors of the International Fund and the Master Fund are entitled to reimbursement of expenses for attending board of directors' meetings. Directors of the International Fund and the Master Fund who are not officers, employees or affiliates of the Investment Advisor and who are not corporate directors are entitled to receive a fee for each board of directors' meeting attended in person.

The Investment Advisor

The Master Fund has engaged the Investment Advisor to act as the investment advisor in respect of the Master Fund. The Investment Advisor is a corporation incorporated under the laws of Canada, which provides management services to investment funds and investment pools. The Investment Advisor has been engaged to provide investment management and investment advisory services to the Master Fund and is authorized to actively manage the Master Fund's assets in its discretion on a day-to-day basis pursuant to the Investment Advisory Agreement with the Master Fund.

The Investment Advisory Agreement will continue for a period of two years and thereafter may be terminated without penalty on not less than ninety (90) days prior written notice by each party to such agreement. The Investment Advisory Agreement provides that the Investment Advisor will not be liable to the Master Fund for anything done or suffered to be done by the Investment Advisor in good faith and in a manner believed to be in the best interests of the funds and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent investment manager of an investment fund, with objectives similar to those of the funds would exercise in the circumstances.. The Investment Advisory Agreement also provides that the Investment Advisor and its directors and officers are entitled to indemnification out of the assets of the Master Fund against all actions, proceedings, claims and costs, demands and expenses incidental thereto which may be brought against, suffered or incurred by the Investment Advisor and/or its directors and officers by reason of the proper performance of the Investment Advisor's duties, in each case including all reasonable legal, professional and other expenses properly incurred in connection therewith except such as shall arise from its bad faith, willful breach of duty under the Investment Advisory Agreement or reckless or negligent act or omission on its part.

The Fund will invest in a zero management fee class of Participating Shares of the International Fund. The Master Fund does not pay the Investment Advisor any management fees in respect of the Reference Shares in which the International Fund invests.

The Offshore Administrator

The International Fund has entered into an administration agreement (the "**Offshore Administration Agreement**") with SGGG Fund Services (Cayman) Inc. (the "**Offshore Administrator**") pursuant to which the Offshore Administrator has agreed to provide the International Fund with certain administrative services, including processing subscription or redemption requests, communicating with investors, providing periodic reports, remitting subscription proceeds, remitting redemption proceeds, payment of the expenses of the International Fund and the Master Fund, and other day-to-day administrative tasks. The Offshore Administrator is responsible, subject to the overall supervision of the Directors, for the maintenance of the accounting records of the International Fund and the Master Fund and for the calculation and the dissemination of the net asset value of the International Fund and the Master Fund. The Offshore Administrator is also responsible for performing the requisite anti-money laundering procedures on behalf of the International Fund and the Master Fund.

In calculating the net asset value, the Offshore Administrator will rely on the information provided by the directors of the Master Fund, investment advisors, independent third-party pricing services, and other service providers and will not be liable for any loss suffered by reason of any error in calculation resulting from any inaccuracy in the information provided.

The Offshore Administration Agreement is governed by the laws of the Cayman Islands and is subject to termination by the Offshore Administrator or the International Fund upon 90 days' written notice or, under certain circumstances, shorter notice. Under the provisions of the Offshore Administration Agreement, the International Fund and the Master Fund have agreed to hold harmless and indemnify the Offshore Administrator against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Offshore Administrator by reason of the

performance of the Offshore Administrator's duties under the terms of the Offshore Administration Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Offshore Administrator's wilful misfeasance, fraud, misconduct, bad faith, gross negligence (as defined in the Offshore Administration Agreement) or disregard of its duties.

The Offshore Administrator will be paid a fee based upon a percentage of the month end net asset value of the Master Fund, subject to a monthly minimum. The Offshore Administrator is also entitled to other fees for specific services that may be provided as well as reimbursement for actual out-of-pocket expenses incurred on behalf of the International Fund.

In calculating the net asset value of the Master Fund, the Offshore Administrator is not responsible for valuing the Master Fund's investments, ensuring that the investments by the Master Fund are in accordance with any limits or restrictions set out in this Offering Memorandum or the adequacy or accuracy of this Offering Memorandum. The Offshore Administrator may delegate certain services to affiliates subject to applicable confidentiality provisions.

The Offshore Administrator is a Cayman Islands company that is licensed as a Mutual Fund Administrator in the Cayman Islands.

Conflicts of Interest

The Investment Advisor currently and may in the future manage the trading for other investment funds or accounts in addition to those of the Master Fund. In the event that the Investment Advisor elects to undertake such activities and other business activities in the future, it and/or its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Investment Advisor and its principals and affiliates will endeavor to treat each investment pool and managed account fairly and not to favour one account or pool over another.

In executing its duties on behalf of the Master Fund, the Investment Advisor is subject to the provisions of the Investment Advisory Agreement, which provides that the Investment Advisor will execute its duties in good faith and with a view to the best interests of the Master Fund and its shareholders.

The board of directors of the International Fund and the Master Fund may be comprised in part or entirely of the same individuals.

DETAILS OF THE OFFERING

An unlimited number of Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units (the “**Units**”) issued in series are offered pursuant to exemptions from the prospectus requirements of applicable securities legislation (the “**Offering**”).

The minimum initial investment in Units for subscribers resident in any province or territory of Canada (the “**Offering Jurisdictions**”): (i) who qualify as “accredited investors” (as such term is defined in National Instrument 45-106 *Prospectus Exemptions* and, in Ontario, section 73.3 of the *Securities Act* (Ontario)) is \$25,000 for Class A Units and Class F Units (US\$25,000 for Class U Units and Class UF Units) and \$100,000 for Class C Units and Class X Units (US\$100,000 for Class UX Units); and (ii) for subscribers, other than individuals or subscribers resident in Alberta, that are not purchasing as “accredited investors”, the minimum investment shall be Units with an aggregate acquisition cost of not less than \$150,000. The Manager may in its discretion accept subscriptions for lesser amounts subject to compliance with applicable securities legislation. The Manager reserves the right to accept or reject subscriptions for Units, to change the minimum amounts for investment in the Fund and/or to discontinue the Offering at any time and from time to time.

A Unitholder may make an additional investment in Units of not less than \$25,000, provided that: (i) at such time the Unitholder is an accredited investor; (ii) the Unitholder is not an individual and is purchasing Units with an aggregate acquisition cost of not less than \$150,000; or (iii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000.

There are seven Classes of Units currently offered by the Fund pursuant to this Offering Memorandum: Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units. Each Class is issued in Series. Each Class has the same investment objectives, strategy and restrictions but differ in respect of one or more of their features, such as management fees, sales commissions and minimum investment, as set out herein. Class A Units and Class U Units of the Fund are available to all investors and may carry a front-end sales commission at the time of purchase of up to 2.0%. Class F Units and Class UF Units of the Fund may be purchased by investors who are enrolled in fee-based programs through their broker, dealer or advisor and who are subject to an annual asset-based fee. Class C may be purchased directly through the Manager without a third party dealer. Class X Units and Class UX Units of the Fund are available to certain employees of the Manager and employees of affiliated entities who are qualified investors and who make the required minimum investment and to other investors at the sole discretion of the Manager. Class A Units, Class C Units, Class F Units and Class X Units are denominated in Canadian dollars, and Class U Units, Class UF Units and Class UX Units are denominated in U.S. dollars.

FEES AND EXPENSES RELATING TO THE FUND

Establishment and Operating Expenses of the Fund

The Fund will be responsible for the costs of establishing the Fund and the offering of Units, including, but without limitation, the fees and expenses of legal counsel and the Fund's auditors. The Fund intends to amortize these costs over the five year period following the date of the initial closing of the offering of Units. The Fund is responsible for the payment of all fees and expenses relating to its operation, including fees payable to a third party administrator, accounting, audit and legal costs, insurance premiums, fees associated with the Fund's bank accounts, custodial, prime broker and safekeeping fees, research and trading, quotes, financial software terminals, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, all Unitholder communication expenses and servicing costs, distribution expenses, promotional expenses, the cost of maintaining the Fund's existence, regulatory fees and expenses, the cost of consulting, organizational costs, distribution costs, regulatory filing fees, all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Fund and all taxes, assessments or other regulatory and governmental charges levied against the Fund. The Fund is generally required to pay applicable sales taxes on the Management Fee, Performance Fee and on most administration expenses that it pays. Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes.

The fees and expenses relating to the International Fund's operations, including, but not limited to, director and administration fees, regulatory, accounting, record keeping, legal fees and expenses are attributable to the International Fund Shares.

Management Fees

The Fund shall pay the Manager a management fee (the "**Management Fee**") based upon the Class Net Asset Value of each Class of Units. The Manager will receive a monthly fee equal to: (i) 1/12 of 3.0% of the aggregate Class Net Asset Value of the Class A Units and the Class U Units of the Fund (the Manager will pay a service fee equal to a 1.0% of the aggregate Class Net Asset Value of the Class A Units and Class U Units of the Fund to brokers, dealers and advisors); and (ii) 1/12 of 2.0% of the aggregate Class Net Asset Value of the Class C Units, Class F Units and Class UF Units of the Fund, plus applicable taxes. No Management Fees are payable to the Manager in respect of Class X Units and Class UX Units of the Fund. No service fees are payable by the Manager in respect of Class F Units, Class C Units and Class UF Units of the Fund. The Management Fee is calculated and paid monthly as at the last calendar day of each month and as at any other day as the Manager may determine. For the purposes of calculating the Management Fee, the Manager shall make an adjustment to take into account any accrued Reference Share Performance Fee and Class M Allocation charged to the Reference Shares in which the International Fund invests.

The Fund will invest in a zero management fee class of Participating Shares of the International Fund. The Master Fund does not pay any management fees in respect of the Reference Shares in which the International Fund invests.

Performance Fees

Performance Fees payable by the Fund

The Fund, to the extent it conducts its investment strategy directly, will pay to the Manager a performance fee which shall be calculated and accrue monthly and be paid annually (the “**Performance Fee**”) plus applicable taxes, if any. The Performance Fee is calculated on a series-by-series and class-by-class basis in respect of the Units. No Performance Fee is payable by the Fund to the Manager in respect of any portion of the Net Asset Value of the Fund invested in the International Fund Shares. No Performance Fees are payable to the Manager in respect of Class X Units and Class UX Units of the Fund.

To the extent the Fund conducts its investment strategy directly, the Performance Fee in respect of each Series of Units (other than Class X Units and Class UX Units of the Fund) shall be equal to 20% of the difference, if any, between the Series Adjusted Net Asset Value per Unit of such Series of Units and the Series High-Water Mark of such Series of Units (“**Series Excess Amount**”), whether positive or negative, calculated on such Valuation Date (or prorated for partial periods of less than twelve months). In addition, if the Series Excess Amount during a particular fiscal year represents an increase of greater than 50% above the Series High-Water Mark, the Performance Fee applicable in respect of each Series of Units shall include an additional amount equal to the Series Excess Amount greater than 50% above the Series High-Water Mark (on an annualized basis) multiplied by 15% (or prorated for partial periods of less than twelve months).

