

This offering memorandum (the “Offering Memorandum”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority has passed on the merits of these securities or reviewed this Offering Memorandum and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is not, and under no circumstances is to be construed as, a public offering or advertisement of securities. These securities offered hereunder do not trade on any exchange or market. Subject to the availability of exemptions from the prospectus and registration requirements under applicable securities laws, holders of securities offered hereunder will be restricted from selling their securities for an indefinite period. Holders of securities offered hereunder will have certain redemption rights (See “Transfer or Resale”). This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities.

CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering

April 15, 2021

ALGONQUIN TRUST



SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

MINIMUM INITIAL INVESTMENT:

Series A Units: \$25,000

Series A Distribution Units: \$25,000

Series F Units: \$25,000 / \$250,000

Series F Distribution Units: \$25,000 / \$250,000

Series A-US Units: USD\$25,000

Series A-US Distribution: USD\$25,000

Series F-US Units: USD\$25,000 / USD\$250,000

Series F-US Distribution Units: \$250,000 / USD\$250,000

Algonquin Trust (the “Trust”) is an open-ended investment trust formed and organized under the laws of the Province of Ontario pursuant to a declaration of trust dated January 16, 2017, as may be amended from time to time (the “Declaration of Trust”). Purchasers of units of the Trust become unitholders of the Trust (“Unitholders”) and will be bound by the terms of the Declaration of Trust. The primary objective of the Trust is to generate positive absolute returns with an emphasis on capital preservation and with a low correlation to traditional equity and fixed income markets. The Investment Manager will seek to achieve the Trust’s investment objective by investing all, or

substantially all, of its net assets in the Algonquin Debt Strategies Fund LP (the “**Partnership**”), and thereby gain exposure to the Partnership’s investment strategy of pursuing a combination of outright credit trading, relative value credit trading, outright rate trading and relative value rate trading. The Partnership was formed on December 15, 2014 and will continue until it is dissolved. Algonquin Capital Corporation (the “**Trustee**”, the “**Investment Manager**” or “**Algonquin Capital**”) is the trustee of the Trust and the investment manager of the Trust.

The Trust and the Partnership, as the case may be, are considered a related issuer and/or a connected issuer of Algonquin Capital because: Algonquin Capital is the Investment Manager, the Trustee and the Partnership Investment Manager (as defined herein); the Trust may be, from time to time, an influential securityholder of the Partnership; Algonquin Capital is an affiliate of the General Partner (as defined herein); and the Partnership Investment Manager earns fees from the ongoing management of the Partnership’s investment portfolio. See “Statement of Policies”, “Profit Allocation to the General Partner” and “Partnership Management Agreement”.

The Trust is offering on a continuous basis (the “**Offering**”) an unlimited number of Units (as defined below), issuable in different series, on a private placement basis. The series of Units being offered are Series A Units, Series A-US Units, Series A Distribution Units, Series A-US Distribution Units, Series F Units, Series F-US Units, Series F Distribution Units, Series F-US Distribution Units, Series X Units, Series X-US Units, Series Y Units, Series Y-US Units, Series I Units, Series I-US Units, Series E Units and Series E-US Units of the Trust (collectively, the “**Units**”). See “The Trust” and the “Offering”.

Investors purchasing Units pursuant to this Offering Memorandum will generally be issued Series F Units unless they qualify to purchase another series of Units. Units of each series will be issued in sub-series.

In respect of the first issuance of Units of a series, Units designated by the Investment Manager as Sub-Series 1 Units of each series were issued at a price per Unit equal to the corresponding net asset value per LP Unit and in the applicable currency of the series. On each successive Valuation Date on which Units are issued, a new sub-series of Units will be issued at an opening Net Asset Value per Unit equal to the Net Asset Value per Unit of the Sub-Series 1 Units of the same series and in the applicable currency of the series. It is in the discretion of the Investment Manager to change this policy (please see “Net Asset Value” for the definition of Net Asset Value and for more information). Subscriptions may be accepted on the last business day of each month and on such other dates as the Investment Manager may prescribe (each, a “**Valuation Date**”) and Units will be deemed to be issued as of the next business day.

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

All dollar references herein shall be to Canadian dollars unless otherwise specified. All dollar references in connection with the Series A-US Units, Series A-US Distribution Units, Series F-US Units, Series F-US Distribution Units, Series X-US Units, Series Y-US Units, Series I-US Units and Series E-US Units shall be to U.S. dollars.

Units are only being distributed to investors resident in any of the provinces or territories of Canada (collectively, the “**Offering Jurisdictions**”) in reliance on certain exemptions to the prospectus requirements under the applicable securities laws of each of the applicable provinces and territories of Canada. **As a result, the Units will be subject to the applicable resale restrictions under said laws.** As at the date of this Offering Memorandum, the Offering is also being made in reliance on certain exemptions to the registration requirements under the applicable securities laws of the Offering Jurisdictions. There are certain risk factors inherent in an investment in the Units and in the activities of the Partnership. See “Transfer or Resale” and “Risk Factors”.

DISCLAIMERS

These securities are not a guaranteed investment. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Trust.

There is no market through which the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the Declaration of Trust and applicable securities legislation. Redemptions may be limited or suspended and/or redemption proceeds may be paid partly in cash and partly in kind if the Trust is unable to fund such redemption because the Trust is unable to redeem the Units it holds because there is insufficient liquidity in the portfolio of the Partnership to allow the Partnership to redeem the units of the Partnership owned by the Trust. There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisers to assess the income tax, legal and other aspects of the investment. See “Risk Factors” and “Transfer or Resale”.

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

Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition and disposition of Units under applicable securities legislation.

Subscribers are urged to consult with an independent legal adviser prior to signing the Subscription Agreement for the Units and to carefully review the Declaration of Trust delivered with this Offering Memorandum, the offering memorandum of the Partnership and the limited partnership agreement of the Partnership, which is available upon request.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “will”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Trust’s actual results, performance or developments to be materially different from any future results, performance or developments expressed or implied by the forward-looking statements.

While the Trust, the Trustee and Investment Manager anticipate that subsequent events and developments may cause its views to change, the Trust, the Trustee and Investment Manager specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon as representing the Trust’s Trustee’s or the Investment Manager’s views as of any date subsequent to the date of this Offering Memorandum. Although the Trust, the Trustee and Investment Manager have attempted to identify important factors that could cause actual results, performance or developments to differ materially from those described in forward-looking statements, there may be other factors that cause results, performance or developments not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance or developments could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Trust. Additional factors are noted under “Risk Factors” below.

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SUMMARY

The following is a summary of the principal features of this offering and should be read together with the more detailed information contained elsewhere in this Offering Memorandum.

- Trust:** Algonquin Trust (the “**Trust**”) is an open-ended investment trust formed and organized under the laws of the Province of Ontario pursuant to a declaration of trust dated January 16, 2017, as may be amended from time to time (the “**Declaration of Trust**”). See “The Trust – The Trust and Trustee”.
- Trustee:** Algonquin Capital Corporation (the “**Trustee**” or “**Algonquin Capital**”) is a corporation incorporated under the laws of the Province of Ontario and is the trustee of the Trust pursuant to the Declaration of Trust. The Trustee was instrumental in the formation of the Trust and is responsible for appointing the Investment Manager and monitoring the activities of the Trust. See “The Trust – The Trust and Trustee”.
- Investment Manager:** Algonquin Capital Corporation (the “**Investment Manager**” or “**Algonquin Capital**”) is a corporation incorporated under the laws of the Province of Ontario. The Trustee has engaged the Investment Manager to direct the affairs of the Trust and to provide day-to-day management services to the Trust, management of the Trust’s portfolio on a discretionary basis and distribution of the units of the Trust (the “**Units**”). See “The Investment Manager and The Partnership Investment Manager – The Investment Manager”.
- The Partnership, the General Manager and the Partnership Investment Manager:** The Trust will investing all, or substantially all, of its net assets in the Algonquin Debt Strategies Fund LP (the “**Partnership**”). The Partnership is a limited partnership formed under the laws of the Province of Ontario on December 15, 2014 pursuant to a limited partnership agreement first dated December 14, 2015, as amended (the “**Limited Partnership Agreement**”). See “The Partnership – The Partnership”.
- Algonquin Capital Partners Inc. (the “**General Partner**”), is a corporation incorporated under the laws of the Province of Ontario, is the general partner of the Partnership. The General Partner is responsible for monitoring the activities of the Partnership on behalf of the Partnership and appointed Algonquin Capital as the Partnership Investment Manager and. The General Partner will receive a share of Partnership profits, but will not receive compensation directly or indirectly from the Trust. See “The Partnership - The General Partner” and “Profit Allocation to the General Partner”.
- Algonquin Capital Corporation (the “**Partnership Investment Manager**” or “**Algonquin Capital**”) has been appointed as the investment manager of the Partnership to provide day-to-day management services to the Partnership and management of the Partnership’s Portfolio (as defined below) on a discretionary basis. The Partnership Investment Manager will receive management fees from the Partnership and share in the of Partnership profits, but will not receive compensation directly or indirectly from the Trust. See “The Investment Manager and The Partnership Investment Manager – The Partnership Investment Manager”. and “Partnership Management Agreement”.
- Investment Objective, Strategies and Techniques:** The primary objective of the Trust is to generate positive absolute returns with an emphasis on capital preservation and with a low correlation to traditional equity and fixed income markets.

The Investment Manager will seek to achieve the Trust's objective by investing all, or substantially all, of its net assets in the Partnership and thereby gain exposure to the Partnership's portfolio of fixed income and derivative instruments of governments, financial institutions and corporations of North American (Canada and United States of America) as well as international markets (the "**Partnership's Portfolio**"). The return to the unitholders and the Trust (the "**Unitholders**") will be dependent upon the economic performance of the Partnership and the Partnership's Portfolio by virtue of the Trust investing all or substantially all of its assets in units of the Partnership.

In managing the Partnership's Portfolio, the Partnership Investment Manager will employ a combination of trading strategies, including, outright credit trading, relative value credit trading, outright rate trading and relative value rate trading.

The Partnership Investment Manager intends to implement a number of investment techniques in order to achieve the investment objective of the Partnership. Such techniques will include among others: investing long and short; engaging in hedging strategies in order to mitigate market exposure; investing in derivative instruments, arbitrage strategies; and employing leverage in the implementation of the investment strategies of the Partnership. See "Investment Objective, Strategies and Techniques of the Trust and the Partnership".

The Offering:

Units are being offered on a continuous basis (the "**Offering**") to investors resident in Ontario, Québec, British Columbia, Alberta, Manitoba, Nova Scotia and Newfoundland and Labrador directly and indirectly by the Investment Manager, and to investors resident in Saskatchewan, New Brunswick, Prince Edward Island, the Yukon, the Northwest Territories and Nunavut through registered advisors to investors who are accredited investors or to whom Units may otherwise be sold without a prospectus under applicable securities legislation.

The following are the series of Units currently being offered:

Series A Units	
FundSERV Code:	"AGQ206" (\$25,000 Minimum Initial Investment (as defined below))
Available to:	Series A Units are offered to all investors who meet the Prospectus Exemption Prerequisites (as defined below).
Use of Proceeds:	The proceeds of the sale of Series A Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Management Fee (indirect):	<p>Except in respect of the Trailer Fee (as defined below), neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A Units.</p> <p>However, the returns of Series A Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio. See "Partnership Management Agreement".</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>

Performance Fee / Profit Distributions (indirect):

Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A Units.

However, the returns of Series A Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.

Trailer Fee:

Series A Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, being a referral fee or trailing commission payable by the Investment Manager to the investor’s dealer or broker for the dealer’s ongoing financial planning and advice to the investor (a “**Trailer Fee**”).

Trust and Series Expenses:

In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series A Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.

Minimum Initial Investment:

If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A Units is \$25,000.

Series A Units are not available for investment directly with the Investment Manager.

Series A-US Units

FundSERV Code: “AGQ206U” (USD\$25,000 Minimum Initial Investment)

Available to: Series A-US Units are offered to all investors who meet the Prospectus Exemption Prerequisites.

Use of Proceeds: The proceeds of the sale of Series A-US Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.

US Dollars:

Series A-US Units are offered in the same manner and are identical in all other respects to the Series A Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series A-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.

To offset this exposure, the Investment Manager’s objective is to hedge the Canadian dollar value of the portfolio attributable to Series A-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see “Risk Factors – Currency Hedging of USD Classes”.

Management Fee (indirect):

Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A-US Units.

However, the returns of Series A-US Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio. See “Partnership Management Agreement”.

As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A-US Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).

Performance Fee / Profit Distributions (indirect):

Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A-US Units.

However, the returns of Series A-US Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.

Trailer Fee:

Series A-US Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor’s dealer or broker.

Trust and Series Expenses:

In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series A-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.

Minimum Initial Investment:

If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A-US Units is USD\$25,000.

Series A-US Units are not available for investment directly with the Investment Manager.

Series A Distribution Units

FundSERV Code:

“AGQ210” (\$25,000 Minimum Initial Investment)

Available to:

Series A Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.

Use of Proceeds:

The proceeds of the sale of Series A Distribution Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.

Distribution Series:

Unitholders of Series A Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Series A Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.

Management Fee (indirect):

Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A Distribution Units.

However, the returns of Series A Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio. See “Partnership Management Agreement”.

As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A Distribution Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).

Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A Units.</p> <p>However, the returns of Series A Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trailer Fee:	Series A Distribution Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor’s dealer or broker.
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series A Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A Distribution Units is \$25,000.</p> <p>Series A Distribution Units are not available for investment directly with the Investment Manager.</p>

Series A-US Distribution Units

FundSERV Code:	“AGQ210U” (USD\$25,000 Minimum Initial Investment)
Available to:	Series A-US Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series A-US Distribution Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.
Distribution Series:	Unitholders of Series A-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Series A-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.
US Dollars:	<p>Series A-US Distribution Units are offered in the same manner and are identical in all other respects to the Series A Distribution Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series A-US Distribution Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager’s objective is to hedge the Canadian dollar value of the portfolio attributable to Series A-US Distribution Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see “Risk Factors – Currency Hedging of USD Classes”.</p>

Management Fee (indirect):	<p>Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A-US Distribution Units.</p> <p>However, the returns of Series A-US Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio. See "Partnership Management Agreement".</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A-US Distribution Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A-US Distribution Units.</p> <p>However, the returns of Series A-US Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See "Profit Allocation to the General Partner" for a description of how the distributions are calculated.</p>
Trailer Fee:	<p>Series A-US Distribution Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor's dealer or broker.</p>
Trust and Series Expenses:	<p>In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A-US Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series A-US Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.</p>
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A-US Distribution Units is USD\$25,000.</p> <p>Series A-US Distribution Units are not available for investment directly with the Investment Manager.</p>

Series F Units

FundSERV Code:	"AGQ200" (\$25,000 Minimum Initial Investment)
Available to:	Series F Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F Units.</p> <p>However, the returns of Series F Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio. See "Partnership Management Agreement".</p>

Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F Units.</p> <p>However, the returns of Series F Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	<p>In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series F Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.</p>
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F Units is \$25,000.</p> <p>If investing directly with the Investment Manager, the Minimum Initial Investment for Series F Units is \$250,000.</p>
Series F-US Units	
FundSERV Code:	“AGQ200U” (USD\$25,000 Minimum Initial Investment)
Available to:	Series F-US Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F-US Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.
US Dollars:	<p>Series F-US Units are offered in the same manner and are identical in all other respects to the Series F Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series F-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager’s objective is to hedge the Canadian dollar value of the portfolio attributable to Series F-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see “Risk Factors – Currency Hedging of USD Classes”.</p>
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio. See “Partnership Management Agreement”.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>

Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series F-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	If investing through a dealer via FundSERV, the Minimum Initial Investment for Class F-US Units is USD\$25,000. If investing directly with the Investment Manager, the Minimum Initial Investment for Class F-US Units is USD\$250,000.

Series F Distribution Units

FundSERV Code:	“AGQ212” (\$25,000 Minimum Initial Investment)
Available to:	Series F Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F Distribution Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Distribution Series:	Unitholders of Series F Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series F Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.
Management Fee (indirect):	Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F Distribution Units. However, the returns of Series F Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio. See “Partnership Management Agreement”.
Performance Fee / Profit Distributions (indirect):	Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F Units. However, the returns of Series F Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series F Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F Distribution Units is \$25,000. Series F Distribution Units are not available for investment directly with the Investment Manager.

Series F-US Distribution Units	
FundSERV Code:	“AGQ212U” (USD\$25,000 Minimum Initial Investment)
Available to:	Series F-US Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F-US Distribution Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.
Distribution Series:	Unitholders of Series F-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series F-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.
US Dollars:	<p>Series F-US Distribution Units are offered in the same manner and are identical in all other respects to the Series F Distribution Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series F-US Distribution Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager’s objective is to hedge the Canadian dollar value of the portfolio attributable to Series F-US Distribution Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see “Risk Factors – Currency Hedging of USD Classes”.</p>
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F-US Distribution Units.</p> <p>However, the returns of Series F-US Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio. See “Partnership Management Agreement”.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F-US Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series F-US Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F-US Distribution Units is USD\$25,000.</p> <p>Series F-US Distribution Units are not available for investment directly with the Investment Manager.</p>

Series I Units	
Available to:	Series I Units are offered to institutional and certain high net worth investors at the discretion of the Investment Manager.
Use of Proceeds:	The proceeds of the sale of Series I Units of the Trust will be used by the Investment Manager to purchase Class I LP Units of the Partnership.
Management Fee, Profit Distributions, Performance Fee, Minimum Initial Investment, etc.:	<p>The Investment Manager will negotiate the terms of purchase of Series I Units directly with each investor including any management fee, profit allocation or performance fee charged to such investor, as applicable.</p> <p>An investor must enter into a Series I Unit agreement with the Investment Manager to purchase Series I Units of the Trust.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series I Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class I LP Units, the Series I Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Series I-US Units	
Available to:	Series I-US Units are offered to institutional and certain high net worth investors who are interested in investing in U.S. dollars at the discretion of the Investment Manager.
Use of Proceeds:	The proceeds of the sale of Series I-US Units of the Trust will be used by the Investment Manager to purchase Class I-US LP Units of the Partnership.
US Dollars:	<p>Series I-US Units are offered in the same manner and are identical in all other respects to the Series I Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series I-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series I-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
Management Fee, Profit Distributions, Performance Fee, Minimum Initial Investment, etc.:	<p>The Investment Manager will negotiate the terms of purchase of Series I-US Units directly with each investor including any management fee, profit allocation or performance fee charged to such investor, as applicable.</p> <p>An investor must enter into a Series I-US Unit agreement with the Investment Manager to purchase Series I-US Units of the Trust.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series I-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class I-US LP Units, the Series I-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.

See "The Offering", the "Management Agreement", the "Partnership Management Agreement" and see "Profit Allocation to the General Partner" for a description of how the distributions are calculated and see "Minimum Individual Investment" for information regarding the Initial Minimum Investment.

A new sub-series of Units within each series will generally be issued each month. The Trust is authorized to issue additional series of Units from time to time containing financial terms and conditions that may differ from those set forth herein. Such new series of Units may have preferential terms to the Units currently being offered.

Price per Unit:

Units of each series, designated by the Investment Manager as Sub-Series 1 Units, will be issued at a Net Asset Value per Unit equal to the corresponding net asset value per LP Unit. On each successive date on which Units will be issued, a new sub-series of Units is issued at a subscription price equal to the Net Asset Value per Unit of the Sub-Series 1 Units of the same series. See “The Offering – Subscription Procedure” and see “Net Asset Value” for the definition of Net Asset Value and for more information.

Prospectus Exemptions:

Units are being sold under available exemptions from the prospectus requirements under National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”). Unless an investor can establish to the Investment Manager’s satisfaction that another exemption is available, this will generally require that each investor is investing as principal (and not for or on behalf of any other persons) and is either an “accredited investor” pursuant to NI 45-106 (the “**Accredited Investor Exemption**”) or, outside of Alberta, is a non-individual investing a minimum amount of \$150,000 (the “**Minimum Investment Exemption**” and together with the Accredited Investor Exemption and other available exemptions, collectively, the “**Prospectus Exemption Prerequisites**”). See “The Offering – Prospectus Exemptions”.

Purchasers will be required to make certain representations in the Subscription Agreement (as defined below) and the Investment Manager will rely on such representations to establish a subscriber satisfies the Prospectus Exemption Prerequisites. No subscription will be accepted unless the Investment Manager is satisfied that the subscription is in compliance with applicable securities laws. See “The Offering – Prospectus Exemptions”.

Minimum Individual Investment:

In addition to qualifying under one or more of the Prospectus Exemption Prerequisites, the Investment Manager also has an internal minimum initial investment threshold in respect of the series as set out below but this threshold may be reduced, at the sole discretion of the Investment Manager, for subscribers that qualify under the Accredited Investor Exemption or other available exemption (the “**Minimum Initial Investment**”):

Minimum Initial Investment	
Series A Units	\$25,000 if investing through a dealer via FundSERV.
Series A-US Units	USD\$25,000 if investing through a dealer via FundSERV.
Series A Distribution Units	\$25,000 if investing through a dealer via FundSERV.
Series A-US Distribution Units	USD\$25,000 if investing through a dealer via FundSERV.
Series F Units:	\$25,000 if investing through a dealer via FundSERV. \$250,000 if investing directly with the Investment Manager.
Series F-US Units:	USD\$25,000 if investing through a dealer via FundSERV.

	USD\$250,000 if investing directly with the Investment Manager.
Series F Distribution Units:	\$25,000 if investing through a dealer via FundSERV. \$250,000 if investing directly with the Investment Manager.
Series F-US Distribution Units:	USD\$25,000 if investing through a dealer via FundSERV. USD\$250,000 if investing directly with the Investment Manager.
Series I Units:	As negotiated with the Investment Manager.
Series I-US Units:	As negotiated with the Investment Manager.

After an initial investment that satisfies the Minimum Initial Investment is made, each additional investment must be in an amount that is not less than \$5,000. (For investors who do not qualify under the Accredited Investor Exemption, any additional investments must be in an amount that is not less than \$150,000, unless: (a) the investor initially acquired Units of the Trust for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a Net Asset Value equal to at least \$150,000; or (b) another exemption is available (the “**Minimum Additional Investment**”, and together with the Minimum Initial Investment, collectively, the “**Minimum Investment Threshold**”). The Minimum Investment Threshold is net of any such fees or commissions paid by the investor to dealers.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the General Partner the covenants and representations contained in the Subscription Agreement delivered by the investor to the General Partner at the time of the initial investment. See “The Offering – Minimum Investment Threshold”.

Subscription Procedure:

Subscriptions for Units are made by completing and executing the subscription agreement (the “**Subscription Agreement**”) provided by the Investment Manager and by forwarding to the Investment Manager such completed form together with payment of the subscription price in accordance with the Subscription Agreement. Subscriptions will be accepted on a monthly basis, being on the last business day in each month or on such other date as the Investment Manager may permit (each, a “**Valuation Date**”), subject to the Investment Manager’s discretion to refuse subscriptions in whole or in part. If a subscription is accepted on a Valuation Date, Units will be deemed to be issued as of the next business day based on the Net Asset Value per Unit of the applicable series of Units on such Valuation Date.

A fully completed Subscription Agreement and subscription proceeds (in the form of a cheque, bank draft, confirmation of wire transfer or payment via FundSERV) must be delivered in accordance with the Subscription Agreement and received by the Investment Manager or the Trust’s administrator, SGGG Fund Services Inc., no later than 4:00 p.m. (Toronto time) on the designated Valuation Date in order for the subscription to be accepted as at that date; otherwise the subscription will be processed as at the next Valuation Date. See “The Offering – Subscription Procedures”.