“**Series Adjusted Net Asset Value**” of a Series of Units on any date is equal to the Net Asset Value of such a Series of Units on such date, calculated based on a Net Asset Value of the Fund before performance fees are accrued on such date and calculated before deduction of the performance fees, if any, payable in respect of such a Series of Units on such date, plus the amount of any distributions payable in respect of such a Series of Units since the date as at which the Series High-Water Mark of such a Series of Units was established.

“**Series High-Water Mark**” for a Series of Units as at any date means, initially, its subscription price, and thereafter shall be adjusted from time to time to equal its Series Net Asset Value immediately following the payment of a Performance Fee in respect of such Series of Units. The Series High-Water Mark for a Series of Units is adjusted on a pro rata basis for redemptions of the particular Series or Class of the Units.

If the Series Excess Amount of a particular Series of Units in any year is negative (a “**Negative Return**”), then no Performance Fee will be paid in that year in respect of that Series of Units. The Series High Water Mark for a Series of Units does not reset. Any Negative Return has to be recovered before a Performance Fee is paid in respect of that Series of Units in any subsequent period.

The Performance Fee is calculated and accrued monthly in respect of each Series of Units so that such accruals are reflected in the Net Asset Value of each Series of Units of each Class. Such calculations are made based upon the year-to-date increase in the Series Net Asset Value per Unit. The Performance Fee in respect of each Series of Units will be paid on an annual basis.

If a Unitholder redeems Units during the year, the Performance Fee which has accrued up to the applicable Valuation Date is deducted from the redemption proceeds payable to such Unitholder and is payable to the Manager at the next Valuation Date. Performance Fees are calculated at each Valuation Date and carried as a liability of the Fund until paid to the Manager, as the case may be, on an annual basis or on redemption of Units in respect of which such Performance Fees are payable.

Performance Fees payable by the Master Fund

The Master Fund will pay to the Investment Advisor a performance fee (the “**Reference Share Performance Fee**”) assessed against the Reference Shares issued by the Master Fund which shall be calculated and accrue monthly and be paid annually. The Reference Share Performance Fee is charged to the Reference Shares on a series-by-series and class-by-class basis. No Reference Share Performance Fees are payable to the Investment Advisor in respect of Class X participating shares and Class UX participating shares of the Master Fund.

In calculating the Reference Share Performance Fee for each series of Reference Shares, the Master Fund shall determine the difference, if any, between the Reference Share Adjusted Net Asset Value of such Reference Share and the Reference Share High-Water Mark of such Reference Share (the “**Reference Share Excess Amount**”), whether positive or negative, on such valuation day or redemption day, as the case may be. If the Reference Share Excess Amount for a particular series or class of Reference Shares during a particular fiscal year exceeds the Reference Share High-Water Mark for the same period (or prorated for partial periods of less than twelve months), the relevant amount of the Reference Share Performance Fee in respect thereof shall be paid to the Investment Advisor by the Master Fund.

The Performance Fee for a fiscal year for each series of the Reference Shares (other than Class X participating shares and Class UX participating shares) shall be an amount equal to 7.5% of the amount by which the Reference Share Excess Amount exceeds the Reference Share High-Water Mark multiplied by the number of Reference Share of that series outstanding on such valuation day (or prorated for partial periods of less than twelve months). In addition, if the Reference Share Excess Amount during a particular fiscal year represents an increase of greater than 50% of the Reference Share High-Water Mark, the Reference Share Performance Fee applicable to the Reference Share for such fiscal year shall include an additional amount equal to the Reference Share Excess Amount greater than 50% above the Reference Share High-Water Mark (on an annualized basis) multiplied by 5% (or prorated for partial periods of less than twelve months).

If the Reference Share Excess Amount of a particular series or class of Reference Shares in any year is negative (a “**Reference Share Negative Return**”), then no Reference Share Performance Fee will be paid in that year in respect of that series or class of Reference Shares. The Reference Share High Water Mark for a series or class of Reference Shares does not reset. Any Reference Share Negative Return has to be recovered before a Reference Share Performance Fee is allocated in respect of that series or class of Reference Shares in any subsequent period.

The Reference Share Performance Fee is calculated and accrued monthly in respect of each series or class of Reference Shares so that such accruals are reflected in the net asset value per Reference Shares of each series of each class. Such calculations are made based upon the year-to-date increase in the net asset value per Reference Share. The Reference Share Performance Fee in respect of each series or class of Reference Shares will be paid on an annual basis.

If Reference Shares are redeemed during a fiscal year of the Master Fund, the redemption date shall be deemed to be a determination date for purposes of computing the Reference Share Performance Fee chargeable against such series of such class of Reference Shares. In such circumstances, any Reference Share Performance Fee chargeable in respect of the redeemed shares shall be determined based upon the year-to-date increase in the net asset value per Reference Share of that series of that class and shall be paid to the Investment Advisor on the redemption date from the redemption proceeds otherwise payable to the shareholder.

“**Reference Share Adjusted Net Asset Value**” of a Reference Share on any date is equal to the net asset value of such Reference Share on such date, calculated based on a net asset value of the Master Fund before performance fees or allocations are accrued on such date and calculated before deduction of the performance fees or allocations, if any, payable in respect of such Reference Share on such date, plus the amount of any distributions payable in respect of such Reference Share since the date as at which the Reference Share High-Water Mark of such Reference Share was established.

“**Reference Share High-Water Mark**” for a Reference Share as at any date means, 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 performance fee or allocation in respect of such Reference Share. The Reference Share High-Water Mark for a Reference Share is adjusted on a pro rata basis for redemptions of the particular series or class of the Reference Shares. The Reference Share High-Water Mark of a Reference Share will be appropriately adjusted in the event of a consolidation or subdivision of Reference Shares.

Special Allocation to Class M Participating Shares of the Master Fund

The Master Fund will deduct from the net assets of the Master Fund attributable to the Reference Shares, and allocate to the net assets of the Master Fund attributable to the Master Fund Class M Shares, a special allocation

which shall be calculated and accrue monthly and be allocated annually (the “**Class M Allocation**”). The Class M Allocation is deducted in respect of the Reference Shares on a series-by-series basis.

In calculating the Class M Allocation for a share of each series of Reference Shares, the Master Fund shall determine the Reference Share Excess Amount, if any, between the Reference Share Adjusted Net Asset Value of such Reference Share and the Reference Share High-Water Mark of such Reference Share on such valuation day or redemption day, as the case may be. If the Reference Share Excess Amount for a particular series of Reference Shares during a particular fiscal year exceeds the Reference Share High-Water Mark for the same period (or prorated for partial periods of less than twelve months), the amount of the Class M Allocation shall be allocated to the Master Fund Class M Shares. No Class M Allocation is assessed in respect of Class X participating shares and Class UX participating shares of the Master Fund.

The Class M Allocation for a fiscal year of the Reference Shares (other than Class X participating shares and Class UX participating shares) shall be an amount equal to 12.5% of the amount by which the Reference Share Excess Amount exceeds the Reference Share High-Water Mark multiplied by the number of Reference Shares of that series or class outstanding on such valuation day or redemption day (or prorated for partial periods of less than twelve months). In addition, if the Reference Share Excess Amount during a particular fiscal year represents an increase of greater than 50% above the Reference Share High-Water Mark, the Class M Allocation applicable to the Reference Shares for such fiscal year shall include an additional amount equal to the Reference Share Excess Amount greater than 50% above the Reference Share High-Water Mark (on an annualized basis) multiplied by 10% (or prorated for partial periods of less than twelve months).

If there is a Reference Share Negative Return in any year, then no Class M Allocation will be allocated in that year in respect of that series of Reference Shares. Any Reference Share Negative Return has to be recovered before a Class M Allocation is allocated in respect of that series of Reference Shares in any subsequent period.

The Class M Allocation is calculated and accrued monthly in respect of each series of Reference Shares so that such accruals are reflected in the net asset value per Reference Share of each series. Such calculations are made based upon the year-to-date increase in the net asset value per Reference Share. The Class M Allocation in respect of each series of Reference Shares will be allocated on an annual basis.

If Reference Shares are redeemed during a fiscal year of the Master Fund, the redemption date shall be deemed to be a determination date for purposes of computing the Class M Allocation chargeable against such series of Reference Shares.

DETERMINATION OF NET ASSET VALUE

The Administrator has been appointed by the Manager to calculate the Net Asset Value of the Fund. The Net Asset Value, the Net Asset Value per Unit, the Net Asset Value for each Class of Units (the “**Class Net Asset Value**”) and the Class Net Asset Value per Unit will be determined by the Administrator in accordance with the Fund’s valuation policy as of each a Valuation Date.

The “**Net Asset Value**” of the Fund and of each Series of each Class of Units is determined by the Administrator in accordance with an Administration Agreement. A separate Series Net Asset Value is calculated for each Series of each Class of Units. The Net Asset Value and the Class Net Asset Value, as at the relevant Valuation Date, will be calculated by the Administrator on or about the 15th day following the relevant Valuation Date. For these purposes, “**Valuation Time**” means 4:00 p.m. (EST) or such other time as the Administrator, in its discretion, deems appropriate to determine the Net Asset Value per Unit and the Net Asset Value and “**Valuation Date**” shall mean the last Business Day of each month on which the Toronto Stock Exchange is open for business, and in any event, December 31st of each year or any such other day as determined from time to time by the Manager.

The Net Asset Value as of any date shall equal the fair market value of the assets of the Fund as of such date, less an amount equal to the total Fund liabilities as of such date, determined in accordance with NI 81-106 or any exemptions therefrom and otherwise in accordance with International Financial Reporting Standards.

The Manager may provide or make available estimates of the Net Asset Value or the Series Net Asset Value of any Series of Units of the Fund from time to time. Such estimates, if provided or made available, are for informational

purposes only and should not be relied upon or used for any other purpose as they may differ materially from the actual Net Asset Value or Series Net Asset Value calculated by the Administrator in accordance with the procedures described herein.

Valuation Principles

The value of the assets and, if applicable, liabilities of the Fund are determined as follows:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable (and/or dividend compensation payment) 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 Manager determines to be the reasonable value thereof;
- (b) short-term investments including notes and money market instruments shall be valued at cost plus accrued interest (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of such an investment at the time of its acquisition);
- (c) the value of any security which is listed or traded 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 Day. If no sales are reported on such day, such security will be valued at the simple average of the current bid and asked prices. If the closing price is outside of the closing bid-ask range, then the closest bid or ask to the last trade will be used. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over the counter markets while being listed or traded on such securities exchanges or over the counter markets will be valued on the basis of the market quotation which, in the opinion of the Manager, most closely reflects their fair market value;
- (d) any securities which are not listed or traded upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date;
- (e) any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the Administrator, on the date of valuation;
- (f) the value of a forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the forward contract on the date of valuation unless daily limits are in effect, in which case fair market value may be based on the current value of the underlying interest;
- (g) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis;
- (h) the value of any security or property to which, in the opinion of the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the Manager may from time to time determine based on standard industry practice;
- (i) the value of any security or other asset for which no published market exists, including securities of private issuers, will be determined by the Manager in accordance with the following:
 - a. such securities or other assets will normally be carried at cost unless:

- i. there is an arm's length transaction which in the Manager's reasonable opinion establishes a different value, or
 - ii. a material change in the value of an issuer occurs, including as a result of a write-down of its assets on its audited balance sheet or the preparation of a valuation of the issuer or of a substantial portion of its assets by a qualified independent person, in which event the value will be increased or decreased, as appropriate, to the resulting fair value; and
- b. if there is an arm's length bona fide enforceable offer to purchase all or a substantial portion of an issuer's outstanding securities or its assets, the Fund's securities will be valued based upon the proposed transaction price.
- (j) short positions will be marked-to-market and carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above; and
- (k) all other liabilities shall include only those expenses paid or payable by the respective fund, including accrued contingent liabilities; however organizational and start-up expenses will be amortized by the Fund over a five year period.

Series Net Asset Value per Unit

The "**Series Net Asset Value**" of a Series of Units, as of any date, shall equal the fair market value of the assets of the Fund as of such date attributable to the Series, less an amount equal to the total Series liabilities as of such date. The "**Series Net Asset Value per Unit**" shall be computed by the Administrator as at each Valuation Date by dividing the applicable Series Net Asset Value by the total number of Units of such Series then outstanding on such Valuation Date, prior to any issuance or redemption of Units of such Series to be processed by the Manager immediately following such calculation.

Net Asset Value of the International Fund Shares and Reference Shares

The Net Asset Value will generally be equal to the net asset value of the International Fund Shares purchased by the Fund. The net asset value of the International Fund Shares, in turn, will generally be equal to the net asset value of the Reference Shares purchased by the International Fund relating to such International Fund Shares. The net asset values may differ, for example, as a result of the expenses of each respective fund or cash that is held by the Fund or the International Fund.

The net asset value of the International Fund and Master Fund will be calculated by the Offshore Administrator, under the overall supervision of the Directors, and shall be calculated in accordance with the applicable valuation policies of the International Fund and the Master Fund.

The International Fund will maintain separate accounts in respect of each class of Participating Shares, and the corresponding series of participating shares of the Master Fund. The subscription proceeds, redemption proceeds, dividends, profits, gains, income, liabilities and losses specifically attributable to a series of participating shares shall be for the account of such series (and otherwise shall be allocated to all series based on their respective net asset values or on such other basis as the Directors determine fair and reasonable).

The net asset value, the net asset value per share of each class and series of Participating Shares and the net asset value per share of the Master Fund will be calculated on each valuation day. For the purposes of determining the net asset value of a class and each series within that class of Participating Shares, a separate record with its own distinct designation will be established in the books of the International Fund in respect of each class and each series within that class. Each series of each class will typically have a different net asset value per Participating Share. Any management fees and performance allocations indirectly attributable in respect of a series of participating shares of the Master Fund will be deducted from the net asset value of that series. Fees and expenses which relate to a particular series will be charged against that series when calculating its net asset value. Other fees and expenses will be allocated pro rata between the series in accordance with their respective net asset values or by such other method as the Directors consider equitable.

The net asset value per share on any valuation day will be calculated by dividing the net asset value of the relevant series by the number of Participating Shares of such series in issue as at the close of business on that valuation day, the resulting amount being rounded to four decimal places.

The Directors may declare a temporary suspension of any or one or more of: (i) the determination of net asset value per share of one or more classes and/or series of Participating Shares; and/or (ii) the issue of Participating Shares of one or more classes and/or series; and/or (iii) the voluntary redemption of Participating Shares by shareholders of one or more classes and/or series. The Directors may also suspend the payment of, or extend the period for the payment of, redemption proceeds. The Directors may declare any such suspension or extension in such circumstances as they may deem appropriate, including, without limitation, in respect of the whole or any part of a period:

- (a) during which any securities exchange or similar electronic system on which a substantial part of the assets of the Master Fund are traded is closed, otherwise than for ordinary holidays, or dealings on such securities exchange or similar electronic system are restricted or suspended;
- (b) during which the disposal of a substantial part of the assets of the Master Fund would not be reasonably practicable;
- (c) during which it is not reasonably practicable to accurately determine the value of a material portion of the assets of the Master Fund;
- (d) during which none of the redemption requests which have been made may lawfully be satisfied by the International Fund in the operational currency of the relevant class;
- (e) during which there is a breakdown in the means of communication or the systems normally used to determine the prices of a material portion of the assets of the Master Fund or the International Fund;
- (f) during which the business operations of the Investment Advisor, Offshore Administrator or Prime Broker in respect of the International Fund or the Master Fund are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God;
- (g) during which the proceeds of the sale or redemption of Participating Shares cannot be transmitted to or from the International Fund's account or during which the proceeds of the redemption of shares of the Master Fund cannot be transmitted to or from the Master Fund's account;
- (h) in the case of the International Fund, during which the issue or redemption of shares in the Master Fund or the calculation of the net asset value of the Master Fund is temporarily suspended; or
- (i) during which a determination has been made to wind down the International Fund or the Master Fund.

Any suspension will take effect at the earlier of: (i) the time the Directors specify in their declaration; and (ii) the close of business on the business day immediately following the day on which the Directors declare the suspension. The suspension will continue until the Directors declare that it is ended. The holders of Participating Shares of the affected class or classes and/or series will be notified of any suspension as soon as practicable after the declaration of such suspension. Such shareholders will also be notified when the period of such suspension has ended.

Suspension of Calculation

The Fund may suspend the calculation of Net Asset Value and Class Net Asset Value and any subscriptions or redemptions of the Units: (i) for the whole or any part of a period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which a majority of the securities are listed and traded, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the assets of the Fund, the International Fund or the Master Fund, without allowance for liabilities, and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or (ii) during a period in which the calculation of the value of or redemption of the International Fund Shares or Reference Shares

has been suspended, or (iii) with the approval of the relevant securities regulatory authorities or as otherwise required or permitted under applicable securities laws.

PURCHASE OF UNITS

Each Class of Units is initially offered at \$10.00 or US\$10.00 per Unit, as applicable, and thereafter on a continuous basis at the applicable Class Net Asset Value per Unit as of each Valuation Date. Fractional Units will be issued up to a maximum of four decimal places.

Units of the Fund are offered and sold pursuant to available exemptions from the prospectus requirements under applicable securities legislation in the Offering Jurisdictions. Prospective investors that are Canadian residents must invest the minimum initial subscription amount of:

- (a) \$25,000 for Class A Units and Class F Units (US\$25,000 for Class U Units and Class UF Units) and \$100,000 for Class C Units and Class X Units (US\$100,000 for Class UX Units), for subscribers that qualify as “accredited investors” (as such term is defined in NI 45-106 and, in Ontario, section 73.3 of the *Securities Act* (Ontario)); or
- (b) \$150,000 for Class A Units, Class C Units, Class F Units, Class U Units, Class X Units, Class UF Units and Class UX Units, for subscribers, other than individuals or subscribers resident in Alberta, that are not purchasing as “accredited investors”.

A Unitholder may make an additional investment in Units of not less than \$25,000, provided that: (i) at such time the Unitholder is an accredited investor; (ii) the Unitholder is not an individual and is purchasing Units with an aggregate acquisition cost of not less than \$150,000; or (iii) the Unitholder initially acquired Units as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of such initial acquisition and at the time of the additional subscription holds Units of the same Class with an aggregate acquisition cost, or an aggregate net asset value, of not less than \$150,000.

At the discretion of the Manager, subscriptions for lesser amounts which comply with other available exemptions from prospectus requirements under applicable securities legislation may be accepted. To initially subscribe for units of the Fund, an investor must complete a subscription agreement (the “**Subscription Agreement**”). An investor purchasing through a registered dealer should contact the dealer in order to understand the deadlines to deliver the completed Subscription Agreement to the dealer. No subscription will be accepted unless the Manager is satisfied that the subscription is in compliance with applicable securities laws.

In order for a subscription request to be processed at the Class Net Asset Value per Unit determined on a particular Valuation Date, a completed Subscription Agreement must be received by the Administrator before 4:00 p.m. (EST) at least five (5) business days before the relevant Valuation Date (provided that the Manager reserves the right, but shall not be obligated, to accept subscriptions that are received after 4:00 p.m. (EST) on the relevant Valuation Date). All subscription requests received after such time will be processed at the Class Net Asset Value per Unit determined as of the Valuation Date for the following month. Payment must be received with the completed Subscription Agreement or, in the case where a registered dealer (a “**Registered Dealer**”) acts as an agent for an investor, subscription funds may be provided by the Subscriber directly from the Subscriber’s account at the Subscriber’s Registered Dealer within two (2) business days following the date the subscription request is received.

Units of the Fund are offered by the Manager directly and through registered dealers. No sales commission is charged by the Fund or the Manager for the purchase of Units of the Fund through the Manager.

The Manager has the discretion to reject any subscription request. The decision to accept or reject any subscription request will be made as soon as possible, and in any event, within two (2) Business Days after the next Valuation Date following receipt of the request. If the subscription request is rejected, all payments received with the request will be refunded without interest or deduction.

If payment for any Units purchased is not honoured when presented for payment, the Manager may reverse the purchase transaction at the same Net Asset Value per Unit applied to the issue of the Units.

All subscriptions for Units will initially be made through the purchase of interim subscription receipts at a fixed net asset value of \$10 or US \$10 per subscription receipt (as applicable). Following the calculation of the Class Net Asset Value per Unit, the interim subscription receipts will be automatically converted, without any further action on the part of the subscriber, into the appropriate number of Units of the applicable Class as per each investor's Subscription Agreement. The number of Units of the applicable Class will be the net subscription proceeds divided by the month-end Class Net Asset Value per Unit of such Class determined as at the end of the month in which the subscription order was accepted. Consequently, the initial purchase confirmation will confirm the purchase of the interim subscription receipts while a subsequent confirmation will confirm the final number of Units purchased by the subscriber. The number of interim subscription receipts will be different from the final number of Units so purchased. These interim subscription receipts are not redeemable and do not carry any voting rights.

No certificates will be issued for Units purchased; however, following each purchase the Administrator will send the investor a written statement indicating the subscription price per unit purchased and the number of Units purchased.

REDEMPTION OF UNITS

Upon receipt by the Administrator of a written redemption request, the Fund will redeem all or any part of the Units of a Class held by a Unitholder at the Class Net Asset Value per Unit determined by the Administrator as of the next Valuation Date following receipt of the redemption request. All redemption requests received after 4:00 p.m. (EST) on the date which is forty-five (45) days prior to a Valuation Date (or such later date as the Manager may accept in its sole discretion) will be processed at the Class Net Asset Value per Unit calculated as of the Valuation Date in the following month. Redemption requests will be processed in the order in which they are received. The redemption proceeds (net of any Redemption Charge, as hereinafter defined) will be paid to the Unitholder on or about the 15th Business Day of the month following the redemption date. Redemptions will be paid in same currency as the currency denomination of the applicable Unit.