Sub-Series Roll-up:

At the end of each year, and following the payment of all fees and expenses of the Trust, the Investment Manager may determine that some or all sub-series of the same series of Units will be re-designated as Sub-Series 1 Units (or other sub-series,

in the discretion of the Investment Manager) in order to reduce the number of outstanding sub-series of each series. This will be accomplished by amending the Net Asset Value per Unit of all such sub-series so that they are the same, and consolidating or subdividing the number of Units of each such sub-series so the aggregate Net Asset Value of Units held by a Limited Partner does not change. Limited Partners' rights will not be affected in any way as a result of this process. See "The Offering – Subscription Procedure".

Redemptions:

Redemptions of Units will be permitted on a monthly basis, being on the last business day of each month or on such other date as the Investment Manager may permit (each, a "**Redemption Date**"), pursuant to written notice that must be received by the Investment Manager at least 25 days prior to the applicable Redemption Date. The redemption price shall equal the Net Asset Value per Unit of the applicable Series and sub-series of Units being redeemed determined as of the close of business on the relevant Redemption Date. The Net Asset Value per Unit of the applicable Series is derived from, and the redemption proceeds for such Units are fund from the redemption of, the corresponding LP Units of the Partnership, where the net asset value per LP Unit will be subject to fees payable to the Partnership Investment Manager and any Profit Distribution ("Profit Distribution" is defined below under "Profit Allocation to the General Partner") payable to the General Partner in respect of the corresponding LP Units of the Partnership redeemed to fund the redemption of such Units of the Trust on such date. The redemption proceeds may also be subject (through the reduction to the Net Asset Value per Unit) to a deduction charged by the Partnership Investment Manager attributable to the amount of the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Partnership to fund the redemption of the corresponding units of the Partnership which in turn funds the redemption of such Units of the Trust (the "**Redemption Deduction**").

Proceeds of redemption shall be paid as soon as is practicable and in any event within 10 business days following the relevant Redemption Date. If all of a Unitholder's Units are to be redeemed, the Investment Manager may, in its sole discretion, hold back up to 5.00% of the Net Asset Value of such Units pending completion of the Trust's annual year-end audit. Any balance owing on redemption proceeds shall be paid out within 30 days of the completion of such audit.

For any period not exceeding 120 days during which the Trustee determines that conditions exist which render impractical the sale of Trust investments or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect.

The Investment Manager has the right to require a Unitholder to redeem some or all of the Units owned by such Unitholder on a Redemption Date at the Net Asset Value per Unit thereof, by notice in writing to the Unitholder given at least 14 days before the designated Redemption Date, which right may be exercised by the Investment Manager in its absolute discretion. If a Unitholder requests a redemption of Units and, as a result of such redemption, the Unitholder will hold Units having a Net Asset Value of \$25,000 or less, the Investment Manager intends

to require the Unitholder to redeem the balance of such Unitholder's Units. See "Redemptions".

Transfer or Resale:

Units may only be transferred with the consent of the Investment Manager and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. Accordingly, redemption of the Units in accordance with the provisions set out herein is likely to be the only means of liquidating an investment in the Trust. See "Transfer or Resale".

Management Fee:

Except in respect of the Trailer Fee, the Trust will not pay the Investment Manager any management fee or performance fee on any of the Series of Units of the Trust in connection with the management or operations of the Trust. See "Management Agreement"

However, the returns of the Units of the Trust will be subject to the management fee charged to the LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio. See "Partnership Management Agreement".

**Partnership
Management Fee:**

Although the Trust will not pay the Investment Manager any management or performance fees or otherwise (except in respect of the Trailer Fee), by virtue of the Trust investing all, or substantially all, of its assets in the corresponding LP Units of the Partnership, the returns of the Unitholders will be indirectly subject to the management fees payable by the Partnership to the Partnership Investment Manager applicable to the corresponding class of LP Units.

The Partnership Investment Manager will be entitled to receive a management fee (the "**Partnership Management Fee**") on each Valuation Date that is the last business day of each calendar month in an amount that is equal to 1/12 of 2.00% of the aggregate net asset value of the Class A LP Units and Class A-US LP Units, plus 1/12 of 1.50% of the aggregate net asset value of the Class F LP Units and Class F-US LP Units as at such date, plus 1/12 of 1.00% of the aggregate net asset value of the Class X LP Units and Class X-US LP Units as at such date and plus 1/12 of 1.50% of the net asset value of the Class Y LP Units and Class Y-US LP Units as at such date (in each case, net asset value of the LP Units is determined before deduction of the Redemption Deduction, or Profit Distribution, if any, allocable to such LP Units).

Any management fee payable in respect of Class I LP Units or Class I-US LP Units of the Partnership shall be in an amount determined by negotiation between the Partnership Investment Manager and each investor in Class I LP Units or Class I-US LP Units.

The Partnership Investment Manager will not be entitled to receive a management fee in respect of Class E LP Units or Class E-US LP Units.

The Partnership Management Fee is subject to HST and will be deducted as an expense of the applicable class of LP Units in the calculation of the net asset value of such class of LP Units. See "Partnership Management Agreement".

Profit Allocation:

Although the Trust will not pay the Trustee or the Investment Manager any performance fees in respect of the management of the Trust or otherwise, by virtue of the Trust investing all, or substantially all, of its assets in the corresponding LP Units of the Partnership, the returns of the Unitholders will be indirectly subject to the profits distributions payable by the Partnership to the General Partner applicable to the corresponding class of LP Units.

The General Partner shares in the profits of the Partnership by receiving distributions from the Partnership (“**Profit Distributions**”) on the last business day in each year and upon the redemption of a Unit based on the increase, if any, in the Adjusted Net Asset Value of the Partnership (as defined below) of such LP Unit above the High Water Mark (as defined below). In respect of Class A Units, Class A-US LP Units, Class F LP Units and Class F-US LP Units, such distributions are equal to 15% of the increase, if any, in the Adjusted Net Asset Value of the Partnership of each such LP Unit over the applicable High Water Mark of such LP Unit. In respect of Class X LP Units, Class X-US LP Units, Class Y LP Units and Class Y-US LP Units, such distributions are equal to 10% of the increase, if any, in the Adjusted Net Asset Value of the Partnership of each such LP Unit over the applicable High Water Mark of such LP Unit.

“**Adjusted Net Asset Value of the Partnership**” of an LP Unit on any date is equal to the net asset value of the Partnership of such LP Unit on such date (calculated after deduction of the Partnership Management Fee and general expenses but before deduction of the Redemption Deduction or Profit Distribution, if any, allocable to such LP Unit) plus the amount of any distributions paid to the Limited Partner (which includes the Trust as a Limited Partner) in respect of such LP Unit since the date as at which the High Water Mark of such LP Unit was established.

“**High Water Mark**” for an LP Unit as at any date means: (i) during the fiscal year in which it is issued, its subscription price; (ii) during all other fiscal years, the greater of: (a) its subscription price; (b) the higher of the net asset value of the Partnership per LP Unit for such LP Unit as at the first day of the current fiscal year and the net asset value of the Partnership per LP Unit for such LP Unit for the immediately preceding fiscal year; and (c) the then current High Water Mark.

Limited Partners (which includes the Trust as a Limited Partner) will effectively share in net profits and net losses of the Partnership by increases or decreases in the net asset value of their LP Units (following adjustment for any distributions payable to the General Partner in respect of such LP Units) on the following basis:

- (i) in respect of Class A LP Units, Class A-US LP Units, Class F LP Units and Class F-US LP Units, any increase in the net asset value of any such LP Unit above the applicable High Water Mark will accrue as to 85% to the holder of such LP Unit and the remaining 15% will be distributed to the General Partner; and
- (ii) in respect of Class X LP Units, Class X-US LP Units, Class Y LP Units and Class Y-US LP Units, any increase in the net asset value of any such LP Unit above the applicable High Water Mark will accrue as to

90% to the holder of such LP Unit and the remaining 10% will be distributed to the General Partner.

The General Partner will not receive distributions in respect of Class E LP Units or Class E-US LP Units. Any profit distribution and/or a performance fee in respect of Class I LP Units or Class I-US LP Units will be negotiated between the Partnership Investment Manager and/or General Partner and the prospective investor.

Any distribution so paid to the General Partner will be deducted from the net asset value (or redemption proceeds, as the case may be) of the respective LP Unit.

The Profit Distribution is subject to HST and will be deducted as an expense of the applicable class of LP Units in the calculation of the net asset value of such class of LP Units. See “Profit Allocation to the General Partner”.

Trailer Fee:

Series A Units, Series A-US Units, Series A Distribution Units and Series A-US Distribution Units will be charged a Trailer Fee of 0.50% per annum by the Investment Manager and the Investment Manager will pay the Trailer Fee to the investor’s dealer or broker who participated in the offering of the Series A Units, Series A-US Units, Series A Distribution Units and Series A-US Distribution Units. This Trailer Fee is based on the monthly net asset value of the Units in the clients’ accounts and is paid quarterly. The Investment Manager may amend the terms and conditions of those fees from time to time at its option or even terminate same. The Trailer Fees correspond to 0.50% per annum, calculated monthly by multiplying 1/12 of 0.50% to the applicable monthly Series net asset value of the Trust. The Trailer Fees are paid quarterly.

Payment of Expenses:

The Trust is responsible for, and the Trustee and the Investment Manager are entitled to reimbursement from the Trust for, all costs and operating expenses actually incurred by them in connection with the organization of the Trust and the ongoing activities of the Trust, including but not limited to:

- (i) third party fees and expenses, which include accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Unitholder communication expenses, organizational expenses, the cost of maintaining the Trust’s existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and
- (ii) fees and expenses relating to the Trust’s portfolio investments, including the cost of securities, and counterparties, custodian fees, brokerage fees, commissions and expenses, and banking fees. See “Declaration of Trust – Expenses”.

In addition to the ongoing expenses of the Trust, the Units of the Trust will also be subject to the ongoing expenses of the Partnership by virtue of the fees and expenses paid indirectly by the Trust as holder of LP Units. See “Limited Partnership Agreement – Expenses of the Partnership”.

Eligibility for Investment:

The Units will be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) for trusts governed by registered retirement savings plans (“**RRSP**”),

registered retirement income funds (“**RRIF**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSA**”), each as defined in the Tax Act (collectively, “**Registered Plans**”). However, if the Trust does not qualify or ceases to qualify as a mutual fund trust under the Tax Act at any particular time, the Units will not be qualified investments under the Tax Act for Registered Plans.

Notwithstanding that the Units may be qualified investments for a TFSA, RRSP or RRIF, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Units held in the TFSA, RRSP or RRIF are a “prohibited investment” as defined in the Tax Act for the TFSA, RRSP or RRIF. The Units will generally not be a “prohibited investment” for trusts governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable: (a) deals at arm’s length with the Trust for the purposes of the Tax Act; and (b) does not have a “significant interest”, as defined in the Tax Act, in the Trust. See “Eligibility for Investment”

Canadian Income Tax Considerations:

Persons investing in trust such as the Trust should be aware of the tax consequences of investing in, holding and/or redeeming Units. **Investors are urged to consult with their tax advisers to determine the tax consequences of an investment in the Trust.**

In computing the income of a Unitholder for a taxation year, the Unitholder will generally be required to include, as income from property, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in the year, whether that amount is received in cash, Reinvested Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Trust, such portion of their net taxable capital gains and foreign source income as is paid or payable to a Unitholder, and the amount of foreign taxes paid or deemed to be paid by the Trust, if any, will effectively retain their character and be treated as such in the hands of the Unitholders for purposes of the Tax Act.

On the disposition or deemed disposition of Units by a Unitholder, whether on a redemption or otherwise, the Unitholder will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, less any reasonable costs of disposition and excluding any amount payable by the Trust which must be included in the Unitholder’s income, exceed (or are exceeded by) the Unitholder’s adjusted cost base of the Units. See “Canadian Income Tax Considerations and Consequences – Taxation of Unitholders ”

Net income, dividends and taxable capital gains of the Partnership for taxation purposes in each fiscal year will be allocated as at the last day of such year to: (i) the General Partner, generally equal to the distributions received by it, and (ii) to Limited Partners who held LP Units at any time during such year (and in certain cases to Limited Partners who held LP Units at any time in the previous fiscal year), generally based on the number, class and series of LP Units held by such Limited Partners, the dates of purchase and/or redemption, the respective net asset values of each class and series of LP Units, the fees paid or payable in respect of each class and series of LP Units, distributions if any paid to the General Partner in respect of

each class and series of LP Units, the tax basis of such LP Units, and the date of realization of each such item of income, gain or loss, as the case may be. The Limited Partners will be allocated 99.999% of net losses; the remaining 0.001% shall be allocated to the General Partner. See “Limited Partnership Agreement of the Partnership – Allocation of Income and Loss”.

Distributions to Unitholders:

Distributions of allocated income may be made to Unitholders from time to time at the discretion of the Investment Manager.

Distribution Series: Unitholders of Series A Distribution Units, Series A-US Distribution Units, Series F Distribution Units, and Series F-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series A Distribution Units, Series A-US Distribution Units, Series F Distribution Units, and Series F-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.

Non-Distribution Series: The Investment Manager has no current intention to make any such quarterly or regular distributions to unitholders of Series A Units, Series A-US Units, Series F Units, and Series F-US Units.

The Trust will distribute, in each year such portion of its annual net taxable income and net realized capital gains as will result in the Trust paying no tax under Part I of the Tax Act, and, unless the Investment Manager decided otherwise, such distributions will be effected through the reinvestment thereof in additional Units of the applicable series of Units of the Trust at the applicable Net Asset Value per Unit computed for the Valuation Date on which such distribution is made. See “Declaration of Trust – Distributions”.

Fiscal Year End:

December 31 in each year. See “Declaration of Trust – Fiscal Year”.

Term:

The Trust has no fixed term. The Trustee may, in its discretion, terminate the Trust or a series of Units of the Trust by giving 30 days’ written notice to Unitholder of the Trust or series, as the case may be, and fixing the date of termination not earlier than 30 days following the mailing or other delivery of notice. See “Declaration of Trust – Term and Termination”.

Financial Reporting:

Audited financial statements will be available and, where requested, delivered to Unitholders within 90 days of each fiscal year end. Unaudited interim financial statements for the first six (6) months of each fiscal year will be available and, where requested, delivered to Unitholders within 60 days of the end of such period. Unaudited reports respecting the Net Asset Value per Unit will, where requested, be provided on a monthly or quarterly basis. See “Declaration of Trust – Reports to Unitholders”.

The same corresponding financial statements of the Partnership are available to Unitholders upon request to the Investment Manager in writing, by calling (416) 214-3493, or by e-mail at raj.tandon@algonquincap.com.

Release of Confidential Information:	Under applicable securities and anti-money laundering legislation, the Investment Manager and/or the Trust's administrator are required to collect and may be required to release confidential information about Unitholders and, if applicable, about the beneficial owners of corporate Unitholders, to regulatory or law enforcement authorities.
Risk Factors:	Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by the Investment Manager. See "Risk Factors".
Sales Commission:	There is no commission payable by the purchaser to the Trustee or the Investment Manager (or the General Partner or the Partnership Investment Manager) upon the purchase of the Units (or upon the purchase of LP Units of the Partnership), however purchasers of Units may pay a negotiated fee if purchasing through a dealer (e.g. the Trailer Fee). Subject to applicable law, the Investment Manager may pay, out of the fees received by the Investment Manager from the Trust, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Units, including the Trailer Fee in respect of the applicable Series of Units.
Administrator:	SGGG Fund Services Inc., Toronto, Ontario
Auditors:	KPMG LLP, Toronto, Ontario
Legal Counsel:	Wildeboer Dellelce LLP, Toronto, Ontario AUM Law Professional Corporation, Toronto, Ontario

THE TRUST

The Trust and Trustee

Algonquin Trust (the “**Trust**”) is an open-ended investment trust formed and organized under the laws of the Province of Ontario pursuant to a declaration of trust dated January 16, 2017, as may be amended from time to time (the “**Declaration of Trust**”). Algonquin Capital Corporation (the “**Trustee**” (in such capacity) or “**Algonquin Capital**”) is the trustee of the Trust pursuant to the Declaration of Trust. The Trustee was instrumental in the formation of the Trust and is responsible for appointing the Investment Manager and monitoring the activities of the Trust. A copy of the Declaration of Trust is available from the Trustee upon request in writing, by calling (416) 214-3493, or by e-mail at raj.tandon@algonquincap.com. The principal place of business of the Trust and the Trustee is 40 King Street West – Suite 3402, Toronto, Ontario M5H 3Y2. See “Declaration of Trust” below.

Units of the Trust

An investment in the Trust is represented by an unlimited number of authorized trust units of the Trust (the “**Units**”). There are sixteen series of Units (each a “**Series**”) offered under this Offering Memorandum – Series A, Series A-US, Series A Distribution, Series A-US Distribution, Series F, Series F-US, Series F Distribution, Series F-US Distribution, Series X, Series X-US, Series Y, Series Y-US, Series I, Series I-US, Series E and Series E-US. Each Unit of a Series represents an undivided ownership interest in the assets attributable to that Series of Units. Additional series may be offered at the Investment Manager’s discretion.

Units are transferable on the register of the Trust only by a registered Unitholder or his/her legal representative, subject to compliance with applicable securities laws.

All of the Series have the same investment objective, investment restrictions and management fees and share (*pro rata*) in the expenses of the Trust, but the Series differ in respect the use of proceeds and investment strategies, as further set out in this Offering Memorandum (See “Investment Objectives, Strategies and Techniques of the Trust and the Partnership” and “The Offering”). The Investment Manager will seek to achieve the Trust’s investment objective by investing all, or substantially all, of its net assets in units (the “**LP Units**”) of the Algonquin Debt Strategies Fund LP (the “**Partnership**”), and thereby gain exposure to the Partnership’s investment strategy of pursuing a combination of outright credit trading, relative value credit trading, outright rate trading and relative value rate trading. The Partnership will seek to achieve its objective by trading primarily in fixed income and derivative instruments of governments, financial institutions and corporations of North American (Canada and United States of America) as well as international markets (the “**Partnership’s Portfolio**”). The investing strategy of each Series is to use the proceeds from the offering of Series A, Series A-US, Series A Distribution, Series A-US Distribution, Series F, Series F-US, Series F Distribution, Series F-US Distribution, Series X, Series X-US, Series Y, Series Y-US, Series I, Series I-US, Series E and Series E-US Units of the Trust to purchase the corresponding Class F, Class F-US, Class X, Class X-US, Class Y, Class Y-US, Class I, Class I-US, Class E and Class E-US LP Units of the Partnership.

As a Limited Partner (as defined below) of the Partnership, the return of the Trust will be dependent upon the performance of the Partnership and the Partnership’s Portfolio by virtue of the Trust investing all, or substantially all, of its assets in units of the Partnership. The return of the Series A, Series A-US, Series A Distribution, Series A-US Distribution, Series F, Series F-US, Series F Distribution, Series F-US Distribution, Series X, Series X-US, Series Y, Series Y-US, Series I, Series I-US, Series E and Series E-US Units of the Trust will be dependent upon the performance of the Class F, Class F-US, Class X, Class X-US, Class Y, Class Y-US, Class I, Class I-US, Class E and Class E-US LP Units of the Partnership, accordingly, by virtue of the Trust investing all, or substantially

all, of the assets attributable to Series A, Series A-US, Series A Distribution, Series A-US Distribution, Series F, Series F-US, Series F Distribution, Series F-US Distribution, Series X, Series X-US, Series Y, Series Y-US, Series I, Series I-US, Series E and Series E-US Units of the Trust to purchase Class F, Class F-US, Class X, Class X-US, Class Y, Class Y-US, Class I, Class I-US, Class E and Class E-US LP Units of the Partnership, accordingly. See “The Partnership” and below.

THE PARTNERSHIP

The Partnership

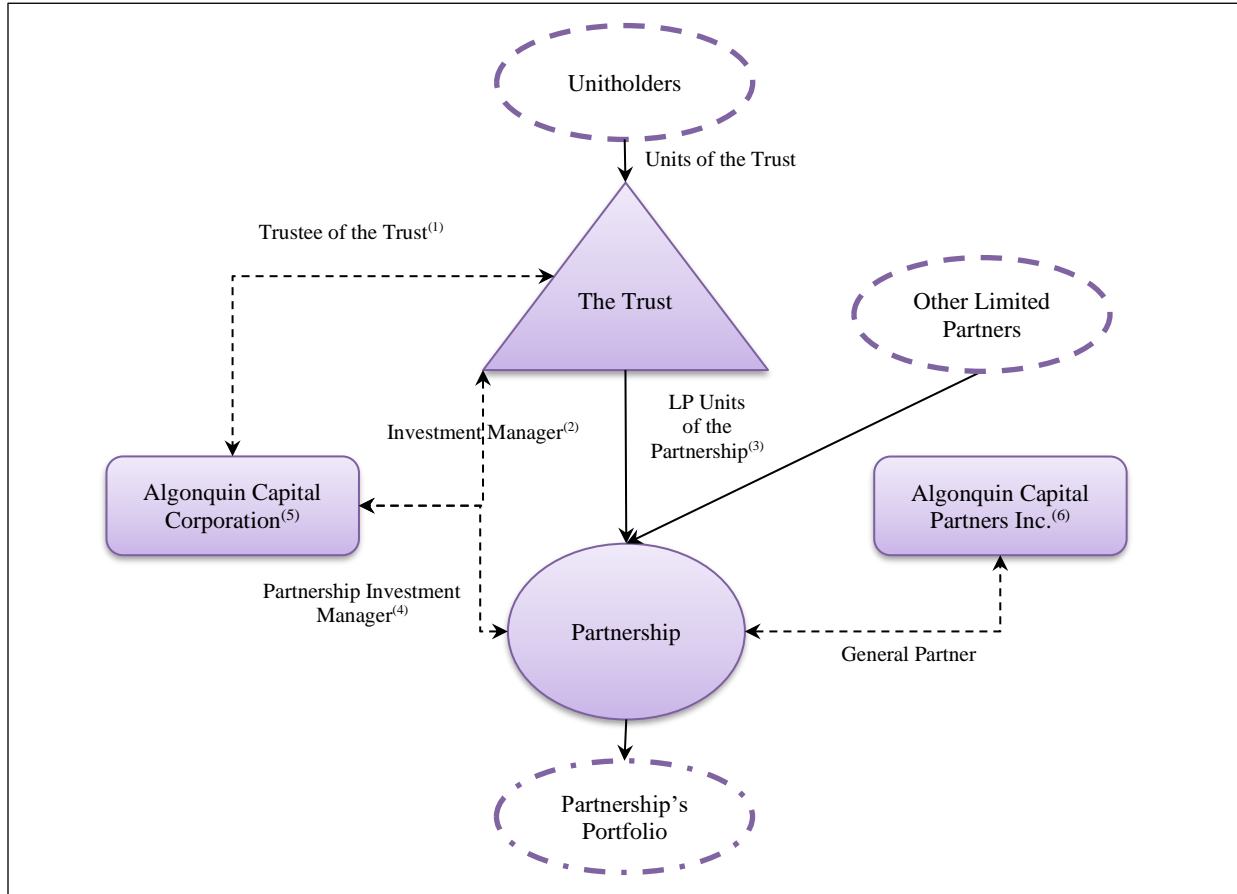
The Partnership was formed under the laws of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the “**LP Act**”) on December 15, 2014. The Partnership is governed by a limited partnership agreement first dated as of December 15, 2014, as amended (the “**Limited Partnership Agreement**”), made Algonquin Capital Partners Inc. (the “**General Partner**”), the general partner, and investors that acquire interests in the Partnership designated as limited partnership units (the “**Limited Partners**”). A copy of the Limited Partnership Agreement and the offering memorandum of the Partnership is available from the Investment Manager upon request in writing, by calling (416) 214-3493, or by e-mail at raj.tandon@algonquincap.com. The principal place of business of the Partnership and the General Partner is 40 King Street West – Suite 3402, Toronto, Ontario M5H 3Y2. See “Limited Partnership Agreement of the Partnership” below.