The investment objective of the Fund is designed for investors with medium to long-term investment horizons and is not intended as a short-term investment. Therefore, the Fund may charge a 10% short-term trading redemption charge (a "**Redemption Charge**"), based on the Class Net Asset Value of the redeemed Units, to any Unitholder who redeems Units within the twelve (12) months of the purchase of such Units.

The Manager may in its absolute discretion decide to satisfy any redemption request in full or in part by instructing the Trustee to transfer in specie such securities or other property of the Fund, which together with payments in cash (if any), shall in the aggregate have a value not less than the redemption amount payable to the Unitholder (i.e., the aggregate Net Asset Value per Unit of such redeemed Units) provided that the value of all securities and other property of the Fund shall be determined as at the relevant Valuation Date. The Manager does not anticipate instructing the Trustee to satisfy redemption requests in specie other than in exceptional circumstances such as when one or more redemptions by one or more Unitholders have a materially prejudicial effect on the remaining Unitholders or otherwise materially and adversely affect the Fund.

If a Unitholder redeems 95% or more of their Units, the Manager may, in its sole discretion, hold back up to 5% of the redemption proceeds pending completion of the next occurring annual year-end audit of the Fund. Promptly after completion of the audit, the Fund will pay to such Unitholder the balance, if any, of the amount to which such Unitholder is entitled after taking account of any adjustment made to the relevant Net Asset Value of the redeemed Units as a result of the audit. No interest will be paid by the Fund in respect of redemption proceeds held back.

Suspension of Redemption

The Manager may suspend, or continue a suspension of, the right of redemption of Units of the Fund during any period where there has been a suspension in the calculation of the Net Asset Value. See "Determination of Net Asset Value - Suspension of Calculation".

If the Manager suspends the right of redemption of Units, a Unitholder may either withdraw his redemption application or receive payment based on the Net Asset Value per Unit next determined after the termination of the suspension.

The Fund may redeem some of the Units for which redemption has been requested by Unitholders and postpone or suspend the redemption of the remaining Units of such Unitholders. Any partial redemption shall be made *pro rata* according to the aggregate number of Units tendered for redemption by each such Unitholder.

Mandatory Redemptions or Redesignations

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder's investment below an amount established from time to time by the Manager may result in the Manager requiring a mandatory redemption of all Units held by such Unitholder or redesignating such Unitholder's Units as Units of another Class (denominated in the same currency) with a lower minimum investment. The Manager may in its sole discretion also require the mandatory redemption of Units or redesignation of Units under other circumstances. Any such mandatory redemption will be made at the applicable redemption price per Unit on the next redemption date following the issuance of not less than 10 days' prior written notice of the mandatory redemption to the affected Unitholder, and any redesignation will be made at the applicable Net Asset Value per Unit on the next Valuation Date following the issuance of not less than 30 days' prior written notice of the redesignation to the affected Unitholder.

If at any time the Trustee becomes aware that Units are or may become beneficially owned by one or more entities in the circumstances described below:

- (a) a non-resident of Canada or a partnership that is not a Canadian partnership within the meaning of the Tax Act if it would cause the Fund to lose its status as a mutual fund trust under the Tax Act;
- (b) a Financial Institution if it would cause the Fund to be subject to the mark-to-market rules in section 142.5 of the Tax Act; or
- (c) a "designated beneficiary" of the Fund within the meaning of Part XII.2 of the Tax Act if, as a consequence thereof, the Fund may become liable for tax under Part XII.2 of the Tax Act,

the Trustee, or any third party on the direction of the Trustee, may cause the Fund to redeem all or such portion of the Units at the Net Asset Value per Unit of such Class or Series on the date of redemption, or on such other terms as the Trustee in its sole discretion deems equitable in the circumstances.

DEALER COMPENSATION

A sales commission of up to 2% of the purchase price may be deducted from a purchase order for Class A Units and Class U Units. Such commission is typically negotiated between the investor and the Registered Dealer through whom the investor purchases the Units and is paid by the investor.

In respect of Class A Units and Class U Units, the Manager will pay to Registered Dealers a service fee based on the aggregate market value of their clients' investment in Class A Units and Class U Units, at an annualized rate of 1.0%. Service fees are calculated and paid on a quarterly basis in arrears approximately 15 days after the determination of the applicable Class Net Asset Value of the Class A Units and Class U Units. A Registered Dealer is entitled to such fees in respect of Class A Units and Class U Units for so long as its clients hold such Units.

There is no sales commission or service fee payable in respect of an investor's investment in Class C Units, Class F Units, Class X Units, Class UF Units or Class UX Units of the Fund.

In respect of a purchase of Units, the Manager may agree to pay an additional commission, in an amount to be negotiated on a case-by-case basis, to the Registered Dealer and/or other person legally eligible to receive a commission. Commissions may be modified or discontinued by the Manager at any time.

DESCRIPTION OF UNITS

Each Unit of the same Class or Series will represent an equal undivided interest in the net assets of the Fund attributable to that Class or Series of Unit. The Fund is authorized to issue an unlimited number of Classes and/or Series of Units and an unlimited number of Units in each such Class or Series, subject to any determination to the contrary made by the Manager in its sole discretion. All Classes and/or Series of Units have the same investment objective, strategy and restrictions but differ in respect of one or more of their features, such as management fees and sales commissions. The Fund may issue fractional Units so that subscription funds may be fully invested. Each whole Unit of a particular Class or Series has equal rights to each other Unit of the same Class and Series with respect to all matters, including voting, receipt of distributions from the Fund, liquidation and other events in connection with the Fund. Units will have no preference, conversion, exchange or pre-emptive rights over any other Unit of the same Class or Series. Each whole Unit of a particular Class entitles the holder thereof to one vote at meetings of Unitholders where all Classes vote together, or to one vote at meetings of Unitholders where that particular Class of Unitholders votes separately as a Class. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or vote at, meetings of Unitholders or of a Class of Unitholders, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Units may only be issued as fully-paid and non-assessable upon receipt of the full consideration for which they are to be issued and are not subject to further call or assessment and no pre-emptive rights attach to them. No certificates representing Units shall be issued by the Fund Manager or Trustee. The rights of Unitholders of the Fund are contained in the Declaration of Trust and may be modified, amended or varied only in accordance with the provisions contained in the Declaration of Trust. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with applicable securities laws. Unitholders are entitled to redeem their Units, subject to the Fund Manager's right to suspend the right of redemption. See "Redemption of Units".

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

Each Class and Series of Units is entitled to participate equally in the distributions made by the Fund and, on liquidation, in its assets remaining after satisfaction of outstanding liabilities.

Units of the Fund may be subdivided or consolidated at the discretion of the Manager upon the Manager giving notice to each unit holder.

The provisions or rights attaching to units of the Fund and other terms of the Declaration of Trust may only be modified, amended or varied in accordance with the provisions contained in the Declaration of Trust. See "Amendments to the Declaration of Trust".

At any time and from time to time after providing a Unitholder with thirty (30) days' prior written notice, the Trustee may redesignate Units of a Class or Series issued to a Unitholder as Units of another Class or Series denominated in the same currency having an aggregate equivalent net asset value.

DISTRIBUTION POLICY

The Fund intends to distribute sufficient net income and net realized capital gains, if any, to Unitholders in each taxation year to ensure that the Fund is not liable for income tax under Part I of the Tax Act, after taking into account any loss carry forwards and capital gains refunds. All distributions will be made to each registered Unitholder determined as of the close of business on the record date of the distribution. Distributions, if any, are paid as of the last Business Day of the calendar year, and at such other times as may be determined by the Manager. Subject to the Manager's discretion to make distributions of cash, including to those Unitholders who have redeemed their Units during the applicable calendar year, all distributions to Unitholders (less any amounts required by law to be deducted therefrom) will automatically be reinvested for the account of each Unitholder in additional Units at the Net Asset Value per Unit next determined after the declaration of the distribution. Following such distributions and reinvestments, Units will be immediately consolidated such that the number of outstanding Units

held by each Unitholder on such day following the distribution will equal the number of Units held by the Unitholder prior to the distribution, except to the extent that tax has to be withheld in respect of the distribution. All distributions payable in respect of a Class of Units will be made on a pro rata basis to Unitholders of that Class. No sales charge or commission shall be payable by a Unitholder in connection with any such reinvestment. Other than as set forth above, the Manager does not intend to make any distributions on the Units. Distributions will be paid in same currency as the currency denomination of the applicable Unit.

REPORTING TO UNITHOLDERS

Each Unitholder will receive from the Manager or the Administrator or from the Unitholder's Registered Dealer, as the case may be, an annual statement showing the Units held and any transactions for the preceding period. Such statements will contain any amounts reinvested for the Unitholder during the preceding period, the number of additional Units purchased or redeemed on behalf of the Unitholder and the Net Asset Value of the Units determined on the Valuation Date immediately preceding the date of the statement.

The Fund will deliver to Unitholders financial statements of the Fund in accordance with the provisions of NI 81-106. The Fund is relying on the exemption pursuant to section 2.11 of NI 81-106, from filing its financial statements with the Canadian securities regulatory authorities.

Pursuant to NI 81-106, Unitholders will be sent audited annual financial statements within 90 days of the Fund's year-end and unaudited semi-annual financial statements within 60 days after June 30th in accordance with their instructions. Under NI 81-106, Unitholders are given the option to receive or not receive annual and interim financial statements and have the ability to change their selection at any time by contacting the Manager.

MEETINGS OF UNITHOLDERS

The Fund will not hold regular meetings; however, the Manager may convene a meeting of Unitholders, or a Class of Unitholders, as it considers appropriate or advisable from time to time. The Trustee must also call a meeting of Unitholders or of a Class of Unitholders on the written request of Unitholders holding not less than 30% of the outstanding Units of the Fund (or of a Class with respect to a Class meeting) in accordance with the Declaration of Trust, provided that in the event of a request to call a meeting of Unitholders made by such Unitholders, the Trustee shall not be obliged to call any such meeting until it has been satisfactorily indemnified by such Unitholders against all costs of calling and holding such meeting.

Units of a Class shall vote separately as a Class if a Class is affected by any matter requiring the approval of Unitholders in a manner that is different from Units of another Class or if the notice calling the meeting so provides.

Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any meeting is two or more Unitholders present in person or by proxy representing not less than 10% of the Units, or Units of a Class, as applicable, then outstanding. If no quorum is present at such meeting when called, the meeting will be adjourned by the Manager to a date and time not more than 10 days later, selected by the Manager, and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum, if notice of the adjourned meeting is given.

Any consent of Unitholders under the Declaration of Trust must be given by the requisite number to obtain approval of the matter addressed of the Units or Units of a Class, as applicable, represented and voted at a meeting or by written resolution.