The General Partner

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on December 12, 2014. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources. All of the issued and outstanding voting shares of the General Partner are owned, directly or indirectly, by employees and shareholders of Algonquin Capital or such employees’ spouses. The employees of Algonquin Capital, or such employees’ spouses, own, directly or indirectly, all the issued and outstanding shares of Algonquin Capital. The General Partner is generally responsible for management and control of the business and affairs of the Partnership in accordance with the terms of the Limited Partnership Agreement.

OVERVIEW OF INVESTMENT STRUCTURE

The Trust will not hold the Partnership's Portfolio but, instead, will obtain economic exposure to the Partnership's Portfolio by investing all, or substantially all, of its net assets in LP Units of the Partnership, and the Partnership will hold the Partnership's Portfolio.



Notes:

- (1) Algonquin Capital Corporation is the trustee of the Trust pursuant to the Declaration of Trust.
- (2) Algonquin Capital Corporation is the investment manager of the Trust pursuant to the Management Agreement (as defined in "Management Agreement" section) and will provide or cause to be provided all administrative services required by the Trust.
- (3) The Trust will invest all, or substantially all, of its net assets in LP Units of the Partnership.
- (4) Algonquin Capital Corporation will be the investment manager of the Partnership pursuant to the Partnership Management Agreement (as defined in "Partnership Management Agreement" section) and will provide or cause to be provided all administrative services required by the Partnership, including all portfolio advisory and investment management services that are provided the Partnership in connection with Partnership's Portfolio.
- (5) The employees of Algonquin Capital Corporation, or such employees' spouses, own, directly or indirectly, all the issued and outstanding shares of Algonquin Capital Corporation.
- (6) All of the issued and outstanding voting shares of the General Partner are owned, directly or indirectly, by employees and shareholders of Algonquin Capital Corporation or such employees' spouses.

See "Statement of Policies – Related and Connected Issuers" and "Conflicts of Interest" for more information.

THE INVESTMENT MANAGER AND THE PARTNERSHIP INVESTMENT MANAGER

The Investment Manager

The Trustee has engaged the Algonquin Capital (the “**Investment Manager**” (in such capacity)) to direct the day-to-day business, operations and affairs of the Trust, including management of the Trust’s portfolio on a discretionary basis and distribution of the Units of the Trust. The Investment Manager may delegate certain of these duties from time to time with the consent of the Trustee. See “Management Agreement”.

The Partnership Investment Manager

Algonquin Capital (the “**Partnership Investment Manager**” (in such capacity)) has also been engaged by the General Partner to carry out its duties, including management of the Partnership on a day-to-day basis, management of the Partnership’s Portfolio and distribution of the LP Units of the Partnership. The General Partner remains responsible for monitoring the Partnership Investment Manager’s activities on behalf of the Partnership. The General Partner receives a share of Partnership profits of the Partnership and the Partnership Investment Manager receives management fees from the Partnership. See “The Offering” and “Portfolio Management Agreement” sections.

Algonquin Capital

Algonquin Capital was incorporated under the *Business Corporations Act* (Ontario) on October 10, 2013. The principal place of business of Algonquin Capital is 40 King Street West – Suite 3402, Toronto, Ontario M5H 3Y2. The name and municipality of residence of the directors and officers of Algonquin Capital (the Investment Manager and the Partnership Investment Manager) actively involved in the management of the Trust and of the Partnership, and the office held by them (being their principal occupations), are as follows:

Name and Municipality of Residence	Office with Algonquin Capital
Brian D’Costa Toronto, Ontario	President
Gregory Jeffs Toronto, Ontario	Chief Investment Officer
Raj Tandon Oakville, Ontario	Chief Operating Officer and Head of Investor Relations
Alexander Schwiersch Toronto, Ontario	Portfolio Manager
Hasnat Mahmood Toronto, Ontario	Chief Compliance Officer and Chief Financial Officer

Brian D’Costa

Brian D’Costa is a founder of Algonquin Capital as well as its President. Brian has over 23 years of experience managing and trading fixed income portfolios in both domestic and international markets. Prior to founding Algonquin Capital, Brian was the Global Head of Fixed Income and Rates at the Canadian Imperial Bank of Commerce and the Global Head of Vanilla Interest Rate Derivatives at TD Securities Inc. In these roles he was responsible for the management of domestic and international trading businesses covering a wide spectrum of fixed income and derivative products and markets. Before joining TD Securities Inc., he was a senior interest rate options trader at Citibank Canada. Prior to entering finance,

Brian was a captain in the Canadian Armed Forces and was awarded the Chief of Defense Staff Commendation for exemplary leadership while in Iraq. Brian is a CFA Charterholder, and holds an MBA from the Richard Ivey School of Business at the University of Western Ontario and a BSc. Engineering Science from the University of Toronto.

Gregory (Greg) Jeffs

Greg Jeffs is a founder of Algonquin Capital as well as its Chief Investment Officer. His career in the capital markets spans over 25 years. Prior to founding Algonquin Capital, he spent 20 years with the Canadian Imperial Bank of Commerce, where he was an Executive Director of Credit Trading. In this capacity he actively managed and traded fixed income portfolios, including making markets for North American debt instruments. Prior to joining the Canadian Imperial Bank of Commerce, Greg was an analyst in the treasury division of the Royal Bank of Canada. Greg is a CFA Charterholder, and holds B.A. in Economics from York University.

Raj Tandon

Raj Tandon is a founder of Algonquin Capital as well as its Chief Operating Officer and Head of Investor Relations. Prior to founding Algonquin Capital, Raj was a Vice President of Credit Trading for TD Securities Inc.'s London office, where he was responsible for the management and trading of multi-billion dollar structured portfolios. In this capacity he managed a variety of complex risks and traded a broad scope of credit products across North American, European and Asian markets. Before joining the trading desk, Raj was responsible for analyzing the bank's interest rate derivative business, including monthly presentations to senior executives. Raj holds a M.A. in Pure Mathematics from Columbia University and a BSc. Philosophy and Mathematics from the London School of Economics.

Alexander (Alex) Schwiersch

Alex Schwiersch is a veteran of the fixed-income markets with 20 years of experience as a portfolio manager and credit analyst across the credit spectrum and geographies. Prior to joining Algonquin Capital, Alex was a vice president and fixed income portfolio manager at Invesco. Previous to that, he was a high-yield credit analyst and portfolio manager for Aberdeen and its predecessor, Credit Suisse Asset Management, in London, England. He began his career as a credit analyst at HSBC Asset Management in London having joined from UBC where he was a member of the UBC Portfolio Management Foundation.

Hasnat Mahmood

Hasnat Mahmood was appointed as Chief Compliance Officer of Algonquin Capital on June 16, 2017. Hasnat is a Chartered Accountant (CPA, CA). Hasnat brings nearly 13 years of experience working with investment funds including his roles as an external auditor with 'Big 4' audit firms in Bermuda and Canada where he focused on financial statement audits of alternative investment funds and investment managers. Most recently, he held the position of Director, Compliance with a Securities Dealer and Investment Fund Manager, where he was responsible for the day-to-day operations of the firm's regulatory and legal compliance function.

INVESTMENT OBJECTIVE, STRATEGIES AND TECHNIQUES OF THE TRUST AND THE PARTNERSHIP

Investment Objective of the Trust

The primary objective of the Trust is to generate positive absolute returns with an emphasis on capital preservation and with a low correlation to traditional equity and fixed income markets. There can be no assurances that the Trust will achieve its investment objective.

Investment Strategies of the Trust

The Investment Manager will seek to achieve the Trust's objective by investing all, or substantially all, of its net assets in LP Units of the Partnership and thereby gain exposure to the Partnership's Portfolio.

The return to the unitholders and the Trust (the "Unitholders") will be dependent upon the economic performance of the Partnership and the Partnership's Portfolio by virtue of the Trust investing all, or substantially all, of its assets in LP Units of the Partnership. See "Overview of Investment Structure" for more information.

Investment Objective and Investment Strategies, Techniques, Instruments, and Restrictions of the Partnership

Since the Trust will invest all, or substantially all, of its net assets in LP Units of the Partnership, the investment objective and restrictions of the Partnership and the investment strategies, techniques and instruments the Partnership Investment Manager plans to utilize are critical to the assessment of an investment in the Trust because the performance of the Trust will be dependent upon the investment objective, restrictions, strategies, techniques and instruments of the Partnership.

Investment Strategies of the Partnership

In seeking to achieve the Partnership's investment objective, the Partnership Investment Manager will employ a combination of active trading strategies, including, outright credit trading, relative value credit trading, outright rate trading and relative value rate trading.

- **Outright Credit Trading:** Outright credit trading strategies involve going long or short a credit instrument based on a view as to the direction of the credit spread and/or price of the security, either on a short term basis, or a more fundamentally long term view. Unwanted risks such as interest rate and foreign exchange will be hedged out as necessary.
- **Relative Value Credit Trading:** Relative value trading strategies involve going long one security and short another, to create a position that is less dependent on overall market movements, and more focused on idiosyncratic price movements between individual securities. Strategies may involve debt vs. debt instruments or debt vs. equity instruments. Examples of these strategies are (but not limited to):
 - The Partnership Investment Manager could go long a bond issued by a corporation while simultaneously going short a similar rated bond issued by another corporation.
 - The Partnership Investment Manager could buy a long-dated bond and sell a short-dated bond, both issued by a single entity (commonly described as a "curve trade").

- The Partnership Investment Manager could buy a corporate bond and buy credit protection on the same corporate entity as a credit hedge. This construct is commonly described as a “negative basis” or “basis” trade.
- The Partnership Investment Manager could execute a capital structure arbitrage trade. The Partnership Investment Manager would undertake a long position in one instrument and a short position in another instrument issued by or linked to the same entity but in a different part of the capital structure.
- **Outright Rate Trading:** This strategy involves taking either a long or short position in government bonds and/or other interest rate related instruments based on a view as to the direction of prices of these instruments. The Partnership Investment Manager will use fundamental and/or technical analysis in its determination of what it believes to be the most likely direction of interest rates.
- **Relative Value Rate Trading:** Relative value rate strategies involve going long one security and short another, to create a risk position that is less dependent on overall market movements, and more focused on idiosyncratic movements between individual securities. One example of this would be to buy Canadian government 30 year bonds, while simultaneously selling Canadian government 5 year bonds. Another example would be to buy Canadian government 10 year bonds while selling US government 10 year bonds.

The above-described investment strategies which may be pursued by the Partnership are not intended to be exhaustive and other strategies may also be employed. The actual strategies utilized by the Partnership Investment Manager will depend on its assessment of market conditions and the relative attractiveness of the available opportunities. The Partnership Investment Manager may, in its sole and absolute discretion, use strategies other than those described above or discontinue the use of any strategy without advance notice to Trust, as a Limited Partner of the Partnership, or the Unitholder of the Trust.

Currency Hedging

Subject to the efforts of the Investment Manager and the Partnership Investment Manager, the Canadian dollar value of the portfolio of the Trust and/or the Partnership attributable to the Series A-US Units, Series A-US Distribution Units, Series F-US Units, Series F-US Distribution Units, Series X-US Units, Series Y-US Units, Series I-US Units and Series E-US and/or the Class A-US LP Units, Class F-US LP Units, Class X-US LP Units, Class Y-US LP Units, Class I-US LP Units and Class E-US LP Units and the exposure of such Units or the LP Units to the Canadian dollar may be hedged back to the U.S. dollar. There is no guarantee that the Investment Manager or the Partnership Investment Manager will be successful in hedging this currency exposure.

Investment Techniques and Instruments of the Partnership

The Partnership Investment Manager intends to implement a number of investment techniques in order to achieve the investment objective of the Partnership. Such techniques will include among others: investing long and short; engaging in hedging strategies in order to mitigate market exposure; investing in derivative instruments, arbitrage strategies (i.e. simultaneous long and short positions in order to capture pricing differentials between similar assets); and employing leverage in the implementation of the investment strategies of the Partnership.

The Partnership will trade primarily in corporate, financial institution, quasi-sovereign, government related and government fixed income bonds and preferred shares, while simultaneously selectively hedging interest

rate, foreign exchange and credit risk through the use of derivative instruments, selling securities short as well as repurchase and reverse repurchase instruments and strategies.

The Partnership will take both long and short positions, using cash and derivative instruments. Derivative instruments may include interest rate and currency swaps, futures and forwards, options on interest rate and currency swaps and futures, credit default swaps, credit indices, options on credit default swaps and credit indices, credit index tranches, recovery rate swaps, futures and forwards, or other credit related derivative products. Generally, the use of instruments such as common equity, equity futures and futures, equity index futures and options, and foreign exchange options will be restricted to hedging individual trade strategies or overall portfolio risk management. While the Partnership Investment Manager typically will try to minimize risk in selecting investments, it should be understood that hedging and risk management techniques utilized by the Partnership Investment Manager cannot provide any assurance that the Partnership will not be exposed to risks of significant investment losses. Please refer to “Risk Factors” for more information.

The Partnership may trade in alternative debt instruments, including bank loans, private placements, unrated debt and structured credit instruments (“**Alternative Debt Instruments**”). The classification of holdings as Alternative Debt Instruments shall be at the sole discretion of the Partnership Investment Manager, taking into account, amongst other criteria the liquidity and risk characteristics of the instrument. Furthermore, the Partnership Investment Manager has determined that CDX indices and single name credit default swaps are not considered to be Alternative Debt Instruments.

The Partnership may also trade in exchange traded funds for outright long or short positions or for hedging purposes and may utilize equity instruments including, single name equity and equity derivative positions and index futures and options.

The Partnership Investment Manager intends to use leverage with the goal of optimising returns of the Partnership. Leverage may take the form of borrowing by way of loan facilities, margin purchases, short-selling securities and through derivative instruments when deemed appropriate by the Partnership Investment Manager.

Investment Restrictions and Guidelines applicable to the Partnership

Investment Restrictions of the Partnership

The activities of the Partnership will be subject to the following investment restrictions as determined by the Partnership Investment Manager, which may be changed from time to time if the Partnership Investment Manager believe changes are required to comply with law or to respond to changes in market conditions (in which case the Partnership Investment Manager will provide the Trust 60 days’ written notice in advance of such amendments and the Trust will provide Unitholders 60 days’ written notice in advance of such amendments):

- (i) A minimum of 85% of the Total Exposure (as defined below) of the Partnership will be invested in investment grade securities, where investment grade securities means securities that have at least a BBB rating (or equivalent) by at least one recognized rating agency. For index and basket products, a majority of the holdings need to have at least a BBB rating (or equivalent) by at least one recognized rating agency to be considered an investment grade security. For single name credit derivatives the rating would be equivalent to the underlying reference obligation.

- (ii) A minimum of 60% of Total Exposure of the Partnership will be invested in “North American” securities. The Partnership Investment Manager defines “North American” to include the jurisdictions of Canada and the US. The Partnership Investment Manager defines “international” to include jurisdictions outside of Canada and the US. The jurisdiction of an issuer will be determined based on the issuer’s head office or, if the Partnership Investment Manager considers the head office inappropriate, at the discretion of the Partnership Investment Manager.
- (iii) A maximum of 10% of the Total Exposure of the Partnership will be invested in any single issuer of securities. This limit excludes the government bonds issued or guaranteed by the Federal and Provincial governments of Canada, and the Federal governments of the US, the United Kingdom, Australia, Japan or investment grade members of the European Union.
- (iv) The maximum amount of leverage that the Partnership could employ is 6:1, where leverage is calculated as the Total Exposure of the Partnership divided by the net asset value of the Partnership.
- (v) A maximum aggregate market value of Alternative Debt Instruments will not exceed 10% of the Total Exposure of the Partnership.

In addition to the foregoing, there are statutory provisions which restrict or prohibit certain non-arm’s length transactions.

Investment Guidelines applicable to the Partnership

The Partnership Investment Manager defines “**Total Exposure**” to be the total absolute market value of all long and short positions of the Partnership, excluding cash, cash equivalents and hedging positions that have the sole purpose of reducing the risk of loss and/or volatility within the Partnership’s Portfolio. For the purpose of calculating Total Exposure:

- (i) the market value of all derivative positions not treated as a hedge will be calculated using the notional value at risk of the derivative contract;
- (ii) the market value of rate and debt futures, not treated as a hedge will be calculated by converting the futures position to the equivalent notional position of government ten year bonds (using DV01); and
- (iii) for options, the delta of the option will be used to convert the option position to the equivalent of the underlying.

For the purposes of concentration limits, short rate debt futures aggregated as per item (ii) will be considered a government bond position.

Statutory Caution

The foregoing disclosure of the Investment Manager and the Partnership Investment Manager’s investment strategies, techniques and intentions may constitute “forward-looking information” for the purpose of applicable securities legislation, as it contains statements of the Investment Manager’s and the Partnership Investment Manager’s intended course of conduct and future operations of the Trust and the Partnership. These statements are based on assumptions made by the Investment Manager and/or the Partnership Investment Manager of the success of its investment strategies and

techniques in certain market conditions, relying on the experience of the Investment Manager's the Partnership Investment Manager's respective officers and employees and their knowledge of historical economic and market trends. The performance of the Trust and the returns of the Unitholders are dependant of the performance of the Partnership, investors are cautioned that the assumptions made by the Investment Manager and/ or the Partnership Investment Manager and the success of its investment strategies and techniques are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Investment Manager and/or the Partnership Investment Manager's intended strategies and techniques as well as its actual course of conduct. Investors are urged to read "Risk Factors" below for a discussion of other factors that will impact the operations and success of the Partnership and the Trust.

WHO SHOULD INVEST

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

Fund Risk Classification

The Investment Manager identifies the investment risk level of the Trust as an additional guide to help you decide whether the Trust is right for you. The Investment Manager's determination of the risk rating for the Trust is guided by the methodology recommended by the Canadian Securities Administrators ("CSA"). The CSA's approach to measuring the risk of an investment fund emphasizes the historical volatility of the Trust as measured by the standard deviation of its performance. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of the Trust's relative volatility and related risk. Standard deviation is widely used to measure volatility of return.

The Trust risk is measured using its standard deviation for the most recent 10 years, as applicable, and identifying the appropriate investment risk level based upon the standard deviation ranges specified by the CSA. The standard deviation represents, generally, the level of volatility in returns that an investment funds has historically experienced over the set measurement periods. Since the Trust was only formed on January 16, 2017, the Trust has a historical performance of less than 10 years. However, since the Trust will be investing all, or substantially all, of its assets in the Partnership, and the Partnership was formed on December 15, 2014, the Investment Manager uses the Partnership as its proxy for assess and classify the risk level of the Trust, where applicable. However, the Partnership also has a historical performance of less than 10 years, as such the Investment Manager has selected a reference index to estimate the volatility and investment risk level of the Partnership. The Investment Manager has selected a reference index that reasonably approximates the Partnership's investment portfolio mix and therefore the standard deviation of the Partnership, and by implication the Trust. However, you should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, the Trust's, the Partnership's and the Partnership's reference index's historical volatility may not be indicative of its future volatility of the Trust.

In accordance with the methodology described above and comparing the calculated implied standard deviation of the Trust and the Partnership's reference index to the standard deviation range as recommended by the CSA in the chart below, the Investment Manager has rated the Trust's investment risk as Medium.

	CSA Fund Facts	Standard Deviation
	Investment Risk Scale	
	Low	0 – 6.0
	Low to Medium	6.0 – 11.00
Trust ▶	Medium	11.0 – 16.00
	Medium to High	16.0 – 20.00
	High	> 20.00

The risk ratings set forth in the table above do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their own professional advisors for advice regarding an individual investor's personal circumstances.

Although monitored on a semi-annual basis, the Investment Manager reviews the investment risk level of the Trust at least on an annual basis and each time a material change is made to the Trust's investment strategies and/or investment objective.

Ownership Contracts and Limitations on Who Can Invest

The Trustee and the Investment Manager have established certain ownership constraints to ensure that the ownership of Units by certain Unitholders does not materially adversely affect or be materially prejudicial to the interests of the remaining Unitholders. Although the Trust may accept subscriptions from the following Unitholders (or where the beneficial owners of Units are any of the following):

- (i) a partnership other than a "Canadian partnership" as defined in subsection 248(1) of the *Income Tax Act* (Canada) (the "**Tax Act**");
- (ii) a non-resident as defined in subsection 248(1) of the Tax Act;
- (iii) a "financial institution" as defined in subsection 142.2(1) of the Tax Act;
- (iv) a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act; and
- (v) a Unitholder whose units of the Unitholder or beneficial owner of such units are, at any time, "listed or traded on a stock exchange or other public market" as per the definition of "SIFT trust" in subsection 122.1(1) of the Tax Act or the definition of "SIFT partnership" in subsection 197(1) of the Tax Act,

the Trustee or the Investment Manager shall have the right to sell or redeem the Units of any Unitholder if the Trustee or the Investment Manager becomes aware that a Unitholder may be any of the foregoing (an "**Affected Holder**") and, in the interim, the Trustee and the Investment Manager shall have the right to suspend the voting and distribution rights attached to the Units of the Affected Holder. Upon such sale or redemption, the Affected Holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale or redemption.

The Trustee or the Investment Manager may require declarations from Unitholders confirming that they (and the beneficial owner of Units registered in the name of such Unitholder) comply with the foregoing.

THE OFFERING

Units are offered on a continuous basis (the “**Offering**”) to investors resident in Ontario, Québec, British Columbia, Alberta, Manitoba, Nova Scotia and Newfoundland and Labrador, directly and indirectly by the Investment Manager, and to investors resident in Saskatchewan, New Brunswick, Prince Edward Island, the Yukon, the Northwest Territories and Nunavut through registered advisors (collectively, the “**Offering Jurisdictions**”). The Offering may only be made in the Offering Jurisdictions. Units may be acquired directly from the Investment Manager or from a participating dealer.

The following are the sixteen series of Units of the Trust:

Series A Units	
FundSERV Code:	“AGQ206” (\$25,000 Minimum Initial Investment (as defined below))
Available to:	Series A Units are offered to all investors who meet the Prospectus Exemption Prerequisites (as defined below).
Use of Proceeds:	The proceeds of the sale of Series A Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Management Fee (indirect):	<p>Except in respect of the Trailer Fee (as defined below), neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A Units.</p> <p>However, the returns of Series A Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio.</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A Units.</p> <p>However, the returns of Series A Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trailer Fee:	Series A Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, being a referral fee or trailing commission payable by the Investment Manager to the investor’s dealer or broker for the dealer’s ongoing financial planning and advice to the investor (a “ Trailer Fee ”).
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series A Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.

Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A Units is \$25,000.</p> <p>Series A Units are not available for investment directly with the Investment Manager.</p>
Series A-US Units	
FundSERV Code:	“AGQ206U” (USD\$25,000 Minimum Initial Investment)
Available to:	Series A-US Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series A-US Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.
US Dollars:	<p>Series A-US Units are offered in the same manner and are identical in all other respects to the Series A Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series A-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager’s objective is to hedge the Canadian dollar value of the portfolio attributable to Series A-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see “Risk Factors – Currency Hedging of USD Classes”.</p>
Management Fee (indirect):	<p>Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A-US Units.</p> <p>However, the returns of Series A-US Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio.</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A-US Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A-US Units.</p> <p>However, the returns of Series A-US Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trailer Fee:	Series A-US Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor’s dealer or broker.

Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series A-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A-US Units is USD\$25,000. Series A-US Units are not available for investment directly with the Investment Manager.

Series A Distribution Units	
FundSERV Code:	“AGQ210” (\$25,000 Minimum Initial Investment)
Available to:	Series A Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series A Distribution Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Distribution Series:	Unitholders of Series A Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series A Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series’ share of the Trust’s net income.
Management Fee (indirect):	<p>Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A Distribution Units.</p> <p>However, the returns of Series A Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio.</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A Distribution Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A Units.</p> <p>However, the returns of Series A Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>

Trailer Fee:	Series A Distribution Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor's dealer or broker.
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series A Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A Distribution Units is \$25,000.</p> <p>Series A Distribution Units are not available for investment directly with the Investment Manager.</p>

Series A-US Distribution Units	
FundSERV Code:	"AGQ210U" (USD\$25,000 Minimum Initial Investment)
Available to:	Series A-US Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series A-US Distribution Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.
Distribution Series:	Unitholders of Series A-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series A-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series' share of the Trust's net income.

US Dollars:	<p>Series A-US Distribution Units are offered in the same manner and are identical in all other respects to the Series A Distribution Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series A-US Distribution Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series A-US Distribution Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
Management Fee (indirect):	<p>Except in respect of the Trailer Fee, neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series A-US Distribution Units.</p> <p>However, the returns of Series A-US Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio.</p> <p>As a result of the 0.50% Trailer Fee and 1.50% management fee charged to the Class F LP Units of the Partnership, the returns of Series A-US Distribution Units of the Trust will be subject to ongoing fees of approximately 2.00% per annum (exclusive of any performance fee or profit distribution).</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series A-US Distribution Units.</p> <p>However, the returns of Series A-US Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See "Profit Allocation to the General Partner" for a description of how the distributions are calculated.</p>
Trailer Fee:	<p>Series A-US Distribution Units are charged a Trailer Fee of 0.50% per annum by the Investment Manager, which is then paid by the Investment Manager to the investor's dealer or broker.</p>
Trust and Series Expenses:	<p>In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series A-US Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series A-US Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.</p>
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series A-US Distribution Units is USD\$25,000.</p> <p>Series A-US Distribution Units are not available for investment directly with the Investment Manager.</p>

Series F Units	
FundSERV Code:	“AGQ200” (\$25,000 Minimum Initial Investment (as defined below))
Available to:	Series F Units are offered to all investors who meet the Prospectus Exemption Prerequisites (as defined in “The Offering – Prospectus Exemptions”)
Use of Proceeds:	The proceeds of the sale of Series F Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F Units.</p> <p>However, the returns of Series F Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership’s Portfolio.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F Units.</p> <p>However, the returns of Series F Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See “Profit Allocation to the General Partner” for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series F Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust. Expenses in respect of any particular Series of Units of the Trust (or sub-series of such Series) will be charged only to that Series (or sub-series). Fees and expenses in respect of the Trust as a whole will be charged pro rata to all Series of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F Units is \$25,000.</p> <p>If investing directly with the Investment Manager, the Minimum Initial Investment for Series F Units is \$250,000.</p>

Series F-US Units	
FundSERV Code:	“AGQ200U” (USD\$25,000 Minimum Initial Investment)
Available to:	Series F-US Units are offered to all investors who meet the Prospectus Exemption Prerequisites (as defined below).
Use of Proceeds:	The proceeds of the sale of Series F-US Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.

US Dollars:	<p>Series F-US Units are offered in the same manner and are identical in all other respects to the Series F Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series F-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series F-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See "Profit Allocation to the General Partner" for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	<p>In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series F-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.</p>
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Class F-US Units is USD\$25,000.</p> <p>If investing directly with the Investment Manager, the Minimum Initial Investment for Class F-US Units is USD\$250,000.</p>

Series F Distribution Units	
FundSERV Code:	"AGQ212" (\$25,000 Minimum Initial Investment)
Available to:	Series F Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F Distribution Units of the Trust will be used by the Investment Manager to purchase Class F LP Units of the Partnership.

Distribution Series:	Unitholders of Series F Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series F Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series' share of the Trust's net income.
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F Distribution Units.</p> <p>However, the returns of Series F Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F Units.</p> <p>However, the returns of Series F Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F LP Units of the Partnership paid to the General Partner of the Partnership. See "Profit Allocation to the General Partner" for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F LP Units, the Series F Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F Distribution Units is \$25,000.</p> <p>Series F Distribution Units are not available for investment directly with the Investment Manager.</p>

Series F-US Distribution Units	
FundSERV Code:	"AGQ212U" (USD\$25,000 Minimum Initial Investment)
Available to:	Series F-US Distribution Units are offered to all investors who meet the Prospectus Exemption Prerequisites.
Use of Proceeds:	The proceeds of the sale of Series F-US Distribution Units of the Trust will be used by the Investment Manager to purchase Class F-US LP Units of the Partnership.

Distribution Series:	Unitholders of Series F-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series F-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series' share of the Trust's net income.
US Dollars:	<p>Series F-US Distribution Units are offered in the same manner and are identical in all other respects to the Series F Distribution Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series F-US Distribution Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series F-US Distribution Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
Management Fee (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any management fee or compensation from the Trust in respect of the Series F-US Distribution Units.</p> <p>However, the returns of Series F-US Distribution Units of the Trust will be subject to a 1.50% management fee charged to the Class F-US LP Units of the Partnership by the Partnership Investment Manager in connection with its management of the Partnership's Portfolio.</p>
Performance Fee / Profit Distributions (indirect):	<p>Neither the Investment Manager, nor any other party, will receive any performance fee, profit distribution or similar compensation from the Trust in respect of the Series F-US Units.</p> <p>However, the returns of Series F-US Distribution Units of the Trust will be subject to a 15% profit allocation charged to the Class F-US LP Units of the Partnership paid to the General Partner of the Partnership. See "Profit Allocation to the General Partner" for a description of how the distributions are calculated.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series F-US Distribution Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class F-US LP Units, the Series F-US Distribution Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.
Minimum Initial Investment:	<p>If investing through a dealer via FundSERV, the Minimum Initial Investment for Series F-US Distribution Units is USD\$25,000.</p> <p>Series F-US Distribution Units are not available for investment directly with the Investment Manager.</p>

Series X Units

Available to:	Series X Units are no longer being offered by the Investment Manager and are only available in limited circumstances to certain investors who are founders or initial investors .
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Series X-US Units

Available to:	Series X-US Units are no longer being offered by the Investment Manager and are only available in limited circumstances to certain investors who are founders or initial investors who are interested in investing in U.S. dollars.
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US Dollars:	<p>Series X-US Units are offered in the same manner and are identical in all other respects to the Series X Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series X-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series X-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
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Series Y Units

Available to:	Series Y Units are no longer being offered by the Investment Manager and are only available in limited circumstances to certain investors who are founders or initial investors.
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Series Y-US Units

Available to:	Series Y-US Units are no longer being offered by the Investment Manager and are only available in limited circumstances to certain investors who are founders or initial investors who are interested in investing in U.S. dollars.
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US Dollars:	<p>Series Y-US Units are offered in the same manner and are identical in all other respects to the Series Y Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series Y-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series Y-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
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Series I Units	
Available to:	Series I Units are offered to institutional and certain high net worth investors at the discretion of the Investment Manager.
Use of Proceeds:	The proceeds of the sale of Series I Units of the Trust will be used by the Investment Manager to purchase Class I LP Units of the Partnership.
Management Fee, Profit Distributions, Performance Fee, Minimum Initial Investment, etc.:	<p>The Investment Manager will negotiate the terms of purchase of Series I Units directly with each investor including any management fee, profit allocation or performance fee charged to such investor, as applicable.</p> <p>An investor must enter into a Series I Unit agreement with the Investment Manager to purchase Series I Units of the Trust.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series I Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class I LP Units, the Series I Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust. Expenses in respect of any particular Series of Units of the Trust (or sub-series of such Series) will be charged only to that Series (or sub-series). Fees and expenses in respect of the Trust as a whole will be charged pro rata to all Series of the Trust.

Series I-US Units	
Available to:	Series I-US Units are offered to institutional and certain high net worth investors who are interested in investing in U.S. dollars at the discretion of the Investment Manager.
Use of Proceeds:	The proceeds of the sale of Series I-US Units of the Trust will be used by the Investment Manager to purchase Class I-US LP Units of the Partnership.
US Dollars:	<p>Series I-US Units are offered in the same manner and are identical in all other respects to the Series I Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series I-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series I-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>
Management Fee, Profit Distributions, Performance Fee, Minimum Initial Investment, etc.:	<p>The Investment Manager will negotiate the terms of purchase of Series I-US Units directly with each investor including any management fee, profit allocation or performance fee charged to such investor, as applicable.</p> <p>An investor must enter into a Series I-US Unit agreement with the Investment Manager to purchase Series I-US Units of the Trust.</p>
Trust and Series Expenses:	In addition to the management fees, profit distributions and the operating expenses of the Partnership the Series I-US Units are subject to by virtue of the fees and expenses paid by the Trust as holder of Class I-US LP Units, the

Series I-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust.

Series E Units

Available to:	Series E Units are offered only to associates and affiliates of the Investment Manager and its directors, officers and employees.
Use of Proceeds:	The proceeds of the sale of Series E Units of the Trust will be used by the Investment Manager to purchase Class E LP Units of the Partnership.
Management Fee:	Series E Units are not charged a management fee by the Investment Manager. Series E units of the Partnership are not charged a management fee by the Partnership Investment Manager.
Performance Fee / Profit Distributions:	Series E Units are not charged a performance fee by the Investment Manager. Series E units of the Partnership do not share profits with the General Partner.
Trust and Series Expenses:	In addition to the operating expenses of the Partnership the Series E Units are subject to by virtue of the fees and expenses paid by Trust as holder of Class E LP Units, the Series E Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust. Expenses in respect of any particular Series of Units of the Trust (or sub-series of such Series) will be charged only to that Series (or sub-series). Fees and expenses in respect of the Trust as a whole will be charged pro rata to all Series of the Trust.
Minimum Initial Investment:	As negotiated with the Investment Manager.

Series E-US Units

Available to:	Series E-US Units are offered only to associates and affiliates of the Investment Manager and its directors, officers and employees who are interested in investing in U.S. dollars.
Use of Proceeds:	The proceeds of the sale of Series E-US Units of the Trust will be used by the Investment Manager to purchase Class E-US LP Units of the Partnership.
US Dollars:	<p>Series E-US Units are offered in the same manner and are identical in all other respects to the Series E Units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars. Investors who purchase the Series E-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate.</p> <p>To offset this exposure, the Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series E-US Units back to the U.S. dollar. There is no guarantee that the Investment Manager will be successful in hedging this currency exposure. Please see "Risk Factors – Currency Hedging of USD Classes".</p>

Management Fee:	Series E-US Units are not charged a management fee by the Investment Manager. Series E-US units of the Partnership are not charged a management fee by the Partnership Investment Manager.
Performance Fee / Profit Distributions:	Series E-US Units are not charged a performance fee by the Investment Manager. Series E-US units of the Partnership do not share profits with the General Partner.
Trust and Series Expenses:	In addition to the operating expenses of the Partnership the Series E-US Units are subject to by virtue of the fees and expenses paid by Trust as holder of Class E-US LP Units, the Series E-US Units are also subject to the expenses incurred by the Trust in connection with the organization and ongoing activities of the Trust. Expenses in respect of any particular Series of Units of the Trust (or sub-series of such Series) will be charged only to that Series (or sub-series). Fees and expenses in respect of the Trust as a whole will be charged pro rata to all Series of the Trust.
Minimum Initial Investment:	As negotiated with the Investment Manager.

A new sub-series of Units within each series will generally be issued each month. There is no commission payable by a purchaser to the Trustee, Investment Manager or Algonquin Capital in any capacity upon the purchase of the Units, except the Trailer Fee in respect of the applicable Series of Units which is received by the Investment Manager but paid out to the investor's dealer or broker. Subscribers may pay negotiated commissions to their dealers, including the Trailer Fee in respect of the applicable Series of Units. Subject to applicable law, the Investment Manager or the Partnership Investment Manager may pay, out of the fees received by the Partnership Investment Manager from the Partnership, a negotiated referral fee or trailing commission to dealers or other persons (e.g. the Trailer Fee) in connection with a sale of LP Units of the Partnership arising from the sale of Units of the Trust by the Investment Manager.

Prospectus Exemptions

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

Purchasers are required to make certain representations in the Subscription Agreement (as defined in “The Offering – Subscription Procedure”) and the Investment Manager relies on such representations to establish a subscriber satisfies the Prospectus Exemption Prerequisites. No subscription will be accepted unless the Investment Manager is satisfied that the subscription is in compliance with applicable securities laws.

Minimum Investment Exemption

In determining if a subscriber qualifies for the Minimum Investment Exemption, the \$150,000 threshold is net of any front end commissions paid by an investor to his, her or its agent.

Accredited Investors

The criteria to qualify as an accredited investor is set out in the Subscription Agreement delivered with this Offering Memorandum, but generally includes individuals who; (i) either alone or with a spouse, beneficially own financial assets having an aggregate realizable value before taxes, but net of related liabilities, of at least \$1,000,000; or (ii) have personal income of at least \$200,000, or combined spousal income of at least \$300,000, in the previous two years with reasonable prospects of same in the current year.

Investors (other than individuals) that are not accredited investors, or are accredited investors solely on the basis that they have net assets of at least \$5,000,000, must also represent to the Investment Manager (and may be required to provide additional evidence at the request of the Investment Manager to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor.

No Other Prospectus Exemptions Being Relied On

The so-called “Offering Memorandum Exemption” is not being relied on by the Trust in offering the Units, nor is the Minimum Investment Exemption being relied on in Alberta, and investors do not have the benefit of certain additional protections that NI 45-106 gives to investors when an issuer relies on the Offering Memorandum Exemption.

Minimum Investment Threshold

In addition to qualifying under one or more of the Prospectus Exemption Prerequisites, the Investment Manager also has an internal minimum initial investment threshold in respect of the series as set out below but this threshold may be reduced, at the sole discretion of the Investment Manager, for subscribers that qualify under the Accredited Investor Exemption or other available exemption (the “**Minimum Initial Investment**”):

Minimum Initial Investment	
Series A Units	\$25,000 if investing through a dealer via FundSERV.
Series A-US Units	USD\$25,000 if investing through a dealer via FundSERV.
Series A Distribution Units	\$25,000 if investing through a dealer via FundSERV.
Series A-US Distribution Units	USD\$25,000 if investing through a dealer via FundSERV.
Series F Units:	\$25,000 is the Minimum Initial Investment for Series F Units if investing through a dealer via FundSERV. \$250,000 is the Minimum Initial Investment for Series F Units if investing directly with the Investment Manager.
Series F-US Units:	USD\$25,000 is the Minimum Initial Investment for Series F-US Units if investing through a dealer via FundSERV. USD\$250,000 is the Minimum Initial Investment for Series F-US Units if investing directly with the Investment Manager.
Series F-US Units:	USD\$25,000 if investing through a dealer via FundSERV.

Minimum Initial Investment	
	USD\$250,000 if investing directly with the Investment Manager.
Series F Distribution Units:	\$25,000 if investing through a dealer via FundSERV. \$250,000 if investing directly with the Investment Manager.
Series I Units:	As negotiated with the Investment Manager.
Series I-US Units:	As negotiated with the Investment Manager.
Series E Units:	As negotiated with the Investment Manager.
Series E-US Units:	As negotiated with the Investment Manager.

After an initial investment that satisfies the Minimum Initial Investment is made, each additional investment must be in an amount that is not less than \$5,000. (For investors who do not qualify under the Accredited Investor Exemption, any additional investments must be in an amount that is not less than \$150,000, unless: (a) the investor initially acquired Units of the Trust for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or aggregate value equal to at least \$150,000; or (b) another exemption is available (the “**Minimum Additional Investment**”, and together with the Minimum Initial Investment, collectively, the “**Minimum Investment Threshold**”). The Minimum Investment Threshold is net of any such fees or commissions paid by the investor to dealers.

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

Subscription Procedure

Subscriptions for Units must be made by completing and executing the subscription agreement (the “**Subscription Agreement**”) provided by the Investment Manager and by forwarding to the Investment Manager such form together with payment of the subscription price in accordance with the Subscription Agreement. Subscriptions may be accepted at the discretion of the Investment Manager on the last business day of each month or on such other date as the Investment Manager may approve (each, a “**Valuation Date**”). If a subscription is accepted on a Valuation Date, Units will be deemed to be issued as of the next business day based on the Net Asset Value (“Net Asset Value” is defined below under “Net Asset Value of the Trust”) per Unit of the applicable series of Units on such Valuation Date.

A fully completed Subscription Agreement and subscription proceeds (in the form of a cheque, bank draft, confirmation of wire transfer or payment via FundSERV) must be delivered in accordance with the Subscription Agreement and received by the Investment Manager or the Trust’s administrator, SGGG Fund Services Inc., no later than 4:00 p.m. (Toronto time) on the designated Valuation Date in order for the subscription to be accepted as at that date; otherwise the subscription will be processed as at the next Valuation Date.

Units will be issued as of the business day following the Valuation Date on which the subscription is accepted. Units will be issued in sub-series. On the first closing of the Offering, Units designated by the Investment Manager as Sub-Series 1 Units of each series were issued at a price per Unit equal to the corresponding net asset value per LP Unit. On each successive Valuation Date on which Units are issued, a new sub-series of Units will be issued at an opening Net Asset Value per Unit equal to the Net Asset

Value per Unit of the Sub-Series 1 Units of the same series. It is in the discretion of the Investment Manager to change this policy.

At the end of each year, and following the payment of all fees and expenses of the Trust, the Investment Manager may determine that some or all sub-series of the same series of Units will be redesignated as Sub-Series 1 Units (or other sub-series, in the discretion of the Investment Manager) in order to reduce the number of outstanding sub-series of each series. This will be accomplished by amending the Net Asset Value per Unit of all such sub-series so that they are the same, and consolidating or subdividing the number of Units of each such sub-series so the aggregate Net Asset Value of Units held by a Unitholder does not change. Unitholders' rights will not be affected in any way as a result of this process.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the Investment Manager in its sole discretion. In the event a subscription is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction.

Know-Your-Client and Suitability

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

Leverage Disclosure Statement (Using Borrowed Money to Purchase Units)

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

TRANSFER OR RESALE

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

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

REDEMPTIONS

A Unitholder is entitled to redeem some or all of such Unitholder's Units on the last business day of each month or on such other date as the Investment Manager may permit (each, a "**Redemption Date**"), pursuant

to written notice that must be received by the Trust at least 25 days prior to the applicable Redemption Date.

The redemption price shall equal the Net Asset Value per Unit of the applicable Series and sub-series of Units being redeemed determined as of the close of business on the relevant Redemption Date. The Net Asset Value per Unit of the applicable Series is derived from, and the redemption proceeds for such Units are fund from the redemption of, the corresponding LP Units of the Partnership, where the net asset value per LP Unit will be subject to fees payable to the Partnership Investment Manager and any Profit Distribution (“Profit Distribution” is defined below under “Profit Allocation to the General Partner”) payable to the General Partner in respect of the corresponding LP Units of the Partnership redeemed to fund the redemption of such Units of the Trust on such date. The redemption proceeds may also be subject (through the reduction to the Net Asset Value per Unit) to a deduction charged by the Partnership Investment Manager attributable to the amount of the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Partnership to fund the redemption of the corresponding units of the Partnership which in turn funds the redemption of such Units of the Trust (the “**Redemption Deduction**”).

Proceeds of redemption shall be paid as soon as is practicable and in any event within 10 business days following the relevant Redemption Date. If all of a Unitholder’s Units are to be redeemed, the Investment Manager may, in its sole discretion, hold back up to 5.00% of the Net Asset Value of such Units pending completion of the Trust’s annual year-end audit. Any balance owing on redemption proceeds shall be paid out within 30 days of the completion of such audit.

The Investment Manager may also choose, in its sole discretion, to pay redemption proceeds partly in cash and partly by delivery of the underlying units of the Partnership attributable to the Units being redeemed.

Redemption requests are irrevocable unless they are not honoured on the designated Redemption Date, in which case they may be withdrawn within 30 days following such Redemption Date.

The Trust may make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which the Trust has received, paid, declared payable or allocated to Unitholders as distributions or redemption proceeds. In addition, on any redemption the Trust may, in its sole discretion, designate payable to the redeeming Unitholder as part of the redemption price any capital gains or income of the Trust for its taxation year in which the redemption occurs.

The Investment Manager has the right to require a Unitholder to redeem some or all of the Units owned by such Unitholder on a Redemption Date at the Net Asset Value per Unit thereof, by notice in writing to the Unitholder given at least 14 days before the designated Redemption Date, which right may be exercised by the Investment Manager in its absolute discretion. If a Unitholder requests a redemption of Units and, as a result of such redemption, the Unitholder will hold Units having a Net Asset Value of \$25,000 or less, the Investment Manager intends to require the Unitholder to redeem the balance of such Unitholder’s Units.

Limited Suspension of Redemption

For any period not exceeding 120 days during which the Trustee determines that conditions exist which render impractical the sale of Trust investments or which impair the ability of the Trustee to determine the value of the assets of the Trust, the Trust may suspend redemptions of its Units. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Trustee of the suspension and that the redemption will be effected at a price determined on the next Redemption Date following the termination of the suspension or such other date as the Trustee may determine upon the conditions giving rise to such suspension having ceased to exist or no

longer being applicable. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the rules and regulations promulgated by any governmental body having jurisdiction over the Trust, any declaration of suspension made by the Trustee shall be conclusive. Units which are the subject of any suspension of redemption privileges shall enjoy all rights as Unitholders until the redemption is effected. The Investment Manager shall advise the Unitholders who have requested a redemption if redemptions will be limited or suspended on a designated Redemption Date.

NET ASSET VALUE OF THE TRUST

The Net Asset Value of the Trust and the Net Asset Value per Unit of each series and sub-series of Units will be determined as of 4:00 p.m. (Toronto time) on each Valuation Date by SGGG Fund Services Inc., a third party engaged by the Investment Manager for that purpose (the “NAV Administrator”), in accordance with the Declaration of Trust.