AMENDMENTS TO THE DECLARATION OF TRUST

Any provision of the Declaration of Trust may be amended by the Manager (except in the circumstances set out below), with the approval of the Trustee, upon notice to Unitholders, but no such amendment may be made to the terms applicable to Classes or Series of Units under the Declaration of Trust that would materially adversely affect the interest of the Unitholders of the Fund as a whole and/or of a Class or Series of the Fund without the approval of not less than 66 2/3% of the votes cast at a meeting of Unitholders of the Fund or of the affected Class or Series, as

the case may be. The notice to be provided to Unitholders must be given in writing not less than 30 days in advance of the effective date of the amendment unless the Manager and Trustee agree to an earlier effective date.

Any provision of the Declaration of Trust may be amended by the Manager (except in the circumstances set out below), with the approval of the Trustee, without any prior notice to, or approval of, Unitholders if the amendment is necessary to comply with applicable laws or regulatory authorities, to maintain the Fund's status as a "mutual fund trust" for purposes of the Tax Act, to correct any ambiguity, mistake or manifest error contained in the Declaration of Trust, or to provide additional protection to Unitholders or enhance the rights of Unitholders, provided that Unitholders are given notice of the amendments as soon as reasonably possible following the effective date of the amendments.

Any provision of the Declaration of Trust may be amended, deleted, expanded or varied either: (i) with the consent of the holders of 66 2/3% of the votes cast at a meeting of Unitholders, or (ii) provided that Unitholders affected by such change having been given not less than 60 days' written notice of the proposed change and the opportunity to redeem all of such Unitholder's Units prior to the effective date of the change, for any of the following purposes:

- (a) changes to the amendment provisions of the Declaration of Trust;
- (b) the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund paid to the Manager;
- (c) the fundamental investment objective of the Fund is changed, which for greater certainty is to provide Unitholders with long-term capital appreciation through: (i) exposure to the returns, of the International Fund, which, in turn, provides exposure to the returns of the Master Fund; and (ii) directly investing in, or selling short, equity and equity derivative securities in a manner that is generally consistent with the investment objectives, strategies and restrictions of the Master Fund;
- (d) the Fund decreases the frequency of the calculation of the Net Asset Value; or
- (e) the Fund undertakes a reorganization with, or transfers its assets to, another fund, if
 - i. the Fund ceases to continue after the reorganization or transfer of assets, and
 - ii. the transaction results in the Unitholders of the Fund becoming unitholders in the other fund; and
 - iii. there is, in the opinion of the Manager, a material difference in the fundamental investment objective of the Fund and the other fund.

A change in the Trustee of the Fund requires the approval by a majority of votes cast at a special meeting of the Unitholders, other than to an affiliate of the Manager or successor to the current Trustee or a registered trust company nominated by the Trustee.

In addition, the consent of the Trustee is also required to any amendment if it restricts any protection provided to the Trustee or impacts the responsibilities of the Trustee under the Declaration of Trust.

No change or amendment to the redemption rights attaching to a Class or Series of Units may be made without the prior written consent of a majority of Unitholders of such Class or Series, including changes to the frequency of redemptions, any minimum holding period before which Units may be redeemed, minimum redemption amounts, the implementation of any redemption charges, deferral of payment of redemption proceeds, suspension of redemptions, or any other matter that could limit, penalize or impair the redemption of such Units, where any such change would result in the Fund ceasing to qualify as a "mutual fund trust" for purposes of the Tax Act.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of August 12, 2022, a summary of certain of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires

Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Fund, and will hold his/her Units as capital property.

Generally, Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other "Canadian securities" owned and subsequently owned by them, treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary assumes that no Unitholder has entered or will enter into a "derivative forward agreement", as that term is defined for the purposes of the Tax Act, with respect to the Units.

This summary assumes that, at all times, the International Fund and the Master Fund will not be, and will not be deemed to be, a "controlled foreign affiliate" of the Fund within the meaning of the Tax Act and that any International Fund Shares held by the Fund will be capital property of the Fund for the purposes of the Tax Act. This summary also assumes that neither the International Fund nor the Master Fund carries on business in Canada for the purposes of the Tax Act or is otherwise subject to tax in Canada.

This summary is also based on the assumption that the Fund will at no time be a "SIFT trust" as defined in the rules in the Tax Act relating to SIFT trusts. This, in turn, is based on the assumption that the Units will at no time be listed or traded on a stock exchange or other public market. For the purpose of such rules, the redemption mechanism does not result in the Units being considered to be traded on a public market.

This summary assumes that the Fund at no time will (i) be a "financial institution" of the purposes of certain market-to-market rules in the Tax Act; or (ii) earn any "designated income" for the purposes of Part XII.2 of the Tax Act. This summary also assumes that Units of the Fund will not be a "tax shelter investment" for the purposes of the Tax Act and the Fund will comply with its investment restrictions at all times.

This summary is based on the facts set out in this Offering Memorandum, the current provisions of the Tax Act as at August 12, 2022, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to August 12, 2022 (the "**Tax Proposals**"), and an understanding of the current published administrative policies and assessing practices of the CRA. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumption that the Fund will qualify, and will continue to qualify at all times, as a "mutual fund trust" within the meaning of the Tax Act.

To qualify as a mutual fund trust, (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or

interests in real property or immovables or real rights in immovables), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units.

The Manager intends to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust at all times and that the Fund will elect to be deemed to be a mutual fund trust from the date it was established.

An additional condition to qualify as a “mutual fund trust” for the purposes of the Tax Act is that the Fund may not be established or maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

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

The International Fund and the Master Fund will be “foreign affiliates” of the Fund within the meaning of the Tax Act. As a result, the Fund will be required to file an annual information return and provide detailed information relating to these corporations and the Fund’s holdings in them.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains and dividends received in the year on shares of corporations, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

If the Fund were not to qualify as a “mutual fund trust” for the purposes of the Tax Act at all times, the Fund may be liable for alternative minimum tax under the Tax Act in the event that, generally, its expenses exceed its income other than capital gains.

The Fund may be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). However, the Tax Act contains a special anti-avoidance rule that will: (a) deny the Fund a deduction for any income of the Fund designated to a Unitholder on a redemption of Units, where the Unitholder’s proceeds of disposition are reduced by the designation, and (b) deny the Fund a deduction for the portion of a capital gain of the Fund designated to a Unitholder on a redemption of Units that is greater than the Unitholder’s accrued gain on those Units, where the Unitholder’s proceeds of disposition are reduced by the designation. Any income or taxable capital gains that would otherwise have been designated to redeeming Unitholders may be made payable to the remaining non-redeeming Unitholders to ensure the Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of the Fund may be greater than they would have been in the absence of the special anti-avoidance rule. In any event, the Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year that may arise upon the disposition of International Fund Shares in connection with the redemption of Units and Fund distributions.

A disposition (including a redemption) or deemed disposition of an International Fund Share will generally give rise to a capital gain (or a capital loss) for purposes of the Tax Act to the extent that the Fund’s proceeds of disposition exceed (or are less than) the total of the Fund’s adjusted cost base of the International Fund Shares and reasonable costs of disposition.

The Fund’s portfolio may include securities that are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends and all other amounts will be determined for the purposes of the Tax Act in

Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

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

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income and such other expenses as permitted by the Tax Act. The Fund may generally deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Tax Act contains rules which may require a taxpayer, including the Fund, to include in income in each taxation year an amount in respect of the holding of an “offshore investment fund property”. The offshore investment fund property rules may apply to the Fund in respect of the acquisition and holding of the International Fund Shares if, but only if: (a) the value of such International Fund Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (“**Investment Assets**”); and (b) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding or having an interest in the International Fund Shares was to derive a benefit from portfolio investments in any Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Fund.

If applicable, these rules would generally require the Fund to include in its income for each taxation year in which the Fund owns International Fund Shares the amount, if any, by which (i) an imputed return for the taxation year computed on a monthly basis and calculated as the product obtained when the Fund’s “designated cost” (within the meaning of the Tax Act) of such shares at the end of a month, is multiplied by 1/12th of the sum of the applicable prescribed rate plus two percent, exceeds (ii) the Fund’s income for the year (other than a capital gain) in respect of such shares determined without reference to these rules. The prescribed rate for this purpose is a quarterly rate based on the average equivalent yield of Government of Canada 90-day treasury bills sold during the first month of the immediately preceding quarter. Any amount required to be included in computing the Fund’s income in respect of an offshore investment fund property would be added to the adjusted cost base to the Fund of the International Fund Shares.

The Fund may be subject to the loss restriction rules contained in the Tax Act unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that Unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a “loss restriction” event (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward such losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

The Fund may be subject to the “suspended loss” rules contained in the Tax Act, which would generally apply where the Fund disposes of property and subsequently reacquires the property or acquires an identical property

within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the “suspended loss” rules apply, any losses arising from the initial disposition of property would be denied, but may be realized at a future point in time in accordance with the rules in the Tax Act.

The Fund may be subject to the “straddle loss” rules contained in the Tax Act, which generally defer the realization of any loss on the disposition of a “position” to the extent of any unrealized gain on an offsetting “position”. For the purposes of these rules, a “position” held by the Fund includes any interest in actively traded personal properties such as commodities, derivatives, and certain debt obligations. An offsetting “position” is any similar interest that has the effect of eliminating all or substantially all of the Fund’s risk of loss and opportunity for gain in respect of the underlying “position”. These rules are subject to various exceptions set out in the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year including any portions of amounts paid on redemption treated as distributions of income or gains by the Fund. The non-taxable portion of the Fund’s net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder’s income for the year. Any other amount in excess of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain. Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund and the taxable dividends, if any, received or deemed to be received by the Fund on shares of taxable Canadian corporations as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. Amounts designated as taxable dividends from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules in the Tax Act.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder’s income. However, the adjusted cost base of the Unitholder’s Units will be reduced by such amount (other than the non-taxable portion of the Fund’s net realized capital gains paid or payable to the Unitholders, the taxable portion of which was designated to the Unitholder in a year).

On the disposition or deemed disposition of a Unit, including on a redemption, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder’s proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder’s income as described above) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all identical Units owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units.

For Unitholders who hold Units denominated in U.S. dollars, the cost and proceeds of disposition of Units, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, such Unitholders may realize gains or losses by virtue of the fluctuation in the value of U.S. dollars relative to Canadian dollars.

One-half of any capital gain realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act. In general terms, taxable capital gains realized on the disposition of Units as well as net income of the Fund paid or payable to the Unitholder that is designated as net realized taxable capital gains or as taxable dividends from taxable Canadian corporations may increase the Unitholder's liability for alternative minimum tax.

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

Based on the current published administrative policies and assessing practices of the CRA, a redesignation of Units denominated in U.S. dollars into units denominated in Canadian dollars, and vice versa, will likely be considered to constitute a disposition of such Units for the purposes of the Tax Act.

Taxation of Registered Plans

Amounts of income and capital gains in respect of Units included in the income of a trust governed by a tax-free savings account ("TFSA"), a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan ("DPSP"), a registered education savings plan ("RESP"), or a registered disability savings plan ("RDSP") (each, a "Plan") are generally not taxable under Part I of the Tax Act, provided that the Units are "qualified investments" for the Plan. See "Eligibility for Investment". Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments" for an RRSP, RRIF, TFSA, RDSP or an RESP (each a "**Registered Plan**"), the holder of the TFSA or RDSP or the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. A Unit will generally be a "prohibited investment" for a Registered Plan if the "controlling individual" (the holder of a TFSA or RDSP or the annuitant of an RRSP or RRIF or the subscriber of an RESP) (i) does not deal at "arm's length" with the Fund (for purposes of the Tax Act), or (ii) has a "significant interest" in the Fund (within the meaning of the Tax Act). A controlling individual will generally have a significant interest in a trust if he or she, either alone or together with one or more persons with whom he or she does not deal at arm's length, holds interests representing 10% or more of the fair market value of all interests in the trust. A Unit will generally not be a "prohibited investment" if the Unit is "excluded property" for Registered Plans.

Controlling individuals of Registered Plans should consult with their own tax advisors regarding the "prohibited investment" rules based on their own particular circumstances.

International Tax Reporting

Part XIX of the Tax Act implements the Organisation for Economic Co-operation and Development Common Reporting Standard. Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange, unless the investment is held within certain Plans.

U.S. Foreign Account Tax Compliance Act

In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act ("**FATCA**"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have

entered into an Intergovernmental Agreement (the “IGA”), which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under FATCA (“**FATCA Tax**”) for Canadian entities, such as the Fund, provided: (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of “Specified U.S. Persons” or certain non-U.S. entities controlled by “Specified U.S. Persons”, will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the U.S. Internal Revenue Service (the “**IRS**”). The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Fund would reduce the Fund’s distributable cash flow and net asset value.

ELIGIBILITY FOR INVESTMENT

Provided that the Fund qualifies and continues to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, the Units will be “qualified investments” under the Tax Act for a trust governed by a Registered Plan.

RISK FACTORS

An investment in the Fund involves significant risks. An investment in Units should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in the Fund is speculative and is not intended as a complete investment program. Only investors who can reasonably afford the risk of loss of their entire investment should consider the purchase of Units. **The following does not purport to be a complete summary of all the risks associated with an investment in the Fund.**

Certain Risk Factors Applicable to the Fund

Reliance on Portfolio Advisor

All investment and trading decisions for the Fund and the Master Fund, as applicable, will be made by XIB and its judgment and ability will determine the success of the Fund and the Master Fund, as applicable. No assurance can be given that the investment strategies of the Fund and the Master Fund, as applicable, will prove successful under any or all market conditions.

Limited ability to liquidate investment

There is no market for the Units and one is not expected to develop. Accordingly, it is possible that Unitholders may not be able to dispose of their Units other than by way of redemption at the end of any month. This Offering of Units is not qualified by way of prospectus, and consequently, the resale of Units is subject to restrictions under applicable securities laws. Unitholders are advised to seek legal advice prior to any resale of the Units.

Possible effect of redemptions

Substantial redemptions of Units could require the Fund to redeem a substantial portion of its investment in the International Fund Shares. This, in turn, could require the Master Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions of Reference Shares held by the International Fund 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.

Taxation of the Fund

If the Fund does not qualify, or ceases to qualify, as a “mutual fund trust” under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax

laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

The Fund may be subject to the loss restriction rules contained in the Tax Act unless the Fund qualifies as an “investment fund” as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that Unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a “loss restriction” event, (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s net income and net realized capital gains at such time to Unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward such losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the Tax Act.

Taxation of the International Fund

The International Fund intends to conduct its affairs such that it will not be, or be deemed to be, resident in, or engaged in a trade or business in, any country other than the Cayman Islands for taxation purposes. If the International Fund were, or were deemed to be, resident in, or if any of its activities were, or were deemed, to constitute a trade or business in, a country other than the Cayman Islands, then that country’s taxes may apply, and may adversely affect the return to Unitholders by reducing amounts payable to the Fund pursuant to its investment in the International Fund.

Taxation of the Master Fund

The Master Fund intends to conduct its affairs such that it will not be, or be deemed to be, resident in, or engaged in a trade or business in, any country other than the Cayman Islands for taxation purposes. If the Master Fund were, or were deemed to be, resident in, or if any of its activities were, or were deemed, to constitute a trade or business in, a country other than the Cayman Islands, then that country’s taxes may apply, and may adversely affect the return to Unitholders by reducing amounts payable to the Fund pursuant to its investment in the International Fund.

Foreign Tax Reporting

Unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to the IRS, in order to avoid the FATCA Tax being imposed on certain U.S. source income and on sale proceeds received by the Fund.

In certain circumstances, the Fund may be required to withhold a 30% tax from distributions it pays to Unitholders who have not provided the required information. However, the governments of Canada and the United States have entered into the IGA which establishes a framework for cooperation and information sharing between the two countries and may provide relief from FATCA Tax provided that (i) the Fund complies with the terms of the IGA and the Canadian legislation implementing the IGA (the “**Canadian IGA Legislation**”) and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavor to comply with the requirements imposed under the IGA and the Canadian IGA Legislation. Accordingly, Unitholders may be required to provide identity, residency and other information which (in the case of specified U.S. persons or specified U.S.-owned non-U.S. persons) will be provided to the CRA and from the CRA to the IRS. The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or the Canadian IGA Legislation or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with the relevant US legislation. Any such tax would reduce the Fund’s distributable cash flow and Net Asset Value.

In addition, in accordance with Part XIX of the Tax Act, the Manager or the Fund are required to identify and report to the CRA certain information relating to Unitholders who are resident in certain specified countries other than Canada.

Charges to the Fund

The Fund will pay management fees, legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Master Fund will accrue and pay the Class M Allocation in respect of each fiscal quarter in which the Series Excess Amount exceeds Series Adjusted Net Asset Value.

Leverage

The Fund may borrow money to pay redemptions and for cash management purposes, and may also borrow for investment purposes. Leverage may be utilized by the Master Fund as part of the investment program of the Reference Shares and the amount of leverage may be substantial. The Fund, to the extent it conducts its investment strategy directly, may directly or indirectly borrow funds from brokerage firms and banks. The Fund may also utilize a form of “leverage” by using options, swaps and other derivative instruments. Although leverage presents opportunities for increasing total investment return, it also has the effect of potentially increasing losses as well. Any event that adversely affects the value of an investment, either directly or indirectly, by the Fund could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a greater loss than if the investments were not levered.

In addition, if the Fund purchases securities on margin and the value of those securities falls, the Fund may be obligated to pay down the margin loans to avoid liquidation of the securities. If such loans are collateralized with portfolio securities that decrease in value, the Fund may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of the Fund, in their sole discretion, may change the leverage limits that they extend to the Fund.

Illiquidity

There can be no assurance that any of the Fund, the International Fund or the Master Fund will be able to dispose of its investments in order to honour requests to redeem Units.

Suspension of Trading

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

Conflicts of interest

The Fund, the International Fund, the Master Fund and the Manager may be subject to various conflicts of interest. See “Conflicts of Interest”.

Not a mutual fund offered by prospectus

The Fund is not a mutual fund offered by prospectus. In addition, the Fund will not invest in a manner similar to the investments made by a mutual fund offered by prospectus. Investors should note that as the Fund is not a mutual fund offered by prospectus, the rules designed to protect investors who purchase securities of a mutual fund offered by prospectus will not apply to the Units.

No operating history

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

Class risk

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

Unitholder liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Fund and all such persons shall look solely to the Fund's assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Fund Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Declaration of Trust, for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Fund will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund.

Certain Risk Factors Applicable to the Investment Strategy of the Fund

The following is a summary of some of the risk factors associated with the investment strategy employed by the Fund and the Master Fund, to which the Fund is indirectly exposed through its purchase of the International Fund Shares, but does not purport to be a complete summary. A more detailed list of risk factors specific to the investment strategies utilized by the Fund and the Master Fund may be obtained upon request by contacting the Manager.

Overall Investment Risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Master Fund and the investment techniques and strategies used to try to increase profits. While the Investment Advisor will devote its best efforts to the management of the investment portfolio of the Master Fund, it cannot give an assurance that the Master Fund will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Changes in Investment Strategy

The Investment Advisor may alter the investment strategy of the Master Fund without prior approval by its shareholders if the Investment Advisor determines that such change is in the best interest of the Master Fund and consistent with the investment objective; however, the Investment Advisor will give shareholders of the Master Fund not less than 60 days' notice of any change to the investment objective or investment strategies of the Master Fund that the directors of the Master Fund have determined in good faith to be a material change.

General Economic and Market Conditions

The success of the Master Fund's investments 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 Master Fund's investments. Unexpected volatility or illiquidity could impair the Master Fund's investment returns or result in losses.

Market Risks and Liquidity

In large measure, the profitability of a significant portion of the Master Fund's investment program depends on correctly assessing the future course of the price movements of securities and other investments. There is no assurance that the Investment Advisor will be able to accurately predict those price movements. Although the

Investment Advisor may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some and occasionally a significant degree of market risk.

Furthermore, the Master Fund may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Master Fund's positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by a prime broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Master Fund. Some of the underlying investments of the Master Fund may not be actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the net asset value of the Master Fund may be adversely affected.

Risks of Executing Investment Strategies

The Master Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Investment Advisor will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there is no assurance that the securities and other instruments purchased by the Master Fund will in fact increase in value or that the Master Fund will not incur significant losses.

Liquidity of Underlying Investments

Some of the securities in which the Master Fund may invest may be thinly traded. While the Master Fund generally tries to invest in securities that can be sold or repurchased within a reasonably short period of time, given certain potential market conditions, it is possible that the Master Fund may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Master Fund is required to transact in such securities before its intended investment horizon, the performance of the Master Fund could suffer.

Fixed Income Securities

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

Equity Securities

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

Options

Selling call and put options is a highly specialized activity and entails greater than ordinary investment risk. The risk of loss when purchasing an option is limited to the amount of the purchase price of the option, however investment in an option may be subject to greater fluctuation than an investment in the underlying security. In the case of the sale of an uncovered option there can be potential for an unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

Foreign Currency Risk

The Master Fund's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which will be determined with reference to those currencies. Nonetheless, the Master Fund Shares held by the Fund will be valued in Canadian or US dollars for subscription, redemption and performance reporting purposes. To the extent they are not hedged, the value of the net assets of the classes of the Master Fund Shares will fluctuate with foreign exchange rates as well as with price changes of its investments in the various local markets and currencies. The Investment Advisor may use forward currency contracts and options to hedge against

currency fluctuations, but there is no guarantee that such hedging transactions will be effective. In addition, it is anticipated that the currency exposure of the U.S. dollar denominated Reference Shares will be substantially, but not fully, hedged, but there can be no assurance that such strategy, if implemented, will be effective, and there can be no assurance that the costs and risks of such strategy will be borne only by the class U.S. dollar denominated Reference Shares.

Small to Medium Capitalization Companies

The Master Fund may invest a portion of its assets in the stocks of companies with small-sized to medium-sized market capitalizations. While the Investment Advisor 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.