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

Valuation Principles

The value of the assets and the amount of the liabilities of the Trust (the net result of which is the “**Net Asset Value**” of the Trust) will be calculated in such manner as the NAV Administrator, in consultation with the Investment Manager, shall determine from time to time, subject to the following:

- (i) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value of the Trust is being determined) and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the NAV Administrator, in consultation with the Investment Manager, determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the NAV Administrator, in consultation with the Investment Manager, determines to be the reasonable value thereof.
- (ii) The value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a business day, on the last business day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued on the basis of the market quotation which, in the opinion of the NAV Administrator, in consultation with the Investment Manager, most closely reflects their fair value.
- (iii) Any securities which are not listed or dealt in upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price

(unless in the opinion of the NAV Administrator, in consultation with the Investment 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. The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

- (iv) Securities held in private issuers, that do not have a current available offer price and a current available bid price from third party sources, are recorded at cost unless an upward adjustment is considered appropriate and supported by persuasive and objective evidence such as a significant equity financing by an unrelated investor at a transaction price higher than the valuation price. Downward adjustments to valuation price are made when there is evidence of other than a temporary decline in value as indicated by the assessment of the financial condition of the investment based on third-party financing, operational results, forecasts, and other developments since the previous valuation price was established. Options and warrants held in private issuers are carried at cost unless there is an upward or downward adjustment of the underlying privately-held company supported by persuasive and objective evidence such as significant subsequent equity financing by an unrelated investor at a transaction price higher or lower than the valuation price.
- (v) All Trust property valued in a foreign currency and all liabilities and obligations of the Trust payable by the Trust in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources by the NAV Administrator to calculate Net Asset Value.
- (vi) Each transaction of purchase or sale of portfolio securities effected by the Trust will be reflected in the computation of the Net Asset Value of the Trust on the trade date.
- (vii) The value of any security or property to which, in the opinion of the NAV Administrator, in consultation with the Investment Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the NAV Administrator, in consultation with the Investment Manager, may from time to time determine based on standard industry practice.
- (viii) Short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above.
- (ix) All other liabilities shall include only those expenses paid or payable by the Trust, including accrued contingent liabilities; however: (A) organizational and start-up expenses will be amortized by the Trust over a 60 month period; and (B) expenses and fees allocable only to a series and sub-series of Units shall not be deducted from the Net Asset Value of the Trust prior to determining the Net Asset Value of each series and sub-series, and shall thereafter be deducted from the Net Asset Value so determined for each such series and sub-series.

The Investment Manager may determine such other rules as it deems necessary from time to time, which rules may deviate from International Financial Reporting Standards (“IFRS”).

Net asset value calculated in this manner will be used for the purpose of calculating the fees and expenses of the Trust. Such Net Asset Value will be used to determine the subscription price and redemption value

of Units. To the extent that such calculations are not in accordance with IFRS, the financial statements of the Trust will include a reconciliation note explaining any difference between such published Net Asset Value and Net Asset Value for financial statement reporting purposes (which must be calculated in accordance with IFRS).

MANAGEMENT AGREEMENT

In order to set out the duties of the Investment Manager, the Trust has entered into a management agreement with Algonquin Capital Corporation, the Investment Manager, dated as of January 16, 2017, as amended (the “**Management Agreement**”). Pursuant to the Management Agreement, the Investment Manager directs the affairs of the Trust and provides day-to-day management services to the Trust, including management of the Trust’s portfolio on a discretionary basis and distribution of the Units of the Trust, and such other services as may be required from time to time. The Trustee has delegated its powers and obligations under the Declaration of Trust to the Investment Manager to the extent necessary to permit the Investment Manager to carry out its duties under the Management Agreement. The Investment Manager may delegate certain of these duties from time to time.

Pursuant to the Management Agreement, except in respect of the Trailer Fee, the Trust will not pay the Investment Manager any management fee or performance fee on any of the Series of Units of the Trust in connection with the management or operations of the Trust. Notwithstanding the foregoing, a management fee may be payable directly to the Investment Manager in respect of Series I Units or Series I-US Units of the Trust in such amount or at such rate determined by negotiation between the Investment Manager and each investor in Series I Units and Series I-US Units of the Trust.

Series A Units, Series A-US Units, Series A Distribution Units and Series A-US Distribution Units will be charged a Trailer Fee of 0.50% per annum by the Investment Manager and the Investment Manager will pay the Trailer Fee to the investor’s dealer or broker who participated in the offering of the Series A Units, Series A-US Units, Series A Distribution Units and Series A-US Distribution Units. This Trailer Fee is based on the monthly net asset value of the Units in the clients’ accounts and is paid quarterly. The Investment Manager may amend the terms and conditions of those fees from time to time at its option or even terminate same. The Trailer Fees correspond to 0.50% per annum, calculated monthly by multiplying 1/12 of 0.50% to the applicable monthly Series net asset value of the Trust. The Trailer Fees are paid quarterly.

The Management Agreement may be terminated by either the Trustee or the Investment Manager on 30 days’ notice to the other, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Declaration of Trust.

PARTNERSHIP MANAGEMENT AGREEMENT

Although the Trust will not pay the Investment Manager any management or performance fees under the Management Agreement or otherwise (except in respect of the Trailer Fee), by virtue of the Trust investing all, or substantially all, of its assets in the corresponding LP Units of the Partnership, the returns of the Unitholders will be indirectly subject to the management fees payable by the Partnership to the Partnership Investment Manager applicable to the corresponding class of LP Units. Put another way, although there will be no management or performance fees payable by the Trust to the Investment Manager, the returns and value of the Units held by Unitholders will be subject to the fees paid by the Partnership to the Partnership Investment Manager. As such, the following is a summary of the agreement between the Partnership and the Partnership Investment Manager in respect of the management fees paid by the Partnership to the Partnership Investment Manager.

In order to set out the duties of the Partnership Investment Manager, the Partnership has entered into a management agreement with Algonquin Capital, the Partnership Investment Manager, dated as of December 15, 2014, as amended (the “**Partnership Management Agreement**”). Pursuant to the Partnership Management Agreement, the Partnership Investment Manager directs the affairs of the Partnership and provides day-to-day management services to the Partnership, including management of the Partnership’s portfolio on a discretionary basis and distribution of the LP Units of the Partnership, and such other services as may be required from time to time. The General Partner has assigned its powers and obligations under the Limited Partnership Agreement to the Partnership Investment Manager to the extent necessary to permit the Partnership Investment Manager to carry out its duties under the Partnership Management Agreement. The Partnership Investment Manager may delegate certain of these duties from time to time.

Pursuant to the Partnership Management Agreement, the Partnership shall pay the Partnership Investment Manager a management fee (the “**Partnership Management Fee**”) on each Valuation Date that is the last business day of each calendar month in an amount that is equal to:

- (i) 1/12 of 2.00% of the aggregate net asset value of the Class A LP Units and Class A-US LP Units as at such date, plus
- (ii) 1/12 of 1.50% of the aggregate net asset value of the Class F LP Units and Class F-US LP Units as at such date, plus
- (iii) 1/12 of 1.00% of the aggregate net asset value of the Class X LP Units and Class X-US LP Units as at such date, plus
- (iv) 1/12 of 1.50% of the net asset value of the Class Y LP Units and Class Y-US LP Units as at such date,

in each case, net asset value of the LP Units is determined before deduction of the Redemption Deduction, or Profit Distribution, if any, allocable to such LP Units.

Any management fee payable in respect of Class I LP Units or Class I-US LP Units of the Partnership shall be in an amount determined by negotiation between the Partnership Investment Manager and each investor in Class I LP Units and Class I-US LP Units.

The Partnership Investment Manager will not be entitled to receive a management fee in respect of Class E LP Units or Class E-US Units.

The Partnership Management Fee is subject to HST and will be deducted as an expense of the applicable class of LP Units in the calculation of the net asset value of the applicable classes of LP Units.

The Partnership Investment Manager may pay referral fees from time to time to agents who participate in the sale of LP Units, out of fees earned by the Partnership Investment Manager from the Partnership.

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

PROFIT ALLOCATION TO THE GENERAL PARTNER OF THE PARTNERSHIP

Although the Trust will not pay the Trustee or the Investment Manager any performance fees in respect of the management of the Trust or otherwise, by virtue of the Trust investing all, or substantially all, of its assets in the corresponding LP Units of the Partnership, the returns of the Unitholders will be indirectly subject to the profits distributions payable by the Partnership to the General Partner applicable to the corresponding class of LP Units. Put another way, although there will be no performance fees or Profit Distributions payable by the Trust to the Trustee or the Investment Manager, the returns and value of the Units held by Unitholders will be subject to the Profit Distributions paid by the Partnership to the General Partner. As such, the following is a summary of the relationship between the Partnership and the General Partner in respect of the Profit Distributions paid by the Partnership to the General Partner.

The General Partner shares in the profits of the Partnership by receiving distributions from the Partnership (“**Profit Distributions**”) on the last business day in each year and upon the redemption of a Unit based on the increase, if any, in the Adjusted Net Asset Value of the Partnership (as defined below) of such LP Unit above the High Water Mark (as defined below). In respect of Class A LP Units, Class A-US LP Units, Class F LP Units and Class F-US LP Units, such distributions are equal to 15% of the increase, if any, in the Adjusted Net Asset Value of the Partnership of each such LP Unit over the applicable High Water Mark of such LP Unit. In respect of Class X LP Units, and Class X-US LP Units, Class Y LP Units and Class Y-US LP Units, such distributions are equal to 10% of the increase, if any, in the Adjusted Net Asset Value of the Partnership of each such LP Unit over the applicable High Water Mark of such LP Unit.

“**Adjusted Net Asset Value of the Partnership**” of an LP Unit on any date is equal to the net asset value of the Partnership of such LP Unit on such date (calculated after deduction of the Partnership Management Fee and general expenses but before deduction of the Redemption Deduction or Profit Distribution, if any, allocable to such LP Unit) plus the amount of any distributions paid to the Limited Partner (which includes the Trust as a Limited Partner) in respect of such LP Unit since the date as at which the High Water Mark of such LP Unit was established.

“**High Water Mark**” for an LP Unit as at any date means: (i) during the fiscal year in which it is issued, its subscription price; (ii) during all other fiscal years, the greater of: (a) its subscription price; (b) the higher of the net asset value of the Partnership per LP Unit for such LP Unit as at the first day of the current fiscal year and the net asset value of the Partnership per LP Unit for such LP Unit for the immediately preceding fiscal year; and (c) the then current High Water Mark.

Limited Partners (which includes the Trust as a Limited Partner) will effectively share in net profits and net losses of the Partnership by increases or decreases in the net asset value of their LP Units (following adjustment for any distributions payable to the General Partner in respect of such LP Units) on the following basis:

- (i) in respect of Class A LP Units, Class A-US LP Units, Class F LP Units and Class F-US LP Units, any increase in the net asset value of any such LP Unit above the applicable High Water Mark will accrue as to 85% to the holder of such LP Unit and the remaining 15% will be distributed to the General Partner; and
- (ii) in respect of Class X LP Units, Class X-US LP Units, Class Y LP Units and Class Y-US LP Units, any increase in the net asset value of any such LP Unit above the applicable High Water Mark will accrue as to 90% to the holder of such LP Unit and the remaining 10% will be distributed to the General Partner.

The General Partner will not receive distributions in respect of Class E LP Units and Class E-US LP Units. Any profit distribution and/or a performance fee in respect of Class I LP Units and Class I-US LP Units will be negotiated between the Partnership Investment Manager and/or General Partner and the prospective investor.

Any distribution so paid to the General Partner will be deducted from the net asset value (or redemption proceeds, as the case may be) of the respective LP Unit.

The Profit Distribution is subject to HST and will be deducted as an expense of the applicable class of LP Units in the calculation of the net asset value of such class of LP Units.

DECLARATION OF TRUST

The Trust was created and governed pursuant to a Declaration of Trust. The following is a summary of the Declaration of Trust. **This summary is not intended to be complete and each investor should carefully review the Declaration of Trust itself for full details of these provisions.**

The Trustee

Algonquin Capital is the Trustee (pursuant to the Declaration of Trust) and Investment Manager (pursuant to the Management Agreement) of the Trust. The Trustee is responsible for certain aspects of the administration of the Trust as described in the Declaration of Trust. Pursuant to the Declaration of Trust, the Trustee may delegate its powers and duties to the Investment Manager.

The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Trust or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee resign as trustee of the Trust by giving notice in writing to Unitholders not less than 30 days prior to the date on which such resignation is to take effect. Such resignation shall take effect on the date specified in such notice. The Trustee may appoint a successor trustee, including an affiliate of the Manager, and upon such person agreeing to act as trustee of the Trust and assuming the duties and responsibilities of trustee under the Declaration of Trust, the Trustee shall cease to be trustee of the Trust, and shall be relieved from its duties and responsibilities with respect to the Trust under the Declaration of Trust, provided however that Unitholders must be given not less than 30 days' written notice prior to the appointment of a successor trustee.

The Trustee or any successor trustee or substitute investment fund manager may be compensated for its services as investment fund manager and/or trustee of the Trust and shall be paid such fees as may be established by the Trustee or substitute investment fund manager from time to time.

Expenses

The Trust is responsible for all costs incurred in connection with the organization and ongoing activities of the Trust, including but not limited to:

- (iii) third party fees and expenses, which include accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping

costs, Unitholder communication expenses, organizational expenses, the cost of maintaining the Trust's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and

- (iv) fees and expenses relating to the Trust's portfolio investments, including the cost of securities, and counterparties, custodian fees, brokerage fees, commissions and expenses, and banking fees.

To the extent that such expenses are borne by the Trustee or the Investment Manager, the Trustee or the Investment Manager, as the case may be, shall be reimbursed by the Trust from time to time. Expenses attributable to a particular series or sub-series of Units will be deducted from the net asset value of such series or sub-series.

In addition to the ongoing expenses of the Trust, the Units of the Trust will also be subject to the ongoing expenses of the Partnership by virtue of the fees and expenses paid indirectly by the Trust as holder of LP Units. See "Limited Partnership Agreement – Expenses of the Partnership".

Distributions

Distributions of allocated income may be made to Unitholders from time to time at the discretion of the Investment Manager.

Distribution Series: Unitholders of Series A Distribution Units, Series A-US Distribution Units, Series F Distribution Units, and Series F-US Distribution Units will receive quarterly distributions in March, June, September, and December of each year. The amount of the quarterly distribution will be determined at the discretion of the Investment Manager and the Investment Manager reserves the right to adjust the distribution amount if deemed appropriate. A distribution to unitholders of Unitholders of Series A Distribution Units, Series A-US Distribution Units, Series F Distribution Units, and Series F-US Distribution Units will generally be treated as a return of capital if the distributions in the year exceed such Series' share of the Trust's net income.

Non-Distribution Series: The Investment Manager has no current intention to make any such quarterly or regular distributions to unitholders of Series A Units, Series A-US Units, Series F Units, and Series F-US Units.

However, the Trust will distribute, in each year such portion of its annual net taxable income and net realized capital gains as will result in the Trust paying no tax under Part I of the Tax Act, and, unless the Investment Manager decided otherwise, such distributions will be effected through the reinvestment thereof in additional Units of the applicable series of Units of the Trust at the applicable Net Asset Value per Unit computed for the Valuation Date on which such distribution is made.

Reports to Unitholders

Within 90 days after the end of each fiscal year, the Investment Manager will forward to each Unitholder an annual report for such fiscal year consisting of: (i) upon request, audited financial statements for such fiscal year together with a report of the auditors on such financial statements; (ii) a report on allocations to the Unitholders' contributed capital accounts and taxable income or loss and distributions of cash to the Unitholder for such fiscal period; and (iii) tax information to enable each Unitholder to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

The Investment Manager will forward to each Unitholder, upon request, unaudited interim financial statements for the first six months of each fiscal year within 60 days after the end of such period. The Investment Manager will forward to each Unitholder, upon request, monthly or quarterly unaudited reports respecting the net asset value per Unit within 30 days after the end of each month or quarter, as applicable.

The same foregoing corresponding financial statements of the Partnership are available to Unitholders upon request to the Investment Manager in writing, by calling (416) 214-3493, or by e-mail at raj.tandon@algonquincap.com.

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

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

Fiscal Year

The fiscal year of the Trust ends on December 31 in each calendar year.

Meeting of Unitholders

A meeting of the Unitholders may be called at any time by the Investment Manager and shall be called by the Investment Manager: (i) upon written request of Unitholders holding Units having an aggregate Net Asset Value of not less than 30% of the Net Asset Value of all outstanding Units and (ii) when a meeting of Limited Partners is called in respect of the Partnership whereby the Investment Manager will arrange for the LP Units held by the Trust to be voted at such meeting of the Limited Partners by the beneficial owners of the Units of the Trust. Any such request under clause (i) above shall specify the purpose for which the meeting is to be held and any resolution which Unitholder may vote on pursuant to the Declaration of Trust that are to be voted on at the meeting. Notice of meeting shall be given by the Investment Manager within 15 days of receipt of the request for same. Any meeting requested by such Unitholder(s) shall be conducted in accordance with the provisions of the Declaration of Trust. The expenses incurred in calling and holding such meeting shall be for the Trust. Meetings shall be held in the City of Toronto, Ontario or in such other city as the Trustee may determine.

Notice of any meeting of the Unitholder called by the Investment Manager shall be given to each Unitholder entitled to vote at such meeting at his, her or its address shown in the register of the Trust, to the Trustee and to the Investment Manager. Any such notice shall be mailed by prepaid mail at least 10 days and not more than 21 days prior to the meeting and shall state the time and place where such meeting is to be held. Accidental failure to give notice to a Unitholder shall not invalidate a meeting, any adjournment thereof or any proceeding thereat. A quorum for a meeting of Unitholders shall consist of Unitholders present in person or represented by proxy holding in total Units having an aggregate Net Asset Value of not less than 30% of the Net Asset Value of outstanding Units entitled to be voted at such meeting. If a quorum is not present on the date for which the meeting is called within one-half hour of the time fixed for the holding of such meeting, the meeting shall be adjourned to be held on a date fixed by the chairman of the meeting, which date shall be not later than 14 days thereafter, at which adjourned meeting two or more Unitholders entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum.

Term and Termination

The Trust has no fixed term. The Trustee may, in its discretion, terminate the Trust by giving 30 days' written notice to Unitholders and fixing the date of termination not earlier than 30 days following the mailing or other delivery of notice.

The Trust shall be terminated immediately following the occurrence of a Termination Event (as hereinafter defined). On such termination, the Trustee (or should the Trustee fail to do so, the Unitholders of the Trust at a meeting duly called for such purpose) shall appoint a person or company, which may be an affiliate of the Trustee, to distribute any and all securities, property and assets of the Trust in accordance with the provisions of the Declaration of Trust, and may agree to indemnify and pay fees to such person or company, out of the assets of the Trust, as the Trustee (or Unitholders, as the case may be) determines in its absolute discretion is reasonable or necessary in the circumstances. Pursuant to the Declaration of Trust, each of the following events shall be a "**Termination Event**":

- (i) the Trustee is in material default of its obligations under this Declaration of Trust or any management agreement entered into between the Investment Manager and the Trustee, on behalf of the Trust, and such default continues for 120 days from the date that the Trustee receives notice of such material default from a Unitholder or a successor trustee or substitute investment fund manager;
- (ii) the Trustee, or any successor trustee or the Investment Manager, or any substitute investment fund manager, has been declared bankrupt or insolvent or has entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction);
- (iii) the Trustee, or any successor trustee or the Investment Manager, or any substitute investment fund manager, makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or
- (iv) the assets of the Trustee, or of any successor trustee or the Investment Manager, or any substitute investment fund manager, have become subject to seizure or confiscation by any public or governmental authority.

Amendment

The Trustee may, without prior notice to or consent from any Unitholder, amend the Declaration of Trust: (i) to create additional series of Units and set the terms thereof; (ii) to protect the interests of the Unitholders,

if necessary; (iii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Unitholders as a Unitholders; (iv) to reflect any changes to any applicable legislation; or (v) in any other manner provided that such amendment does not and shall not adversely affect the interests of any existing Unitholders as a Unitholders in any manner.

The Declaration of Trust may be amended at any time by: (i) the Trustee with the consent of the Unitholders given by Special Resolution (as defined in the Declaration of Trust), provided the Unitholders are given not less than 30 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Unitholders that is adversely affected by such amendment is given the opportunity to redeem all of such Unitholder's Units prior to the effective date of such amendment (in such event the Trustee and Investment Manager shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for Units that are redeemed in the specified period); or (ii) the Trustee without the consent of the Unitholders provided the Unitholders are given not less than 60 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Unitholders is given the opportunity to redeem all of such Unitholder's Units prior to the effective date of such amendment (in such event the Trustee and Investment Manager shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for Units that are redeemed in the specified period). For greater certainty, this includes any proposed change to this Declaration of Trust, or any change to the terms applicable to series or sub-series of Units as set out in this Offering Memorandum, that would materially adversely affect the interest of the Unitholders as a whole and/or of a series or sub-series of the Trust, and any change to the fees payable by the Trust to the Investment Manager or substitute investment fund manager which could result in an increase in the aggregate fees payable by the Trust to the Investment Manager or substitute investment fund manager in respect of one or more series or sub-series of Units outstanding at that time.

LIMITED PARTNERSHIP AGREEMENT OF THE PARTNERSHIP

By virtue of purchasing and holding LP Units of the Partnership, the Trust will be a limited partner of the Partnership and will be bound by the Limited Partnership Agreement. The rights and obligations of the Trust, as a limited partner, and the other Limited Partners and of the General Partner are governed by the LP Act and by the Limited Partnership Agreement and may be amended from time to time. The following is a summary of the Limited Partnership Agreement. **This summary is not intended to be complete and any Unitholder of the Trust should carefully review the Limited Partnership Agreement itself for full details of these provisions. A copy of the Limited Partnership Agreement and the offering memorandum of the Partnership are available from the Investment Manager upon request in writing, by calling (416) 214-3493, or by e-mail at raj.tandon@algonquincap.com. The principal place of business of the Partnership and the General Partner is 40 King Street West – Suite 3402, Toronto, Ontario M5H 3Y2.**

Authority and Duties of the General Partner

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

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

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

The LP Units

The Partnership may issue an unlimited number of LP Units. Each issued and outstanding LP Unit of a class shall be equal to each other LP Unit of the same class with respect to all matters. The respective rights of the holders of LP Units of each class will be proportionate to the net asset value of such class relative to the net asset value of each other class. Each LP Unit carries with it a right to vote, with one vote for each \$1.00 of net asset value attributed to such LP Unit (the net asset value of all LP Units held by a Limited Partner shall be aggregated for the purpose of determining voting rights).

The Trustee and Investment Manager will not vote the LP Units held by the Trust, although the Trustee and Investment Manager may arrange for the LP Units held by the Trust to be voted by the beneficial owners of the Units of the Trust.

LP Units are offered at a price equal to the net asset value per LP Unit of the applicable class. In all fiscal years of the Partnership, units of each class designated by the Partnership Investment Manager as Series 1 LP Units will be issued at a net asset value per LP Unit at the discretion of the Partnership Investment Manager. On each successive date on which LP Units are issued, a new series of LP Units will be issued at a net asset value per LP Unit to be determined by the Partnership Investment Manager. All changes in net asset value (i.e. all income and expenses, and all unrealized gains and losses) of the Partnership shall be borne proportionately by each class and series of LP Units based on their respective net asset values, except as follows: (i) subscription proceeds received by the Partnership in respect of a series of LP Units shall accrue to the net asset value of such series; (ii) all redemption proceeds paid out by the Partnership in respect of a LP Unit of a series shall be deducted from the net asset value of such class; and (iii) distributions payable to the General Partner, and management fees payable to the Partnership Investment Manager and all other fees and expenses incurred in respect of a LP Unit of a series shall be deducted from the net asset value of such series. The net asset value per LP Unit of each class and series shall be calculated by dividing the net asset value of such respective classes and series by the number of LP Units of such classes and series then outstanding.

The General Partner may in its discretion create different classes of LP Units. Each class may be subject to different fees, may have a different profit-sharing arrangement with the General Partner, and may have such other features as the Partnership Investment Manager may determine. As at the date hereof, twelve classes of LP Units (the Class A LP Units, Class A-US LP Units, Class F LP Units, the Class F-US LP Units, the Class X LP Units, the Class X-US LP Units, the Class Y LP Units, the Class Y-US LP Units, the Class I LP Units, the Class I-US LP Units, the Class E LP Units and the Class E-US LP Units) have been created, having the attributes described in the Partnership Offering Memorandum. The Partnership Investment Manager may re-designate a Limited Partner's LP Units from one class to another (and amend the number of such LP Units so that the net asset value of the Limited Partner's aggregate holdings remains unchanged) and will do so in accordance with the Limited Partnership Agreement and the offering memorandum of the Partnership. The Partnership Investment Manager also has the discretion to rename a series or convert a series of LP Units into another series without otherwise affecting the attributes of such series. The Partnership Investment Manager may also subdivide or consolidate LP Units of one or more series from time to time, in a manner different than other series, provided that the net asset value per LP Unit for such series is adjusted such that the aggregate net asset value for such series is unchanged.

Allocation of Income and Loss

Income and loss for taxation purposes, dividends and taxable capital gains, as well as allowable losses, of the Partnership in each fiscal year will be allocated to the Limited Partners (which includes the Trust as a Limited Partner) and General Partner as follows:

- (i) Limited Partners who redeemed LP Units in the year will be allocated a portion of income and taxable capital gains as will result in such Limited Partners having an adjusted cost base for such redeemed LP Units as near as possible (but not exceeding) redemption proceeds thereof;
- (ii) the General Partner will be allocated a portion of income, dividends and taxable capital gains in a total amount generally equal to the distributions received by the General Partner payable in such year (the General Partner may choose to receive some or all of the distributions received by it in a year as a loan, which amount shall be payable as a distribution in the next following year);
- (iii) Limited Partners will be allocated the remaining income, dividends and taxable capital gains based on the number, class and series of LP Units held by such Limited Partners, the dates of purchase and/or redemption, the respective net asset values of each class and series of LP Units, the tax basis of such LP Units, the fees paid or payable and distributions payable to the General Partner in respect of each class and series of LP Units, and the date of realization of each such item of income, gain or loss, among other factors deemed by the General Partner to be relevant; and
- (iv) losses will be allocated as to (i) 0.001%, to the General Partner, and (ii) 99.999%, to Limited Partners who hold LP Units at any time during such year (and in certain cases to Limited Partners who held LP Units at any time in the previous fiscal year).

The General Partner may adopt and amend an allocation policy from time to time intended to fairly and equitably allocate income or loss given the particular circumstances.

Distributions

Distributions of allocated income may be made to Limited Partners from time to time at the discretion of the Partnership Investment Manager. The Partnership Investment Manager has no current intention to make any such distributions.

The General Partner will receive distributions from the Partnership based on the increase in the net asset value of each Class A LP Unit, Class A-US LP Unit, Class F LP Unit, Class F-US LP Unit, Class X LP Unit, Class X-US LP Unit, Class Y LP Unit and Class Y-US LP Unit on the last valuation date in each year and upon the redemption of such Class A LP Unit, Class A-US LP Unit, Class F LP Unit, Class F-US LP Unit, Class X LP Unit, Class X-US LP Unit, Class Y LP Unit and Class Y-US LP Unit, as more fully described above under “Profit Allocation to the General Partner”. Distributions payable to the General Partner may differ from class to class. Such distributions will be deducted from the net asset value of such LP Unit (or, in the case of a redemption, from the redemption proceeds). The General Partner will not be required to repay any distributions if distributions received on a redemption of LP Units in a fiscal year exceed the Partnership’s net profits in that year.

Net profit of the Partnership allocated to the Limited Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets

of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner.

Redemptions of LP Units

A Limited Partner (which includes the Trust as a Limited Partner) is entitled to redeem some or all of such Limited Partner's LP Units on the last business day of each month or on such other date as the Partnership Investment Manager may permit (each, a "**Partnership Redemption Date**"), pursuant to written notice that must be received by the Partnership at least 25 days prior to the applicable Partnership Redemption Date.

The redemption price shall equal the net asset value per LP Unit of the applicable class and series of LP Units being redeemed (net of fees payable to the Partnership Investment Manager and any Profit Distribution ("Profit Distribution" is defined under "Profit Allocation to the General Partner") payable to the General Partner in respect of such LP Units on such date, as further described under "Partnership Management Agreement" and "Profit Allocation to the General Partner") determined as of the close of business on the relevant Partnership Redemption Date. The Investment Manager may deduct from such redemption proceeds the amount attributable to the disposition expenses (including brokerage fees and/or market spread) incurred to enable the Partnership to fund such redemption (the "**Partnership Redemption Deduction**", which for greater certainty, is the as the Redemption Deduction, without duplication). The amount of the Partnership Redemption Deduction shall be in the discretion of the Partnership Investment Manager and shall be retained by the Partnership.

Proceeds of redemption (less applicable fees and deductions as provided herein and provided in the Limited Partnership Agreement) shall be paid as soon as is practicable and in any event within 25 days following the relevant Partnership Redemption Date. If all of a Limited Partner's LP Units are to be redeemed, the Partnership Investment Manager may, in its sole discretion, hold back up to 5.00% of the net asset value of such LP Units pending completion of the Partnership's annual year-end audit. Any balance owing on redemption proceeds shall be paid out within 30 days of the completion of such audit.

The Partnership Investment Manager has the right to require a Limited Partner to redeem some or all of the LP Units owned by such Limited Partner on a Partnership Redemption Date at the net asset value per LP Unit thereof, by notice in writing to the Limited Partner given at least 14 days before the designated Partnership Redemption Date, which right may be exercised by the Partnership Investment Manager in its absolute discretion. If a Limited Partner requests a redemption of LP Units and, as a result of such redemption, the Limited Partner will hold LP Units having a value of \$25,000 or less, the Partnership Investment Manager intends to require the Limited Partner to redeem the balance of such Limited Partner's LP Units.

Expenses of the Partnership

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

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

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

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

Power of Attorney

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

Partnership Management Fee

The Limited Partnership Agreement provides that the Partnership shall pay to the Partnership Investment Manager an ongoing management fee calculated and payable as a percentage of the net asset value of the Partnership, or of any class of LP Units, as the General Partner and Partnership Investment Manager may agree. (Such fees are described above under “Partnership Management Agreement”). The Partnership Investment Manager must give to the Trust, and the Trust will provide Unitholder, not less than 60 days' notice of any proposed change to the method of calculation of such fee, if, as a result of such change, such fee will be paid more frequently or could result in increased fees being paid by the Partnership.

Liability

Subject to the provisions of the LP Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner. Where a Limited Partner has received the return of all or part of the Limited Partner's contributed capital, the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the contributed capital.

Furthermore, if after a distribution or redemption payment the General Partner determines that a Limited Partner was not entitled to all or some of such distribution or redemption payment, the Limited Partner shall be liable to the Partnership to return the portion improperly distributed or paid, together with interest at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers if repayment of such excess amount is not made by the Limited Partner within 15 days of receiving notice of such overpayment. The General Partner may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by a predecessor of such Limited Partner.

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

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

Fiscal Year

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

Term

The Partnership has no fixed term. Dissolution may only occur: (i) at any time on 30 days' written notice by the Partnership Investment Manager to each Limited Partner; or (ii) on the date which is 60 days following the removal of the General Partner, unless the Limited Partners agree by Ordinary Resolution (as defined in the Limited Partnership Agreement) to appoint a replacement General Partner for the Partnership.

Amendment

The General Partner may, without prior notice to or consent from any Limited Partner, amend the Limited Partnership Agreement: (i) to create additional classes of LP Units and set the terms thereof; (ii) to protect the interests of the Limited Partners, if necessary; (iii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner as a Limited Partner; (iv) to reflect any changes to any applicable legislation; or (v) in any other manner provided that such amendment does not and shall not adversely affect the interests of any existing Limited Partner as a Limited Partner in any manner.

The Limited Partnership Agreement may be amended at any time by: (i) the General Partner with the consent of the Limited Partners given by Special Resolution (as defined in the Limited Partnership Agreement), provided the Limited Partners are given not less than 30 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Limited Partner that is adversely affected by such amendment is given the opportunity to redeem all of such Limited Partner's LP Units prior to the effective date of such amendment (in such event the General Partner and Partnership Investment Manager shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for LP Units that are redeemed in the specified period); or (ii) the General Partners without the consent of the Limited Partners provided the Limited Partners are given not less than 60 days' written notice prior to the effective date of the amendment (together with a copy of the amendment and an explanation of the reasons for the amendment), and each Limited Partner is given the opportunity to redeem all of such Limited Partner's LP Units prior to the effective date of such amendment (in such event the General Partner and Partnership Investment Manager shall be deemed to have waived, to the extent necessary, any lock-up and notice periods, and to have waived any redemption deductions for Units that are redeemed in the specified period). For greater certainty, this includes any proposed change to this Limited Partnership Agreement, or any change to the terms applicable to class or series of LP Units as set out in the offering memorandum of the Partnership, that would materially adversely affect the interest of the Limited Partners as a whole and/or of a class or series of the Partnership, and any change to the fees payable by the Partnership to the Partnership Investment Manager or substitute investment fund manager which could result in an increase in the aggregate fees payable by the Partnership to the Partnership Investment Manager or substitute investment fund manager in respect of one or more classes or series of LP Units outstanding at that time.

Meeting of Limited Partners

A special meeting of the Limited Partners may be called at any time by the General Partner and shall be called by the General Partner upon written request of Limited Partners holding LP Units having an aggregate net asset value of not less than 30% of the net asset value of all outstanding LP Units. Any such request shall specify the purpose for which the meeting is to be held and any Ordinary Resolution or Special Resolution which Limited Partners may vote on pursuant to the Limited Partnership Agreement that are to be voted on at the meeting. Notice of meeting shall be given by the General Partner within 15 days of receipt of the request for same. Any meeting requested by such Limited Partners shall be conducted in accordance with the provisions of the Limited Partnership Agreement. The expenses incurred in calling and holding such meeting shall be for the Partnership. Special meetings shall be held in the City of Toronto, Ontario or in such other city as the General Partner may determine.

Notice of any meeting of the Limited Partners called by the General Partner shall be given to each Limited Partner entitled to vote at such meeting at his, her or its address shown in the register of the Partnership, to the General Partner and to the Partnership Investment Manager. Any such notice shall be mailed by prepaid mail at least 10 days and not more than 21 days prior to the meeting and shall state the time and place where such meeting is to be held. Accidental failure to give notice to a Limited Partner shall not invalidate a meeting, any adjournment thereof or any proceeding thereat. A quorum for a meeting of Limited Partners shall consist of Limited Partners present in person or represented by proxy holding in total LP Units having an aggregate net asset value of not less than 30% of the net asset value of outstanding LP Units entitled to be voted at such meeting. If a quorum is not present on the date for which the meeting is called within one-half hour of the time fixed for the holding of such meeting, the meeting shall be adjourned to be held on a date fixed by the chairman of the meeting, which date shall be not later than 14 days thereafter, at which adjourned meeting two or more Limited Partners entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum.

The Trustee and Investment Manager will not vote the LP Units held by the Trust, although the Trustee and Investment Manager will advise Unitholders of any meeting of the Partnership or Limited Partners, and may arrange for the LP Units held by the Trust to be voted by the beneficial owners of the Units of the Trust.

PRIME BROKER AND CUSTODY OF TRUST ASSETS

Prime Broker

The Partnership has appointed TD Securities Inc., CIBC World Markets Inc., and BMO Capital Markets as prime brokers and may appoint replacement prime brokers and/or additional prime brokers (collectively, the “**Prime Brokers**”) as prime broker(s) in respect of the Partnership’s portfolio transactions, and the Partnership may terminate or replace such Prime Brokers accordingly. Replacement and/or additional Prime Brokers may include firms incorporated or organized in the US as they expect to have broader and deeper product offerings and better economics and prices. The current and any future Prime Brokers, domestic or foreign, will be “qualified custodians” as defined under National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and/or satisfy the qualifications set out in section 6.2 (for assets held in Canada) or section 6.3 (for assets held outside Canada) of National Instrument 81-102 - *Investment Funds*, except that its audited financial statements may not have been made public. The Prime Brokers provides prime brokerage services to the Partnership under the terms of separate agreements (the “**Prime Broker Agreements**”) entered into between the Partnership and each Prime Broker. These services may include the provision to the Partnership of trade execution, settlement, reporting, securities financing, stock borrowing, stock lending, foreign exchange and banking facilities, and are provided solely at the discretion of the Prime Brokers. The Prime Brokers may utilise sub-custodians,

agents, nominees or clearing agents to assist it in providing such services. The Partnership may also utilise other brokers and dealers for the purposes of executing transactions for the Partnership. **As part of its prime brokerage function and in accordance with the terms of the Prime Broker Agreements, the Prime Brokers take all right, title and interest in the Partnership's assets held by it in respect of investments of the Partnership held on the books of the Prime Brokers.** Assets not required as margin on borrowings are required to be segregated (from each Prime Broker's own assets) under the rules of the Investment Industry Regulatory Organization of Canada (or equivalent in any applicable foreign jurisdiction), which regulate the Prime Brokers, but the Partnership's assets may be commingled with the assets of other clients of the Prime Brokers. Furthermore, the Partnership's cash and free credit balances on account with a Prime Broker are not segregated and may be used by a Prime Broker in the ordinary conduct of its business, and the Partnership is an unsecured creditor in respect of those assets. The Partnership may request delivery of any assets not required by a Prime Broker for margin or borrowing purposes.

The Partnership has agreed to indemnify the Prime Brokers for losses it may incur in acting in any capacity under the respective Prime Broker Agreement other than losses incurred as a result of the bad faith, wilful default, fraud or gross negligence of the person claiming indemnity. Neither the Prime Brokers nor any other brokers appointed have or will have investment discretion in relation to the Partnership and no responsibilities shall be taken by any of the brokers for any of the assets of the Partnership held by other brokers.

The Prime Brokerage Agreements may be effectively terminated at any time by either party subject to certain notice periods or events of default set out in each Prime Broker Agreement and the restriction on the ability of the Partnership to receive delivery of assets held by a Prime Broker as security against any margin or other borrowings.

Custody of Trust Assets

An entity that meets the qualifications of Section 6.2 of National Instrument 81-102 *Investment Funds*, except that its audited financial statements may not have been made public, will custody the assets of the Trust and may employ custodians, sub-custodians and the Prime Brokers as considered appropriate in the circumstances.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES

The following is a general summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an individual (other than a trust) who acquires Units as beneficial owner and who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length and is not affiliated with the Trust, and holds the Units as capital property (in this "Canadian Income Tax Considerations and Consequences" section, respectively, a "**Unitholder**").

The Units will generally be considered to be capital property to a Unitholder unless the Unitholder holds the Units in the course of carrying on a business of buying and selling securities, or acquires the Units in a transaction or transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold his or her Units as capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to have his or her Units and every other "Canadian security" (as defined in the Tax Act) owned by him or her in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Unitholders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

This summary does not apply to a Unitholder: (i) that is a “financial institution” subject to the mark-to-market rules; (ii) that is a “specified financial institution”; (iii) that is a partnership; (iv) an interest in which would be a “tax shelter investment”; (v) that has elected to determine its “Canadian tax results” in a foreign currency pursuant to the “functional currency” reporting rules; or (vi) that enters into a “derivative forward agreement” with respect to any Units, all within the meaning of the Tax Act.

This summary assumes that none of the Trust or Partnership is a “tax shelter” or “tax shelter investment”, each as defined in the Tax Act, and that interests in the Partnership that represent more than 50% of the fair market value of all interests therein are not held by “financial institutions” as defined for purposes of the “mark-to-market properties” rules in the Tax Act. However, no assurances can be given in this regard. The tax consequences would be materially and adversely different from those described below in the event that one or more of these assumptions are not accurate.

This summary is based on the facts set out in this Offering Memorandum, the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), and the Trust’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”). This summary also takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof but not withdrawn and assumes that they will be enacted substantially as proposed, although no assurance in this regard can be provided. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action (which may apply retroactively without notice and/or without “grandfathering” or other relief) and does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units having regard to their particular circumstances.

Status of the Trust

This summary assumes that the Trust will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. If the Trust does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the tax consequences would be materially and adversely different from those described below.

This summary further assumes that the Trust will at no time be a specified investment flow-through trust (“**SIFT trust**”) or subject to a “loss restriction event” within the meaning of the Tax Act.

Taxation of the Trust

The taxation year of the Trust will be the calendar year. The Trust will be subject to tax in each taxation year on its income for the year, including any net realized taxable capital gains. The Trust will be required to compute its income (or loss) in accordance with the provisions of the Tax Act for each taxation year as though it were an individual resident in Canada. In computing its income for tax purposes, the Trust will be required to include the net income of the Partnership (including net taxable capital gains) that is allocated to the Trust for the fiscal period of the Partnership ending in the Trust’s taxation year, except to the extent that such income was included in the Trust’s income for a preceding taxation year.

The Trust will generally be entitled to deduct the costs and expenses in connection with offering Units of the Trust, which have been paid by the Trust and not reimbursed at a rate of 20% per year, pro-rated where

the Trust's taxation year is less than 365 days. The Trust will also generally be entitled to deduct current administrative and other expenses that are incurred to earn income, to the extent that those expenses are reasonable in the circumstances and that no portion thereof can reasonably be considered to be paid on behalf of the Partnership.

To the extent that the Trust has any taxable income for a taxation year, the provisions of the Tax Act permit the Trust to deduct all amounts which are paid or become payable by it to Unitholders in the year. An amount will be considered to become payable by the Trust to a Unitholder in a taxation year if it is paid to the Unitholder in the year or if the Unitholder is entitled in the year to enforce payment of the amount.

The Trust Agreement provides that, in computing the Trust's income in each taxation year, sufficient amounts will be paid or payable as will be sufficient to ensure that the Trust will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Trust in respect of such year by reason of the capital gains refund (described below). In general, it is contemplated that the Trust will make one or more distributions in the form of additional Units ("**Reinvested Units**"). Income of the Trust payable to the Unitholders in the form of additional Units generally will be deductible to the Trust in computing its taxable income.

On a redemption of Units by a Unitholder, the Trust may satisfy the redemption price of the Units by distributing, *in specie*, property of the Trust to the redeeming Unitholder. The Trust will be considered to have disposed of its property for proceeds of disposition equal to the fair market value of such property. The Trust may realize a capital gain on the redemption of LP Units or the disposition of the Trust's property to a redeeming Unitholder, as the case may be, to the extent that the proceeds of disposition of the LP Units or the Trust's property exceed the adjusted cost base of such units or property to the Trust. The Declaration of Trust provides that where Unitholders request to have their Units redeemed by the Trust in particular year. The Trust Agreement provides that all or a portion of any capital gain or income of the Trust may, at the discretion of the Trustee, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as income or taxable capital gains) and will be deductible by the Trust in computing its income.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). In certain circumstances, as a result of redemptions of LP Units or the distribution of the Trust's property in connection with the redemption of Units, the capital gains refund for a particular taxation year may not completely offset the Trust's tax liability for such taxation year.

The adjusted cost base of the Partnership interest held by the Trust will be increased by the income of the Partnership that is allocated to the Trust, and will be reduced by all distributions of cash or other property made by the Partnership to the Trust. To the extent that the adjusted cost base of the Partnership interest held by Trust would otherwise be less than zero, the Trust will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the Trust's Partnership interest will be reset at nil.

Status of the Partnership

This summary assumes that the Partnership will qualify at all times as a "Canadian partnership" for the purposes of the Tax Act. A Canadian partnership is a partnership all of the members of which are resident in Canada. If the Partnership does not qualify or ceases to qualify as a Canadian partnership under the Tax Act, the tax consequences would be materially and adversely different from those described below.

As is the case with SIFT trusts, it is assumed that the Partnership will not be a specified investment flow-through partnership (“**SIFT partnership**”).

Taxation of the Partnership

The Partnership will not be liable for income tax but will be required to compute its income (or loss) in accordance with the provisions of the Tax Act for each of its fiscal periods as if it were a separate person resident in Canada and to allocate any income (or loss) and taxable capital gains (or allowable capital losses) of the Partnership for a particular fiscal period to each partner of the Partnership, including the Trust, to the extent of the partner’s share thereof. The profit (or loss) of the Partnership for accounting purposes may differ from the income (or loss) for income tax purposes. For this reason, distributions to a partner of the Partnership, including the Trust, on account of its share of profits from the Partnership may differ from income allocated to such partner for purposes of the Tax Act.

In computing the income of the Partnership for tax purposes, the Partnership will be entitled to deduct current administrative and other expenses incurred for the purpose of earning income, to the extent that those expenses are reasonable in the circumstances and that no portion thereof can reasonably be considered to be paid on behalf of the Trust.

If the Partnership incurs a loss for tax purposes, the Tax Act contains “at-risk” rules which may, in certain circumstances, restrict the deduction of a partner’s share of the loss of the Partnership to the partner’s “at-risk amount”. In general, the “at-risk amount” of a partner in respect of the Partnership, including the Trust, will be the adjusted cost base of the partner’s Partnership interest immediately before the end of the Partnership’s fiscal period, plus its share of any Partnership income for the fiscal period, less any amount owing by the partner to the Partnership or to persons who do not deal at arm’s length with the Partnership and any amount or benefit granted to reduce the impact, in whole or in part, of any loss the partner may sustain by virtue of being a member of the Partnership or of holding or disposing of its Partnership interest.

For purposes of the Tax Act, the Partnership is required to compute all amounts, including proceeds, cost of property and interest, in Canadian dollars. As a result, the amount of income or expenses may be affected by changes in the value of the U.S. dollar or other foreign currency relative to the Canadian dollar.

Taxation of Unitholders

Trust Distributions

In computing the income of a Unitholder for a taxation year, the Unitholder will generally be required to include, as income from property, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in the year, whether that amount is received in cash, Reinvested Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Trust, such portion of its net taxable capital gains, taxable dividends received or deemed to be received on shares of taxable Canadian corporations and foreign source income as is paid or payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholders for purposes of the Tax Act.

The non-taxable portion of any net realized capital gains of the Trust (being one half thereof) that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in a year will generally be treated as a distribution or payment of capital and should not be included in the

Unitholder's income for the year. An amount paid or payable to a Unitholder (other than as proceeds of disposition in respect of the redemption of Units) will reduce the adjusted cost base of the Units held by such Unitholder, except to the extent that the amount was included in the income of the Unitholder or was the Unitholder's share of the non-taxable portion of the net capital gains of the Trust (the taxable portion of which was designated by the Trust in respect of the Unitholder). To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of such Unit to the Unitholder will be reset at nil.