Short Sales

The possible losses to the Master Fund from a short sale of security differ from losses that could be incurred from a long position in the security. Losses from a short sale may be unlimited. Losses from a long position are limited to the total amount of the investment. Selling a security short 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 be incurred by the Master Fund. Short sales by the Master Fund that are not made “against the box” create opportunities to increase the Master Fund’s return, but at the same time involve special risk considerations and may be considered a speculative technique. A recall of borrowed stock could cause the Fund to close out a short position at a disadvantageous price.

Because the Master Fund does not need to invest the full purchase price of the securities on the date of the short sale, the value of its shares will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than would otherwise be the case had it not engaged in those short sales. Theoretically, short sales involve unlimited loss potential, as the market price of securities sold short may increase continuously. However, the Master Fund may mitigate those losses by replacing the securities sold short before the market price has increased significantly.

Under adverse market conditions, the Master Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favour such sales.

Short sales may be used with the intention of hedging against the risk of declines in the market value of the Master Fund’s long portfolio, but there is no guarantee that such hedging operations will be successful.

Leverage

The Master Fund may use financial leverage by borrowing funds against the assets of the Master Fund. The use of leverage increases the risk to the Master Fund and subjects the Master Fund to higher current expenses. Also, if the Master Fund’s portfolio value drops to the loan value or less, the Master Fund could sustain a total loss of its investment.

Counterparty and Settlement Risk

Some of the markets in which the Master Fund will effect its transactions may be “over the counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Master Fund to suffer a loss. In addition, in the case of a default, the Master Fund could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a

single or small group of counterparties. The Master Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, neither the Master Fund nor the Investment Advisor has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Master Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

Discretion of the Investment Advisor; Concentration of Investments

The Investment Advisor will seek to engage in the investment activities described herein. Nonetheless, the Investment Advisor may alter the investment practices of the Master Fund. It can do so in its sole discretion and without the approval of any Shareholder. Although, as a matter of general policy, the Investment Advisor will try to spread the Master Fund's capital among a number of investments, it may depart from that policy from time to time and may hold a few relatively large securities positions in relation to the Master Fund's capital. A loss on a large security position following such concentration could materially reduce the Master Fund's capital.

Charges to the Master Fund

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

The above risks inherent in the Investment Advisor's investment strategies apply equally to the Fund to the extent it implements the same investment strategy as the Master Fund with respect to its direct investments.

Conflicts of Interest

The Investment Advisor, its directors and officers may provide investment advisory and portfolio management services to other investment funds and conduct investment activities for their own accounts. None of the directors or officers of the Investment Advisor will devote their full time to the business and affairs of the Master Fund. In addition, the Offshore Administrator may consult with and rely on the advice of the Investment Advisor in determining the value of the assets and liabilities of the Master Fund for all purposes. Such determinations will in turn affect the amount of the Class M Allocation, which is calculated on a basis which includes unrealized appreciation of assets.

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

CONFLICTS OF INTEREST

Each of the Fund and the Master Fund depend on XIB for ongoing investment advice. While XIB shall devote as much of its time and resources to such activities as in its judgment is reasonably required, XIB may also be involved in the management of other investment funds (both domestic and offshore) and in other business activities.

While XIB maintains policies and procedures to ensure the fair allocation of investment opportunities amongst its clients, there may be situations of conflict in the actual allocation of opportunities by XIB.

In addition to the foregoing, the Fund depends on XIB, in its capacity as the Manager, for ongoing management and administration of its business activities. While XIB devotes as much time and resources as in its judgment is reasonably required, each of the directors and officers of XIB is also involved in other business activities.

Statement of Related and Connected Issuers

Applicable securities laws require securities dealers and advisors, 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, or securities of an issuer in which a "responsible person" (as defined by National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities

Administrators) is an officer or director, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisors, 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 advisor.

The Fund may be considered a connected and/or related issuer the Manager. The Manager will earn management fees and performance fees from the Fund and the Master Fund, to which the Fund is indirectly exposed through its purchase of the International Fund Shares. See “Fees and Expenses Relating to the Fund”.

XIB may engage in activities as an investment fund manager, portfolio manager and dealer in respect of securities of related and connected issuers or securities of an issuer in which a “responsible person” is an officer or director, but will do so only in compliance with applicable securities laws.

Soft Dollar Arrangements

The Manager may receive goods or services from a broker or a dealer in consideration of directing transaction business for the account of the Fund to such broker or dealer provided that: (i) the goods or services are of demonstrable benefit to the Fund; and (ii) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full service brokerage rates.

Goods and services may include research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, clearing and custodian services and investment related publications. The goods and services which the Manager receives will not include any goods and services prohibited from time to time by any code or guidelines issued by any relevant regulatory authority.

The Fund may be deemed to be paying for these services with “soft” dollars. Although the Manager believes that the Fund will demonstrably benefit from the services obtained with “soft” dollars generated by trades, the Fund does not benefit from all of these “soft” dollar services. The Manager and other accounts managed by the Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Manager uses “soft” dollars to pay for expenses the Manager would otherwise be required to pay itself.

The Manager intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempts to allocate a portion of its brokerage business on the basis of that consideration. The investment information received from brokers, however, may be used by the Manager and its affiliates in servicing other accounts and not all such information may be used by the Manager in connection with the Fund. The Manager believes that such an allocation of brokerage business may help to obtain research and execution capabilities and provides other benefits to the Fund.

The relationships with brokerage firms that provide “soft” dollar services to the Manager may influence the Manager's judgment in allocating brokerage business and create a conflict of interest in using the services of those broker dealers to execute brokerage transactions. The brokerage commissions paid to those firms, will not, however, differ materially from, nor will they be in excess of, customary full brokerage commissions payable to other firms for comparable services.

TERMINATION OF THE FUND

The Manager may at any time terminate and dissolve the Fund by giving notice to the Trustee and each then Unitholder written notice of its intention at least 90 days before the date on which the Fund is to be terminated (the “**Termination Date**”). After giving such notice, the right of Unitholders to require payment for all or any of their Units shall be suspended and the Manager shall make appropriate arrangements for converting the fund property into cash. After payment of the liabilities of the Fund, each Unitholder registered as such at the close of business on the date fixed as the Termination Date will be entitled to receive from the Trustee his or her proportionate share of the value of the Fund attributable to the Class of Units held in accordance with the number of Units which he or she then holds. If the Fund is terminated, the Declaration of Trust will be terminated and the assets distributed in accordance with the terms of the Declaration of Trust.

ADMINISTRATOR AND PRIME BROKERS

The Fund has entered into a valuation and services agreement with the Administrator. The Administrator will calculate the monthly Net Asset Value and Net Asset Value per Unit (as applicable), allocate and report taxable income to the Unitholders, prepare the annual and semi-annual financial statements as required, keep Unitholder records and any other services that the Fund may request.

The Prime Broker serves as the prime broker for, and receive fees from, the Master Fund. The Investment Advisor reserves the right, in its discretion, to change the prime broker for the Master Fund and/or to open other prime-brokerage accounts.

LEGAL COUNSEL

McMillan LLP acts as legal counsel to the Fund and to the Manager.

AUDITORS

KPMG LLP, are the auditors of the Fund. The principal office of KPMG LLP in Toronto is situated at Bay Adelaide Centre, 333 Bay St. #4600 M5H 2S5, Toronto, Ontario, Canada. KPMG Cayman Islands acts as the auditors of the International Fund.

PERSONAL INFORMATION

By purchasing the Units, the purchaser acknowledges that the Fund and its respective agents and advisers may each collect, use and disclose its name and other specified personally identifiable information, including the amount of the Units that it has purchased for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by law or regulation. The purchaser consents to the disclosure of that information.

By purchasing the Units, the purchaser acknowledges (A) that personal information concerning the purchaser will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the purchaser consents to the disclosure of the personal information; (B) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (C) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation; by purchasing the Units, the purchaser shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities. Questions about such indirect collection of personal information should be directed to the appropriate provincial or territorial authority as per the table below.

<p>Alberta Securities Commission Suite 600, 250 – 5th Street SW Calgary, Alberta T2P 0R4 Telephone: 403-297-6454 Toll free in Canada: 1-877-355-0585 Facsimile: 403-297-2082 Attention: FOIP Coordinator</p>	<p>British Columbia Securities Commission P.O. Box 10142, Pacific Centre 701 West Georgia Street Vancouver, British Columbia V7Y 1L2 Inquiries: 604-899-6854 Toll free in Canada: 1-800-373-6393 Facsimile: 604-899-6581 Email: FOI-privacy@bcsc.bc.ca Attention: FOI Inquiries</p>	<p>The Manitoba Securities Commission 500 – 400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: 204-945-2561 Toll free in Manitoba: 1-800-655-5244 Facsimile: 204-945-0330 Attention: Director</p>
<p>Financial and Consumer Services Commission (New Brunswick) 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: 506-658-3060 Toll free in Canada: 1-866-933-2222 Facsimile: 506-658-3059 Email: info@fcnbc.ca Attention: Chief Executive Officer and Privacy Officer</p>	<p>Government of Newfoundland and Labrador Financial Services Regulation Division P.O. Box 8700 Confederation Building 2nd Floor, West Block Prince Philip Drive St. John's, Newfoundland and Labrador A1B 4J6 Attention: Director of Securities Telephone: 709-729-4189 Facsimile: 709-729-6187</p>	<p>Government of the Northwest Territories Office of the Superintendent of Securities P.O. Box 1320 Yellowknife, Northwest Territories X1A 2L9 Telephone: 867-767-9305 Facsimile: 867-873-0243 28 Attention: Superintendent of Securities</p>

	Attention: Superintendent of Securities	
Nova Scotia Securities Commission Suite 400, 5251 Duke Street Duke Tower P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: 902-424-7768 Facsimile: 902-424-4625 Attention: Executive Director	Government of Nunavut Department of Justice Legal Registries Division P.O. Box 1000, Station 570 1st Floor, Brown Building Iqaluit, Nunavut X0A 0H0 Telephone: 867-975-6590 Facsimile: 867-975-6594 Attention: Superintendent of Securities	Ontario Securities Commission 20 Queen Street West, 22nd Floor Toronto, Ontario M5H 3S8 Telephone: 416-593- 8314 Toll free in Canada: 1-877-785-1555 Facsimile: 416-593-8122 Email: exemptmarketfilings@osc.gov.on.ca Attention: Inquiries Officer
Prince Edward Island Securities Office 95 Rochford Street, 4th Floor Shaw Building P.O. Box 2000 Charlottetown, Prince Edward Island C1A 7N8 Telephone: 902-368-4569 Facsimile: 902-368-5283 Attention: Superintendent of Securities	Autorité des marchés financiers 800, rue du Square-Victoria, 22e étage C.P. 246, tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: 514-395-0337 or 1-877-525-0337 Facsimile: 514-864-6381 (For privacy requests only) Email: fonds_dinvestissement@lautorite.qc.ca Attention: Corporate Secretary	Financial and Consumer Affairs Authority of Saskatchewan Suite 601 - 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Telephone: 306-787-5842 Facsimile: 306-787-5899 Attention: Director
Office of the Superintendent of Securities Government of Yukon Department of Community Services 307 Black Street, 1st Floor P.O. Box 2703, C-6 Whitehorse, Yukon Y1A 2C6 Telephone: 867-667-5466 Facsimile: 867-393-6251 Email: securities@gov.yk.ca Attention: Superintendent of Securities		

Pursuant to the IGA entered into by the governments of Canada and the United States and related Canadian legislation found in Part XVIII of the Tax Act, certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding registered plans), may be provided to the CRA. The CRA is expected to provide such information to the U.S. Internal Revenue Service. By investing in the Fund and providing us with your identity and residency information you will be deemed to have consented to the Fund disclosure of such information to the CRA. Other jurisdictions may impose similar requirements.