Disposition of Units

On the disposition or deemed disposition of Units by a Unitholder, whether on a redemption or otherwise, the Unitholder will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, less any reasonable costs of disposition and excluding any amount payable by the Trust which must be included in the Unitholder's income, exceed (or are exceeded by) the Unitholder's adjusted cost base of the Units.

The adjusted cost base of a Unit acquired will include the subscription price of the Unit, subject to certain adjustments under the Tax Act. Reinvested Units issued to a Unitholder will have a cost to the Unitholder equal to the amount of the Trust's income that is distributed by the issuance of such Units. For the purposes of determining the adjusted cost base of Units of a particular series held by a Unitholder, when additional Units of that series are acquired by the Unitholder (whether by way of purchase, receipt of Reinvested Units or otherwise), the adjusted cost base of the newly acquired Units of that series will be averaged with the adjusted cost base of all Units of the same series owned by the Unitholder as capital property immediately before that time. A new average adjusted cost base must be calculated in the same manner at the time of each subsequent purchase, receipt of Reinvested Units or other acquisition of Units of a particular series by a Unitholder.

Where Units are redeemed and the redemption price for the Units is satisfied by way of a distribution *in specie* to the Unitholder of the Trust's property, the proceeds of disposition to the Unitholder will generally be equal to the fair market value of the property so distributed. The cost of the property distributed *in specie* by the Trust to a Unitholder upon the redemption of Units will generally be equal to the fair market value of that property at the time of the distribution.

In computing a Unitholder's income for tax purposes, one half of the amount of any capital gain (and the amount of any net taxable capital gains designated by the Trust in respect of the Unitholder) (each a "**taxable capital gain**") will be included in income. Subject to and in accordance with the provisions of the Tax Act, one half of the amount of any capital loss realized by a Unitholder on the disposition of Units (an "**allowable capital loss**") may generally be deducted against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year to the extent and under the circumstances permitted by the Tax Act.

Alternative Minimum Tax

Taxable capital gains, resulting from either a disposition of Units by a Unitholder or the designation by the Trust of net taxable capital gains in respect of such Unitholder, may give rise to alternative minimum tax depending on the Unitholder's circumstances.

ELIGIBILITY FOR INVESTMENT

The Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“**RRSP**”), registered retirement income funds (“**RRIF**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSA**”), each as defined in the Tax Act (collectively, “**Registered Plans**”). However, if the Trust does not qualify or ceases to qualify as a mutual fund trust under the Tax Act at any particular time, the Units will not be qualified investments under the Tax Act for Registered Plans.

Property of the Trust received as a result of a redemption *in specie* of Units, may not be qualified investments for Registered Plans, and this may give rise to adverse consequences to a Registered Plan or the holder of or the annuitant under that plan. Accordingly, Registered Plans that own Units should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

Notwithstanding that the Units may be qualified investments for a TFSA, RRSP or RRIF, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Units held in the TFSA, RRSP or RRIF are a “prohibited investment” as defined in the Tax Act for the TFSA, RRSP or RRIF. The Units will generally not be a “prohibited investment” for trusts governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable: (a) deals at arm’s length with the Trust for the purposes of the Tax Act; and (b) does not have a “significant interest”, as defined in the Tax Act, in the Trust.

RISK FACTORS

Investment in Units involves certain risk factors, including risks associated with the Trust’s investment strategies. As a result of the Trust investing all, or substantially all, of its assets in LP Units of the Partnership, Unitholders are exposed to risks relating to the Partnership and the Partnership’s Portfolio. These risks and uncertainties are not the only ones that could affect the Trust, the Partnership or the Partnership’s Portfolio. The following risks should be carefully evaluated by prospective investors.

The following is a summary only of the risk factors involved in an investment in the Units, prospective investors should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Trust.

Risks Associated with an Investment in the Trust and Exposure to the Partnership

General Investment Risk

The Net Asset Value of the Trust will vary directly with the market value and return of the investment portfolio of LP Units held by the Trust which in turn will vary directly with the market value and return of the investment portfolio of the Partnership.

Liquidity, Marketability and Transferability of Units

An investment in the Trust provides limited liquidity. There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed pursuant to the Declaration of Trust, and, indirectly, are subject to restrictions imposed pursuant to the Limited Partnership Agreement, including consent by the Trustee and, indirectly, the General Partner, and applicable securities legislation. See “Transfer or Resale”. Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan. In certain circumstances, the Trustee may suspend redemption rights. See “Redemptions”. As a result, an investment in the Units is

suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Investment Risk

An investment in the Trust is not a guaranteed investment and is not without risk. An investment in the Trust is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Trust. Investors should review closely the investment objective and investment strategies to be utilized by the Trust and the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Trust and the Partnership.

Fluctuation in Value of the Portfolio Securities

The value of the Units of the Trust will vary according to the value of the LP Units it holds, and the value of the LP Units held by the Trust will vary according to the value of the securities held by the Partnership. The value of the securities held by the Partnership will be influenced by factors which are not within the control of the Partnership, the Partnership Investment Manager or the Investment Manager, including the financial performance of the respective issuers, operational risks relating to the specific business activities of the respective issuers, quality of assets owned by the respective issuers, interest rates, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, environmental risks, political risks, issues relating to government regulation, credit markets and other financial market conditions. The Trust and the Partnership will also be subject to the risks inherent in investments in debt securities, including the risk that the financial condition of the issuers in which the Partnership invests may become impaired or that the general condition of the stock markets may deteriorate. Debt securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

No Assurance in Achieving Investment Objective

While the Investment Manager and the Partnership Investment Manager believe that the Trust's and the Partnership's investment policies will be successful over the long term, there can be no guarantee against losses resulting from an investment in the Trust or the Trust's investment in the Partnership and there can be no assurance that the Partnership's investment approach will be successful or that its investment objective will be attained. There is no guarantee that an investment in Units will earn any positive return in the short or long term. Furthermore, nor is there any assurance that the Net Asset Value of the Trust will appreciate or be preserved.

Income

An investment in the Trust is not suitable for an investor seeking an income from such investment, as the Trust does not intend to distribute to its Unitholders income earned by it.

Reliance on Investment Manager and Partnership Investment Manager

The Trust will be, directly and indirectly, relying on the ability of the Investment Manager and the Partnership Investment Manager to actively manage the Trust and the Partnership, respectively. The Partnership Investment Manager will make the actual trading decisions upon which the success of the Partnership, and as a result, the success of the Trust, will depend significantly. No assurance can be given that the trading approaches utilized by the Partnership Investment Manager will prove successful. There can be no assurance that satisfactory replacements for the Partnership Investment Manager will be available,

if the Partnership Investment Manager ceases to act as such. Termination of the Partnership Investment Manager or the Investment Manager may expose investors to the risks involved in whatever new investment management arrangements can be made.

Dependence on Key Personnel of Investment Manager and Partnership Investment Manager

The Investment Manager and the Partnership Investment Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Trust's and the Partnership's activities. The loss of such individuals for any reason could impair the ability of the Investment Manager and the Partnership Investment Manager to perform its management activities on behalf of the Trust and the Partnership, respectively. In the event of the loss of the services of a key person of the Investment Manager or the Partnership Investment Manager, the business of the Trust and/or the Partnership may be adversely affected.

Nature of Units

The Units are neither fixed income nor equity securities. An investment in Units does not constitute an investment by Unitholders in LP Units of the Partnership or the securities included in the portfolio of the Partnership. Unitholders will not own the LP Units of the Partnership or the securities held by the Partnership by virtue of owning units of the Trust. Units are dissimilar to debt instruments in that there is no principle amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example the right to bring "oppression" or "derivative" actions.

Changes in Investment Strategy and/or Trading Approach

The Investment Manager and/or the Partnership Investment Manager may, respectively, alter the Trust's or the Partnership's investment strategy, investment techniques or restrictions, without prior approval by, or notice to, the Unitholders or Limited Partners (which includes the Trust) if the Investment Manager and/or the General Partner and the Partnership Investment Manager, as the case may be, determine that such change is in the best interest of the Trust or the Partnership, respectively.

Unitholder not Entitled to Participate in Management

Unitholders are not entitled to participate in the management or control of the Trust or its operations. Unitholders do not have any input into the Trust's or the Partnership's trading. The success or failure of the Trust will ultimately depend on the indirect investment in LP Units of the Trust, which in turn will depend on indirect investment in the assets of the Partnership managed by the Partnership Investment Manager, with which Unitholders will not have any direct dealings.

Funding Deficiencies

No Unitholder shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership to the Trust (as a Limited Partner), the Partnership's capital is reduced and the Partnership is unable to pay its debts as they become due, the Trust (as a Limited Partner) may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, the Trust (as a Limited Partner) may lose its entire investment in the Partnership. If any of the foregoing were to occur, the investment of Unitholders of the Trust would be adversely impacted.

Tax Liability

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

Tax Related Risks

There can be no assurance that income tax laws and the treatment of "mutual fund trusts" will not be changed in a manner which adversely affects the Trust or the Unitholders.

If the Trust fails or ceases to qualify as a mutual fund trust for the purposes of the Tax Act, the tax consequences described under "Canadian Income Tax Considerations and Consequences" and "Eligibility for Investment" would in some respects be materially and adversely different and, amongst other things, the Units may not or may cease to be qualified investments for registered plans.

If investments in the Trust become publicly listed or traded for the purposes of the Tax Act, there can be no assurances that the Trust will not be subject to SIFT trust at that time. If the Trust were a SIFT Trust and therefore subject to laws impacting a SIFT trust, to the extent that it earns "non-portfolio earnings," as defined in the Tax Act, its fair market value could be reduced and the tax consequences to the Trust and its Unitholders could be materially different.

The Units Are Not Insured and Insurance Risk

The Trust is not a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund.

The assets of the Trust are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (US) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (US) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Trust may be unable to recover all of its funds or the value of its securities so deposited.

Class Risk

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

Not a Public Mutual Fund

Neither the Trust nor the Partnership is subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Trust's or the Partnership's portfolio.

Custody Risk and Broker or Dealer Insolvency

Neither the Trust nor the Partnership controls the custodianship of all of its securities. The Trust's and the Partnership's assets will be held in one or more accounts maintained for the Trust and the Partnership, as applicable, by its prime broker, custody provider (in the case of the Trust) or at other brokers. Special risks exist where the assets of the Trust or the Partnership, are held by a prime broker rather than through a conventional custodial arrangement with a bank or trust company. Due to the use of leverage and the presence of short positions, some or all of the assets of the Trust and/or the Partnership may be held in one or more margin accounts which may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Trust or the Partnership and their assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in the loss of all or a substantial portion of the Trust's and the Partnership's assets held by or through such prime broker and/or the delay in the payment of withdrawal proceeds. In the event that the prime broker experiences severe financial difficulty, the assets of the Trust and the Partnership could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the prime broker's business is liquidated, resulting in a potential loss to the Trust's and the Partnership's investment due to adverse market movements while the positions cannot be traded. Furthermore, if the prime broker's pool of customer assets is determined to be insufficient to meet all claims, the Trust and the Partnership could suffer a loss of some or all of the assets held by the prime broker.

Trading Errors

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

Potential Indemnification Obligations

Under certain circumstances, the Trust and/or the Partnership might be subject to indemnification obligations in favour of the Trustee or the General Partner, respectively, and in favor of the Investment Manager or the Partnership Investment Manager and other service providers to the Trust or the Partnership or certain persons related to them in accordance with the respective agreement between the Trust, the Partnership and each such service provider. Neither the Trust nor the Partnership will carry any insurance

to cover such potential obligations and, to the Investment Manager's and the Partnership Investment Manager's knowledge, none of the foregoing parties will be insured for losses for which the Trust or the Partnership has agreed to indemnify them. Any indemnification paid by the Trust or the Partnership would reduce the Trust's Net Asset Value and the Partnership's net asset value, as the case may be.

Valuation of the Trust's and the Partnership's Investments

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

The Partnership generally will invest in over-the-counter securities and derivatives, which are less liquid than exchange-traded instruments. As such, the Partnership may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the net asset value per LP Unit of each class, and as a result, the Net Asset Value per Unit, may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder (or the Trust as a Limited Partner) who redeems all or part of his or her Units (or LP Units) while the Partnership holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Partnership in respect of a redemption. In addition, there is risk that an investment in the Trust by a new investor (or an additional investment by an existing Unitholder) could dilute the value of such investments for the other Unitholders if the actual value of such investments is higher than the value designated by the Partnership. Further, there is a risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Partnership Investment Manager. If there is an overpayment, the Unitholder is responsible to return the excess funds.

The valuation of Trust assets for the purpose of determining subscription and redemption prices of Units and the calculation of applicable fees, may not be in accordance with IFRS but will generally be in accordance with industry practice.

Possible Effect of Redemptions

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

Charges to the Trust and the Partnership

The Trust (directly and indirectly) and the Partnership (directly) is obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Trust or

the Partnership realizes profits which may have an adverse effect on the Net Asset Value of the Units and the net asset value of the LP Units.

Potential Conflicts of Interest – Trade Execution.

The business of the Investment Manager and the Partnership Investment Manager is the trading of accounts for its clients. The orders of the Trust and the Partnership will be executed in competition with the other accounts managed by the Investment Manager and the Partnership Investment Manager. The Investment Manager and the Partnership Investment Manager generally trade all accounts under management in a parallel fashion, where lots and prices are distributed proportionally, according to equity. Using this method of allocation and executions, no account or accounts can be traded “in front of” or have positions opposite of the other accounts under management. Since the Investment Manager and the Partnership Investment Manager may manage common interests for accounts on different financial terms, there may be an incentive to favour certain accounts over others. However, it is generally the policy and practice of the Investment Manager and the Partnership Investment Manager never to favour any account over another. Clients should be aware however, that the Investment Manager and the Partnership Investment Manager may trade accounts differently based on the dictates of the individual clients. For example, a client may request the Investment Manager or the Partnership Investment Manager to exclude a designated market in trading for the account. As a result client portfolios with similar mandates may not have identical portfolios.

Potential Conflicts of Interest – The Investment Manager / Partnership Investment Manager

Although none of the directors or officers of the Investment Manager, the Trustee, the Partnership Investment Manager or General Partner will devote all of his or her full time to the business and affairs of the Trust or the Partnership, respectively, each will devote as much time as is necessary to supervise the management of, to manage or to advise on the business and affairs of, the Trust and the Partnership. See “Management Agreement” and “Limited Partnership Agreement of the Partnership”.

The Investment Manager and the Partnership Investment Manager and their respective shareholder, directors, and officers and affiliates may from time to time invest in securities that the Trust and/or the Partnership is also invested in. This may include investments that rank senior or subordinated to the Trust’s or the Partnership’s investments. The same group may also invest in securities once the Trust or the Partnership has declined to invest for whatever reason.

No Involvement of Unaffiliated Selling Agent

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

Possible Effect of General Partner Distributions

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

Lack of Independent Experts Representing Unitholders / Limited Partners

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

Possible Negative Impact of Regulation of Hedge Funds

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

Certain US Taxation Risk

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

Enforcement of Legal Rights

The Investment Manager, the Trustee, the Trust, the Partnership Investment Manager, the General Partner and the Partnership, as well as the Investment Manager's, the Partnership Investment Manager's and General Partner's directors and officers, are located in Ontario. All or a substantial portion of the assets of the Investment Manager, the Trustee, the Trust, the Partnership Investment Manager, the General Partner and the Partnership are located in Ontario. As a result, a purchaser of Units may have to commence a legal action in Ontario in order to enforce any legal rights they may have against any of them in the event that such rights cannot be enforced in the purchaser's own province or jurisdiction.

Risks Associated with the Trust's Indirect Exposure to the Partnership's Underlying Investments

Investment and Trading Risks in General

All trades made by the Partnership Investment Manager risk the loss of capital. The Partnership Investment Manager may utilize trading techniques or instruments, which can, in certain circumstances, maximize the adverse impact to which a client's account may be subject. No guarantee or representation is made that the Partnership's investment program will be successful, and investment results may vary substantially over time. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Partnership's portfolio and performance, which in turn would adversely affect the Trust's performance.

General Economic and Market Conditions

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

Market Risk

The value of those securities in which the Partnership invests and that are traded on exchanges or over-the-counter markets and the risks associated therewith vary in response to events that affect such markets and that are beyond the control of the Partnership or the Partnership Investment Manager. There is no guarantee that securities exchanges and markets can at all times provide continuously liquid markets in which the Partnership can close out its positions in those securities that are publicly traded, in particular because the Partnership may invest in securities that are thinly traded or traded infrequently. The Partnership could experience delays and may be unable to sell securities purchased through a broker or clearing member that has become insolvent. In that event, positions could also be closed out fully or partially without the Partnership's consent.

Securities Believed to be Undervalued or Incorrectly Valued Risk

Securities which the Partnership Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Partnership Investment Manager anticipates. As a result, the Partnership (and by implication, the Trust) may suffer negative financial consequences in respect of any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Partnership's investment in any instrument and some obligations and preferred stock in which the Partnership invests may be less than investment grade.

Liquidity of Underlying Investments

Some of the securities in which the Partnership intends to invest may be thinly traded. There are no restrictions on the investment of Partnership assets in illiquid securities. It is possible that the Partnership may not be able to sell or repurchase significant portions of such positions without facing adverse prices. If the Partnership is required to transact in such securities before its intended investment horizon, the performance of the Partnership (and the Trust) could suffer.

Availability of Investment Strategies

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

Fixed Income Securities

The Partnership may invest in bonds or other fixed income securities of global issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the federal, state or provincial governments or a governmental agency; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Partnership invests will change in response to fluctuations in interest rates. In addition, the value of certain

fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Partnership may suffer a loss at the time of sale of such securities.

Interest Rate Fluctuations Risk

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

Interest Rate Risk

It is the intention of the Partnership Investment Manager to hedge the majority of term interest rate risk through the use of short government positions and/or interest rate swaps. Hedging relationships can break down for large moves in underlying rates, and may require regular re-balancing. To the extent that the Partnership Investment Manager elects not to, or is unable to completely hedge interest rate risk, the Partnership (and the Trust) may be adversely impacted by movements in interest rate risk.

Low Rated or Unrated Debt Obligations Risk

A portion of the Partnership's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher grade issuers, but typically involve greater risk.

Portfolio Turnover

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

General Derivatives Risk

The Partnership may use derivative financial instruments, including, without limitation, credit default swaps, options, futures, forwards, interest rate swaps, and cross-currency swaps and may use derivative techniques for hedging and for trading purposes, including for the purpose of obtaining the economic benefit of an investment in an entity without making a direct investment. The risks posed by such instruments and techniques, which can be extremely complex, include: (i) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (ii) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (iii) documentation risk (exposure to losses resulting from inadequate documentation); (iv) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative or a cease trade order being issued in respect of the underlying security); (v) investment risk arising from the disappearance of any

conversion premium due to premature redemptions, changes in conversion terms or changes in issuer's dividend policy; and (vi) lack of liquidity during market panics.

Although a derivative hedge reduces risk, it does not eliminate risk entirely. Use of derivatives for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited.

Use of Options Risk

It is the intention of the Partnership to use options selectively as a return enhancement and portfolio hedging tool. In certain circumstances, the Partnership may elect to buy (purchase) and/or sell (write) options, both covered and uncovered, as a part of its overall investment strategy. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. The Partnership may purchase and write exchange-traded put and call options on debt and equity securities and indices (both narrow-and-broad-based), national securities exchange-traded put and call options on currencies and options on commodities and futures contracts. Put and call options are derivative securities traded on exchanges, including the NYSE Amex Equities, Chicago Board Options Exchange, NASDAQ OMX PHLX, TMX Exchange and New York Stock Exchange. Additionally, the Partnership may purchase dealer options that are not traded on a securities exchange and options which trade on foreign exchanges. A put option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities or currencies to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date. A call option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities or currencies on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date. The ability of the Partnership to close out a position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Call options may be purchased for speculative purposes or to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that the Partnership intends to purchase. Similarly, put options may be purchased for speculative purposes or to hedge against a decrease in the market generally or in the price of securities or other investments. Buying options may reduce the Partnership's returns, but by no more than the amount of the premiums paid for the options. The Partnership may also write (sell) listed and unlisted covered options. Call options written give the holder the right to buy the underlying securities at a stated exercise price; put options give the holder the right to sell the underlying security. A call option is covered if the owner owns the security underlying the call or has an absolute and immediate right to acquire that security without additional cash consideration upon conversion or exchange of securities currently held. With a call option that is uncovered or not covered, the owner does not own the underlying security or have the right to acquire the underlying security. Writing an uncovered call option generally involves great risks to the writer. A put option is covered if the owner maintains cash or cash equivalents equal to the exercise price in a segregated amount. Whereas, with a put option that is uncovered or not covered, the owner does not maintain a cash position equal to the exercise price in a segregated amount. Writing an uncovered put option generally involves great risks to the writer. If a written option expires unexercised, a gain is realized equal to the premium received at the time the option was written. If a purchased option expires unexercised, a capital loss is realized equal to the premium paid. Prior

to the earlier of exercise or expiration, an option written may be closed out by an offsetting purchase or sale of an option. The Partnership will realize a gain from a closing purchase transaction if the cost of the closing transaction is less than the premium received from writing the option; if it is more, the Partnership will realize a capital loss. If the premium received from a closing sale transaction is more than the premium paid to purchase the option, the Partnership will realize a gain; if it is less, the Partnership will realize a loss. The Partnership may also employ certain combinations of put and call options. A “straddle” involves the purchase of or writing a put and call option on the same security with the same exercise prices and expiration dates. A “strangle” involves the purchase of or writing a put option and a call option on the same security with the same expiration dates but different exercise prices. A “spread” involves the sale of an option and the purchase of the same type of option (put or call) on the same security with the same or different expiration dates and different exercise prices. The Partnership may, at the same time it employs certain combination of options, also have a position in the underlying security, and a holding of segregated collateral as part of its “coverage” of short options. Thus, the Partnership’s entire position related to a particular security or index may be complex.

International Securities Risk

The Partnership may invest a portion of its assets in securities of issuers domiciled or operating in one or more foreign countries or in securities issued by international governments or international governmental agency. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in Canada, including instability of some international governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in Canada or abroad) or changed circumstances in dealings between nations. The application of international tax laws (for example, the imposition of withholding taxes on dividends, interest payments or capital gains) or confiscatory taxation may also affect investments in international securities. Higher expenses may result from investments in international securities than would be the case for investments in US securities because of costs incurred in connection with conversions between various currencies and higher international brokerage commissions. International securities markets also may be less liquid, more volatile and less subject to governmental supervision than in Canada. Investments in international countries could be affected by other factors not present in Canada, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Futures Trading Risk

Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as changing supply and demand relationships, government trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events and speculative frenzy and the emotions of the marketplace. In addition, governments from time to time intervene in certain markets, particularly currency and interest-rate markets. The low margin deposits normally required in futures trading permit an extremely high degree of leverage; margin requirements for futures trading being in some cases as little as 2% of the face value of the contracts traded. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the investor. Most US commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased to the limit point, positions can be neither taken nor liquidated. The Commodity Futures Trading Commission and the US commodities exchanges have established limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on US commodity exchanges. All accounts owned or managed by an individual investment advisor

will be combined for speculative position limit purposes. The Partnership could be required to liquidate positions it holds in order to comply with such limits.