In addition, in accordance with Part XIX of the Tax Act, the Manager or the Fund are required to identify and report to the CRA certain information relating to Unitholders who are resident in certain specified countries other than Canada. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident.

PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Manager may require additional information concerning investors.

If, as a result of any information /or other matter which comes to the Manager’s attention, any director, officer or employee of the Fund, or its professional advisors, knows or suspects that an investor is engaged in money laundering or terrorist financing, 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.

PURCHASERS' RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Cooling-off Period

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

Statutory Rights of Action for Damages or Rescission

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a “**Misrepresentation**”. Where used herein, the term “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 not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

Ontario

Section 130.1 of the *Securities Act* (Ontario) (the “**Ontario Act**”) provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;
- (b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (A) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (B) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under Section 73.3(2) of the *Securities Act* (Ontario) (the “**accredited investor exemption**”) and section 2.10 of NI 45-106 (the “**minimum amount exemption**”). The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a

prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a financial institution described in paragraph 1, 2 or 3 of subsection 73.1 (1) of the *Securities Act* (Ontario);
- (b) the Business Development Bank of Canada; or
- (c) a subsidiary of any person or company referred to in clause (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Alberta

Securities legislation in Alberta provides that every purchaser of securities in reliance on the exemption set forth in section 2.10 (the “**minimum amount exemption**”) of NI 45-106 pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission against the Fund and certain other persons if this Offering Memorandum or any amendment thereto contains a misrepresentation. However, such rights must be exercised within prescribed time limits. Purchasers should refer to the applicable provisions of the *Securities Act* (Alberta) (the “**Alberta Act**”) for particulars of those rights or consult with a lawyer.

Specifically, Section 204 of the Alberta Act provides that if this Offering Memorandum, or any amendment to it, contains a misrepresentation (as defined in the Alberta Act), a purchaser who purchases Units offered by this Offering Memorandum or any amendment shall be deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Fund, every director of the Fund at the date of this Offering Memorandum, and every person or company who signed this Offering Memorandum or, alternatively, for rescission against the Fund. If the purchaser exercises its right of rescission against the Fund, the purchaser will not have a right of action for damages against the Fund or against any aforementioned person or company. No such person or company is liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation. In an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units are offered.

In Alberta, no action shall be commenced to these rights of action more than:

- (a) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of:
 - (A) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years from the day of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express provisions of the Alberta Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages are in addition to, and without derogation from, any other right to the purchaser may have at law.

Saskatchewan

Section 138 of *The Securities Act*, 1988 (Saskatchewan), as amended (the “**Saskatchewan Act**”) provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that

misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

- (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

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

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

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

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

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

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

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
 - (A) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (B) six years after the date of the transaction that gave rise to the cause of action.

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

Manitoba

Section 141.1 of the *Securities Act* (Manitoba), as amended (the "**Manitoba Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase and has a right of rescission against the issuer or has a right of action for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum.

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

- (a) if the purchaser chooses to exercise a right of rescission against the issuer, the purchaser shall have no right of action for damages against the parties listed under (i), (ii) and (iii);

- (b) in an action for damages, a defendant will not be liable for all or any part of the damages that he or she proves do not represent the depreciation in value of the security as a result of the misrepresentation;
- (c) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and
- (d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser had knowledge of the misrepresentation.

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

- (a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (c) with respect to any part of the 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.

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

Section 141.2 of the Manitoba Act provides that a purchaser of a security to whom an offering memorandum was required to be sent in compliance with Manitoba securities legislation, but was not sent within the prescribed time has a right of action for rescission or damages against the dealer, offeror or issuer who did not comply with the requirement.

Section 141.3 of the Manitoba Act also provides that a purchaser of a security to whom an offering memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the issuer not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the securities.

Section 141.4 of the Manitoba Act provides that no action may be commenced to enforce any of the foregoing rights:

- (a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
 - (A) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (B) two years after the day of the transaction that gave rise to the cause of action.

Nova Scotia

The right of action for damages or rescission described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 of the *Securities Act* (Nova Scotia) provides, in relevant part, that in the event that an offering memorandum (such as this Offering Memorandum), together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a Misrepresentation, the purchaser will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer and, subject to certain additional defences, every director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum or, alternatively, while still the owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the issuer, directors of the issuer or persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date on which the initial payment was made for the securities;
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

- (a) the offering memorandum or amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the offering memorandum or amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any Misrepresentation in the offering memorandum or amendment to the offering memorandum the person or company withdrew the person's or company's consent to the offering memorandum or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a Misrepresentation, or (B) the relevant part of the offering memorandum or amendment to offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company, other than the issuer, will be liable with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation or (ii) believed that there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the Misrepresentation is deemed to be contained in the offering memorandum or an amendment to the offering memorandum.

New Brunswick

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

- (a) the purchaser has a right of action for damages against the issuer and any selling security holder(s) on whose behalf the distribution is made, or
- (b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

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

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

- (a) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (b) six years after the date of the transaction that gave rise to the cause of action.

Prince Edward Island

Section 112 of the *Securities Act* (Prince Edward Island) (the “**PEI Act**”) provides to a purchaser who purchases, during the distribution period, a security offered by an offering memorandum (such as this Offering Memorandum) containing a misrepresentation, without regard to whether he or she relied on the misrepresentation, a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made or a right of action for damages against (a) the issuer, (b) the selling security holder on whose behalf the distribution is made, (c) every director of the issuer at the date of the offering memorandum, and (d) every person who signed the offering memorandum. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

Such rights of rescission and damages are subject to certain limitations and a person will not be liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

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

- (a) the offering memorandum was sent to the purchaser without the person’s knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

- (b) the person, on becoming aware of the misrepresentation in the offering memorandum, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

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

In an action for damages, the defendant is not liable for any damages that he or she proves do not represent the depreciation in value of the security resulting from the misrepresentation. In addition, the amount recoverable must not exceed the price at which the securities purchased by the purchaser were offered.

Section 121 of the PEI Act provides that no action may be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action other than an action for rescission, the earlier of:
 - (A) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the transaction giving rise to the cause of action.

Newfoundland and Labrador

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases Units offered by the offering memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and the purchaser has:

- (a) a right of action for damages against:
 - (i) the Fund;
 - (ii) every director of the Fund at the date of the offering memorandum;
 - (iii) every person or company who signed the offering memorandum; and
- (b) a right of rescission against the Fund.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

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

When a misrepresentation is contained in the offering memorandum, no person or company other than the Fund, is liable

- (a) if the person or company proves that the purchaser had knowledge of the misrepresentation;
- (b) if the person or company proves
 - (A) that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and
 - (B) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (c) 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 the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (A) there had been a misrepresentation, or
 - (B) the relevant part of the offering memorandum
 - (i) did not fairly represent the expert's report, opinion or statement, or
 - (ii) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (e) with respect to any part of the 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
 - (A) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (B) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the Units were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

No action shall be commenced to enforce these statutory rights more than:

- (a) in the case of an action for rescission, 180 days after the purchaser signs the agreement to purchase the Units; or
- (b) in the case of an action for damages, before the earlier of:

- (A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or
- (B) three years after the date the purchaser signs the agreement to purchase the Units.

The rights of action described above are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Yukon

Securities legislation in the Yukon provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against:
 - (A) the Fund;
 - (B) the selling security holder on whose behalf the distribution is made;
 - (C) every director of the Fund at the date of the offering memorandum, and
 - (D) every person who signed the offering memorandum; and
- (b) a right of rescission against:
 - (A) the Fund; or
 - (B) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;
- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
 - (A) there had been a misrepresentation, or

- (B) the relevant part of the offering memorandum
 - (iii) did not fairly represent the report, opinion or statement of the expert, or
 - (iv) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation,

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,
 - (A) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

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

Northwest Territories

Securities legislation in the Northwest Territories provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against:
 - (A) the Fund;
 - (B) the selling security holder on whose behalf the distribution is made;
 - (C) every director of the Fund at the date of the offering memorandum, and
 - (D) every person who signed the offering memorandum; and
- (b) a right of rescission against:
 - (A) the Fund; or
 - (B) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;
- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
 - (A) there had been a misrepresentation, or
 - (B) the relevant part of the offering memorandum
 - (i) did not fairly represent the report, opinion or statement of the expert, or
 - (ii) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation,

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,
 - (A) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the transaction giving rise to the cause of action,whichever period expires first.

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

Nunavut

Securities legislation in Nunavut provides that if an offering memorandum (such as this Offering Memorandum) contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation:

- (a) a right of action for damages against:
 - (A) the Fund;

- (B) the selling security holder on whose behalf the distribution is made;
 - (C) every director of the Fund at the date of the offering memorandum, and
 - (D) every person who signed the offering memorandum; and
- (b) a right of rescission against:
- (A) the Fund; or
 - (B) the selling security holder on whose behalf the distribution is made.

If the purchaser chooses to exercise a right of rescission against the Fund, the purchaser has no right of action for damages against a person or company referred to above.

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

If a misrepresentation is contained in the offering memorandum, no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation.

A person, other than the Fund or selling security holder, is not liable in an action for damages if the person proves that:

- (a) the offering memorandum was sent to the purchaser without the person's knowledge or consent, and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the Fund that it had been sent without the person's knowledge and consent;
- (b) the person, on becoming aware of the misrepresentation, had withdrawn the person's consent to the offering memorandum and had given reasonable notice to the Fund of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that
 - (A) there had been a misrepresentation, or
 - (B) the relevant part of the offering memorandum
 - (i) did not fairly represent the report, opinion or statement of the expert, or
 - (ii) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

A person, other than the Fund or selling security holder, is not liable in an action for damages with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

All or any one or more of the persons or companies that are found to be liable or accept liability in an action for damages are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all circumstances of the case, the court is satisfied that it would not be just and equitable.

The Fund, and every director of the Fund at the date of the offering memorandum who is not a selling security holder, is not liable if the Fund does not receive any proceeds from the distribution of the securities and the misrepresentation was not based on information provided by the Fund, unless the misrepresentation

- (a) was based on information previously publicly disclosed by the Fund;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the Fund before completion of the distribution of the securities being distributed.

No action may be commenced to enforce a right more than,

- (a) in the case of an action for rescission, 180 days after the date of the transaction giving rise to the cause of action; or
- (b) in the case of any action other than an action for rescission,
 - (A) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the transaction giving rise to the cause of action,

whichever period expires first.

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

British Columbia, Alberta and Québec

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