Margin Trading Risk; Short Sales Risk

The Partnership may engage in short sales, hedging, option trading, leverage and other strategies from time to time. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that may be required to be paid with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to limit or reduce the potential for profit. Trading on margin and other leveraging strategies can increase the profit potential of a securities portfolio, but can also increase the risk of loss. Such strategies should be expected to increase transaction costs, interest expense and other costs and expenses. In addition, margin trading requires the pledge of securities as collateral, and margin calls can result in the Partnership being required to pledge additional collateral or to liquidate securities holdings, which can result in the necessity for selling portfolio securities at substantial losses that would not otherwise be realized. No assurance can be given that short sales, hedging, leverage and other techniques and strategies will not result in material losses for the Partnership.

Hedging

Various hedging techniques may be used in an attempt to reduce certain risks, including but not limited to currency risks associated with investments denominated in foreign currencies. Although a hedge is intended to reduce risk, it does not eliminate risk entirely. A hedging strategy may not be effective. For example, hedging in options may reduce the risks of both short-selling and taking long positions in certain transactions. Recalculations and adjustments to specific position hedges will be performed as market conditions warrant. However, such position hedges entail risks of their own. Unanticipated changes in currency exchange rates may result in an overall poorer performance than if currency risks had not been hedged. If market conditions are analyzed incorrectly or a risk reduction strategy is employed that does not correlate well with the Partnership's investments, risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. Furthermore, a hedge can result in a loss in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) a cease trade order being issued in respect of the underlying security; (ii) the inability to maintain a short position due to the repurchase or redemption of shares by the issuing company; (iii) disappearance of any conversion premium due to premature redemptions, changes in conversion terms or changes in an issuer's dividend policy; (iv) credit quality considerations, such as bond defaults; and (v) lack of liquidity during market panics.

Leverage

The Partnership may use financial leverage by borrowing funds against the assets of the Partnership. Leverage increases both the possibilities for profit and the risk of loss for the Partnership. As all, or substantially all, of the assets of the Trust will be invested in LP Units, the Trust will be indirectly exposed to the leverage utilized by the Partnership. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. The combination of these two factors can result in leveraged strategies being required to sell positions typically at highly disadvantageous prices in order to meet margin requirements, contributing to a general decline in a wide range of different

securities. Illiquidity can be particularly damaging to leveraged strategies because of the essentially discretionary ability of dealers to raise margin requirements, requiring leveraged strategies to attempt to sell positions to comply with such requirements at a time when there are effectively no buyers in the market at all or at any but highly distressed prices. These market conditions have in the past resulted in major losses to a substantial number of private investment funds. Such conditions, although unpredictable, can be expected to recur. As a Limited Partner, the Trust (and indirectly the Unitholders) will be solely reliant upon the ability and experience of the Partnership Investment Manager to limit losses to the Partnership (and indirectly the Trust).

Credit Risk

The investments in fixed income securities will expose the Partnership, and indirectly the Trust, to the credit risk of the underlying issuers including risk of default on interest and principal and the risk that the credit ratings of such issuers may be downgraded in certain circumstances. Real or anticipated changes in the credit ratings on securities held in the Partnership may affect the market value of such bonds.

Counterparty and Settlement Risk

Although the counterparties with which the Partnership effect transactions are primarily regulated entities and are subject to independent credit evaluation and regulatory oversight, a large majority of the markets in which the Partnership 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 Partnership (and indirectly the Trust) to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Partnership (and indirectly the Trust) to suffer a loss. The Partnership (and indirectly the Trust) bears the risk of loss of the amount expected to be received under options, swaps, forward contracts or securities lending agreements in the event of bankruptcy of a counterparty to contracts or agreements.

In addition, in the case of a default, the Partnership (and indirectly the Trust) could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Partnership has concentrated its transactions with a single or small group of counterparties. The Partnership is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Neither the Partnership nor the Partnership Investment Manager has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Partnership to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Partnership (and indirectly the Trust).

Currency and Exchange Rate Risks

Investments denominated in a foreign currency generally involve additional risks to those in Canadian currency. It is the intention of the Partnership Investment Manager to include foreign currency instruments in its investment strategy. While the Partnership Investment Manager will endeavour to hedge the majority of foreign currency risk to Canadian Dollars, it will be impractical to do so in its entirety, and unexpected gains or losses in foreign currency positions will be unhedged. Thus, changes in currency exchange rates may affect the value of the Partnership (and indirectly the Trust). The Partnership’s cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Partnership will be denominated in non-Canadian currencies. The Partnership nevertheless will compute and distribute

its income in Canadian dollars. Thus changes in currency exchange rates may affect the value of the Partnership's (and indirectly the Trust's) portfolio and the unrealized appreciation or depreciation of investments. Further, the Partnership (and indirectly the Trust) may incur costs in connection with conversions between various currencies.

Currency Hedging of USD Classes

Investors who purchase the Series A-US Units, Series A-US Distribution Units, Series F-US Units, Series X-US Units, Series Y-US, Series I-US Units and Series E-US Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate. To offset this currency exposure, the Investment Manager's and the Partnership Investment Manager's objective is to hedge the Canadian dollar value of the portfolio attributable to Series A-US Units, Series A-US Distribution Units, Series F-US Units, Series F-US Distribution Series, Series X-US Units, Series Y-US, Series I-US Units and Series E-US Units and/or the Class F-US LP Units, Class X-US LP Units, Class Y-US LP Units, Class I-US LP Units and Class E-US LP Units back to the U.S. dollar. If the Investment Manager is successful, the returns of the Series A-US Units, Series A-US Distribution Units, Series F-US Units, Series F-US Distribution Units, Series X-US Units, Series Y-US, Series I-US Units and Series E-US Units will be similar to the returns of the Series A Units, Series A Distribution Units, Series F Units, Series F Distribution Units, Series X Units and Series Y Units, Series I Units and Series E Units, respectively. Several factors may result in the returns not being equal, including, but not limited to, any expenses incurred by the Trust or the Partnership in hedging the currency exposure and the timing of an investor's investment relative to when, and if, the Investment Manager or the Partnership Investment Manager is able to hedge the currency exposure. Therefore, there is no guarantee that the Investment Manager or the Partnership Investment Manager will be successful in hedging this currency exposure.

Equity Securities

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

Earnings Surprise Risk

There can be no assurance that the investments will report earnings in the manner expected. The Partnership may hold securities of issuers that disappointment earnings resulting in a decline of security prices, and the Partnership may be short securities of issuers that exceed earnings resulting in an increase of security prices, in both cases producing losses.

Foreign Obligations

Investments in obligations of foreign entities and instruments denominated in foreign currencies involve risks not normally associated with domestic investment such as currency fluctuations, investment controls and political events.

Concentration

To the extent that the Partnership takes concentrated positions, there is less diversification and therefore greater risk of loss to the Partnership from any one position.

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

CONFLICTS OF INTEREST

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

In this case, because: (i) Algonquin Capital is the Investment Manager, the Trustee and the Partnership Investment Manager; (ii) the Trust may be, from time to time, an influential securityholder of the Partnership; (iii) Algonquin Capital is an affiliate of the General Partner; and (iv) the Partnership Investment Manager earns fees from the ongoing management of the Partnership's investment portfolio, the Trust and the Partnership, as the case may be, are considered a related issuer and/or a connected issuer of Algonquin Capital (the Investment Manager, the Trustee and Partnership Investment Manager). Details of this relationship and the fees earned by the Partnership Investment Manager are fully disclosed elsewhere in this Offering Memorandum. Also, the Investment Manager and the Partnership Investment Manager may manage other pooled investment vehicles as well as certain separately managed accounts, creating potential conflicts as between each of the funds and managed accounts.

STATEMENT OF POLICIES

As Investment Manager, the Investment Manager may occasionally face conflicts between its own interests and those of its clients, or between the interests of one client and the interests of another. The Investment Manager has adopted certain policies to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will the Investment Manager put its own interests ahead of those of its clients.

Fairness Policy

As an adviser in the category of portfolio manager, the Investment Manager and its employees conduct themselves with integrity and honesty and act in an ethical manner in all of their dealings with its clients, including the Trust.

The Investment Manager does not knowingly participate or assist in the violation of any statute or regulation governing securities and investment matters.

The responsible persons exercise reasonable supervision over subordinate employees subject to their control to prevent any violation by such persons of applicable statutes or regulations.

The Investment Manager exercises diligence and thoroughness on taking an investment action on behalf of the Trust as it does with all of its clients and the Investment Manager has a reasonable and adequate basis for such actions, supported by appropriate research and investigations.

Before initiating an investment transaction for the Trust, the Investment Manager will consider its appropriateness and suitability. The Investment Manager will manage the Trust's account within the guidelines set out herein.

The Investment Manager ensures that each client account is supervised separately and distinctly from other clients' accounts. The Investment Manager owes a duty to each client and, therefore, the Investment Manager has an obligation to treat each client fairly.

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

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

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

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

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

Transactions for clients have priority over personal transactions so that the Investment Manager's and its employees' personal transactions do not act adversely to the Trust's interests.

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

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

Soft Dollar Arrangements

The negotiation of commissions on brokerage transactions executed on behalf of the Investment Manager of a portfolio or fund is governed by the general obligation of the Investment Manager to act in the best interest of its clients (including the beneficiaries of the funds managed by the Investment Manager).

In selecting brokers to carry out portfolio trades on behalf of clients, the Investment Manager may select brokers who have agreed to provide services at no cost to the Investment Manager. These services are limited to order execution services and investment decision-making services. These arrangements are known as soft dollar arrangements and are intended to reduce some of the Investment Manager's administrative costs. These savings are generally indirectly shared by all of the Investment Manager's clients. The Investment Manager strives to ensure that, overall, its clients are treated equally in this regard, and will never enter into a soft dollar arrangement which will knowingly prejudice one client to the benefit of another.

All soft dollar agreements are documented and are conducted in accordance with applicable law.

Personal Trading

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

Referral Arrangements

The Investment Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Investment Manager or to one of the funds it manages. No such payments will be made unless the referred investors are first advised of the arrangement and all applicable securities laws are complied with.

Related and Connected Issuers

In Ontario, the Investment Manager is an exempt market dealer, an investment fund manager and an adviser in the category of portfolio manager. As a result, potential conflicts of interest could arise in connection with the Investment Manager acting in all of these capacities. As an exempt market dealer, the Investment Manager intends only to sell interests in related trusts, limited partnerships and other pooled funds organized by the Investment Manager. Accordingly, there is no opportunity for a potential conflict to arise as there would be if, for example, the Investment Manager also sold or sought investors for, securities of unrelated issuers.

The Investment Manager may from time to time be deemed to be related or connected to one or more issuers for purposes of the disclosure and other rules of the securities laws referred to above, including the one to which this Offering Memorandum relates. In fact: (i) Algonquin Capital is the Investment Manager, the Trustee and the Partnership Investment Manager; (ii) the Trust may be, from time to time, an influential securityholder of the Partnership; (iii) Algonquin Capital is an affiliate of the General Partner; and (iv) the Partnership Investment Manager earns fees from the ongoing management of the Partnership's investment portfolio, the Trust and the Partnership, as the case may be, are considered a related issuer and/or a connected issuer of Algonquin Capital (the Investment Manager, the Trustee and Partnership Investment Manager). The Investment Manager is prepared to act as an adviser and as a dealer in the ordinary course of its business to and in respect of securities of any such related or connected issuer. In any such case, these services shall be carried out by the Investment Manager in the ordinary course of its business as an adviser and a dealer in accordance with its usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

The Investment Manager acts as the investment fund manager and portfolio manager of the Trust, but does not earn fees for managing the Trust. The Investment Manager acts as an exempt market dealer in connection with the marketing and sale of Units of the Trust. However, no commissions are paid to the Investment Manager in connection with the sale of such Units. Brian D'Costa, Gregory Jeffs and Raj Tandon are officers, directors and, directly or indirectly, majority shareholder of the Investment Manager (the remaining shareholders of the Investment Manager are employees of the Investment Manager or the spouses of the foregoing persons).

The Partnership Investment Manager acts as the investment fund manager and portfolio manager of the Partnership and earns fees for managing the Partnership. The Partnership Investment Manager acts as an exempt market dealer in connection with the marketing and sale of LP Units of the Partnership. However, no commissions are paid to the Partnership Investment Manager in connection with the sale of such LP Units. The General Partner is an affiliate of the Partnership Investment Manager (and the Investment Manager) and receives distributions of profits from the Partnership. Brian D'Costa, Gregory Jeffs and Raj Tandon are officers, directors and, directly or indirectly, the majority shareholders of the General Partner and are also officers, directors and, directly or indirectly, majority shareholder of the Partnership Investment Manager (the remaining shareholders of the General Partner and the Partnership Investment Manager are employees of the Partnership Investment Manager or the spouses of the foregoing persons).

US & INTERNATIONAL TAX REPORTING

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-US Tax Convention entered into between Canada and the US (the "IGA"), and related Canadian legislation, the Trust and the Investment Manager are required to report certain information with respect to Unitholders who are US residents, US citizens (including US citizens who are residents or citizens of Canada), certain other "US Persons" as defined under the IGA and certain non-US entities, to the CRA. The CRA will then exchange the information with the US Internal Revenue Service pursuant to the provisions of the Canada-US Income Tax Treaty.

In addition, starting in 2017, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "CRS"), it is expected that the Trust will be required under Canadian legislation to identify and, beginning in 2018, to report to the CRA certain information (including residency details and financial information such as account balances) relating to securityholders who are resident in a CRS participating country other than Canada.

PROCEEDS OF CRIME (ANTI-MONEY LAUNDERING) LEGISLATION

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

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

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION AND RESCISSION

Cooling-off Period

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

Statutory Rights of Action for Damages or Rescission

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

For the purposes of this section, "**Misrepresentation**" means: (a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of the securities (a "**Material Fact**"); or (b) an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

In some provinces in Canada, a purchaser may have a statutory right of action which is described below. In certain provinces, no statutory rights exist but a contractual right of action is offered where the Trust is required to do so by securities legislation or where the Trust has determined to do so on a voluntary basis. Any statutory rights of action for damages or rescission described below are in addition to, and without derogation from, any other right or remedy available at law to the purchaser and are subject to the defences contained in those laws. These rights must be exercised by the purchaser within the time limits set out below.

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

Rights for Purchasers in Ontario

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

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

Securities legislation in Ontario provides a number of limitations and defences, including:

- (i) the Trust shall not be held liable pursuant to either right of action if the Trust proves the purchaser purchased the Units with knowledge of the Misrepresentation;
- (ii) in an action for damages, the Trust is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the purchaser as a result of the Misrepresentation relied upon;
- (iii) the Trust will not be liable for a Misrepresentation in forward-looking information if the Trust proves that:
 - (a) this Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;
 - (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (c) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (iv) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Units acquired.

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

- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (iii) a Schedule III bank;
- (iv) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (v) a subsidiary of any person referred to in paragraphs (i) to (iv) above, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights for Purchasers in Saskatchewan

If this Offering Memorandum together with any amendment hereto or advertising or sales literature used in connection therewith delivered to a purchaser of Units resident in Saskatchewan contains a Misrepresentation, the purchaser has, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Trust, every director or promoter of the Trust, and every person who or company that sells the Units on behalf of the Trust under this Offering Memorandum or amendment thereto, or, alternatively, a purchaser may elect to exercise a right of rescission against the Trust, provided that among other limitations:

- (i) no person or company is liable, nor does a right of rescission exist, where the person or issuer proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (ii) in an action for damages, no person or company 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 on;
- (iii) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser; and
- (iv) 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 acceptance of the purchaser’s Subscription Agreement by the Investment Manager; or
 - (b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the acceptance of the purchaser’s Subscription Agreement by the Investment Manager.

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

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

These rights are subject to more defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Rights for Purchasers in Manitoba

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

- (i) the Trust will not be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (ii) in the case of an action for damages, the Trust will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
- (iii) other than with respect to the Trust, no person or company is liable if the person or company proves:
 - (a) that this 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 Trust that it was sent without the person's or company's knowledge and consent;
- (iv) other than with respect to the Trust, no person or company is liable if the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Trust of the withdrawal and the reason for it;

- (v) other than with respect to the Trust, no person or company is liable with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:
 - (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;
- (vi) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser; and
- (vii) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (a) in the case of an action for rescission, 180 days after the date of purchase of the Units; or
 - (b) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the Misrepresentation, and (B) two years after the date of purchase of the Units.

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

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

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

Rights for Purchasers in Québec

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser of Units resident in Québec contains a Misrepresentation, the purchaser will have (i) a right of action for damages against the Trust, every person acting in a capacity with respect to the Trust which is similar to that of a director or officer of a company and the dealer (if any) under contract to the Trust, or (ii) a right of action against the Trust for rescission of the purchase contract or revision of the price at which Units were sold to the purchaser.

No person or company will be liable if it proves that:

- (i) the purchaser purchased the Units with knowledge of the Misrepresentation; or
- (ii) in an action for damages, that it acted prudently and diligently (except in an action brought against the Trust).

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

- (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
- (ii) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

No action may be commenced to enforce such a right of action:

- (i) for rescission or revision of price more than three years after the date of the purchase; or
- (ii) for damages later than the earlier of:
 - (a) three years after the purchaser first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the purchaser; or
 - (b) five years from the filing of this Offering Memorandum with the Autorité des marchés financiers de Québec.

Rights for Purchasers in New Brunswick

If this Offering Memorandum, or any amendment hereto, delivered to a purchaser of Units resident in New Brunswick contains a Misrepresentation, the purchaser to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and shall have a right of action for damages against the Trust or, at the election of the purchaser, a right of rescission (in which case the purchaser shall cease to have a right of action for damages against the Trust).

In addition, subject to certain limitations, where any advertising or sales literature disseminated in connection with this offering contains a Misrepresentation, a purchaser who purchases Units referred to in that advertising or sales literature is deemed to have relied upon that Misrepresentation if it was a Misrepresentation at the time of purchase. Such purchaser has a right of action for damages against the Trust and every promoter and director of that Trust at the time the advertising or sales literature was disseminated.

In addition, subject to certain limitations, where a person makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of Units, the purchaser shall be 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 person who made the verbal statement.

There are various defences available. In particular, no person or company will be 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 part of the damages that it proves do not represent the depreciation in the value of the Units as a result of the Misrepresentation relied upon. The amount recoverable under the foregoing rights of action will not exceed the price at which the Units were purchased.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

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

No action shall be commenced to enforce the foregoing rights:

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

Rights for Purchasers in Nova Scotia

Securities legislation in Nova Scotia requires that subscribers be provided with, in addition to any other right they may have at law, contractual rights of rescission or damages, or both, where this Offering Memorandum and any amendment thereto contains a Misrepresentation. However, such rights must be exercised by the subscriber within specified time limits.

If this Offering Memorandum, together with any amendment or supplement thereto, or any “advertising or sales literature” (as defined in the *Securities Act* (Nova Scotia)) delivered to a purchaser of Units resident in Nova Scotia contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have, subject as hereinafter provided, a right of action, exercisable on written notice given to the Investment Manager not more than 120 days subsequent to the date on which payment was made for the Units, either for damages or alternatively for rescission against the Trust while still the owner of any of the Units offered hereunder, provided that:

- (i) the Trust shall not be held liable pursuant to such right of action if the Trust proves the investor purchased the Units with knowledge of the Misrepresentation;

- (ii) in an action for damages, the Trust is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the investor as a result of the Misrepresentation relied upon; and
- (iii) in no case shall the amount recoverable pursuant to such right of action exceed the price at which the Units were offered to the investor.

A person is not liable in an action for a Misrepresentation in forward-looking information if the person proves all of the following things:

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

Rights for Purchasers in Prince Edward Island

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in Prince Edward Island contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a right of action against the Trust and every director of the Trust at the date of this Offering Memorandum, for damages or, alternatively, while still the owner of the Units, for rescission against the Trust, provided that:

- (i) no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 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: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action; or; (ii) three years after the date of the transaction that gave rise to the cause of the action;
- (ii) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (iii) no person or company (other than the Trust) will be liable if it proves that:
 - (a) this Offering Memorandum was 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; or

- (b) after the delivery of this Offering Memorandum and before the purchase of the Units by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it;
- (iv) no person or company (other than the Trust) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company:
 - (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or
 - (b) believed that there had been a Misrepresentation;
- (v) 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; and
- (vi) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

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

Rights for Purchasers in Newfoundland and Labrador

If this Offering Memorandum, or any amendment or supplement hereto, delivered to a purchaser of Units resident in Newfoundland and Labrador contains a Misrepresentation, the purchaser to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation and shall have a right of action for damages against the Trust and every director of the Trust or, at the election of the purchaser, a right of rescission (in which case the purchaser shall cease to have a right of action for damages against the Trust).

There are various defences available. In particular, no person or company will be 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 any part of the damages that it proves do not represent the depreciation in the value of the Units as a result of the Misrepresentation relied upon. The amount recoverable under the foregoing rights of action will not exceed the price at which the Units were purchased.

No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

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

No action shall be commenced to enforce the foregoing rights:

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

Rights for Purchasers in Northwest Territories, Yukon and Nunavut

If this Offering Memorandum, together with any amendment to this Offering Memorandum, delivered to a purchaser resident in the Northwest Territories, Yukon or Nunavut contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on the Misrepresentation, a right of action for damages against the Trust, and every director of the Trust at the date of this Offering Memorandum, or, alternatively, while still the owner of the Units, for rescission against the Trust, provided that:

- (i) no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 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 purchaser first had knowledge of the facts giving rise to the cause of the action; or (B) three years after the date of the transaction that gave rise to the cause of the action;
- (ii) no person or company will be liable if the person or company proves that the purchaser purchased the Units with knowledge of the Misrepresentation;
- (iii) no person (other than the Trust) will be liable if it proves that:
 - (a) this Offering Memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave

reasonable notice to the Trust that it was delivered without the person's knowledge or consent;

- (b) the person, on becoming aware of the Misrepresentation in this Offering Memorandum, withdrew the person's consent to this Offering Memorandum and gave reasonable notice to the Trust of the withdrawal and the reason for it; or
- (c) with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (iv) no person (other than the Trust) will be liable with respect to any part of this Offering Memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person: (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or (b) believed that there had been a Misrepresentation;
- (v) a person is not liable in an action for a Misrepresentation in forward-looking information if:
 - (a) this Offering Memorandum contains, proximate to that information:
 - (A) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (B) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information;
- (vi) 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; and
- (vii) in no case shall the amount recoverable exceed the price at which the Units were sold to the purchaser.

Rights for Purchasers in Alberta and British Columbia

In Alberta and British Columbia, similar rights for certain offering memoranda are set out in s.204 of the *Securities Act* (Alberta) and s.132.1 of the *Securities Act* (British Columbia), respectively. If a purchaser of Units resides in Alberta or British Columbia, such investor will be provided with the rights of action applicable to that province, but will in no event be afforded rights of action that are less than the rights afforded to Ontario residents.

General

The foregoing summaries are subject to the express provisions of the applicable securities legislation and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. Purchasers should refer to the applicable provisions of the securities laws of their applicable province for particulars of those rights or consult with a lawyer.

LANGUAGE OF DOCUMENTS

By accepting this Offering Memorandum, the investor acknowledges that it is its express wish that all documents evidencing or relating in any way to the sale of Units be drawn up in the English language only. Par son acceptation de ce document, l'acheteur reconnaît par les présentes qu'il est de sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des parts soient rédigés en anglais seulement.



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