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This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any information or representation which is given or received must not be relied upon.

The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). In addition, Purpose Specialty Lending Trust (the “Trust”) has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “US Investment Company Act”), and the recipient of this document will not be entitled to the benefits of the US Investment Company Act. This document must not be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

May 29, 2018

PURPOSE SPECIALTY LENDING TRUST

Minimum: \$10,000,000

Maximum: \$75,000,000

CONFIDENTIAL OFFERING MEMORANDUM

Offering of Class A Units, Class F Units and Class U Units

Purpose Specialty Lending Trust (the “Trust”) is a trust formed and organized under the laws of the Province of Ontario pursuant to a declaration of trust (the “**Declaration of Trust**”), as may be amended and restated from time to time. An unlimited number of classes of transferable units (the “**Units**”) may be issued by the Trust.

The Trust proposes to offer Class A Units, Class F Units and Class U Units under this Offering Memorandum. The Class A Units and Class F Units are denominated in Canadian dollars, while the Class U Units are designed for investors wishing to make their investment in U.S. dollars. The Class F Units and Class U Units are designed for fee-based and/or institutional accounts.

Investment Objective: The investment objective of the Trust is to seek to provide holders of Units (the “**Unitholders**”) with an attractive total return through distributions and capital appreciation by investing directly in or obtaining exposure to investments within the private debt and specialty lending sectors as well as business development companies (the “**Portfolio**”).

Investment Strategy of the Trust: The Trust will seek to achieve its investment objective by investing directly in or obtaining exposure to loans, instruments, securities and other assets within the private debt and specialty lending sectors. It is initially expected that the Trust will gain exposure to these sectors by allocating the Trust's assets to investment vehicles, including private funds, registered funds or other products (the "**Portfolio Funds**") managed by third party managers or Purpose Investments Inc. (the "**Manager**"). The Trust will provide investors an opportunity to access Portfolio Funds advised by world class managers to which individual investors may not otherwise be able to obtain exposure. The Trust is also expected to invest initially in business development companies ("**BDC**" and together with the Portfolio Funds and other investments of the Trust, the "**Portfolio Securities**") which are U.S. publicly traded companies created by statute that generally invest in small and mid-sized companies. The Manager will select investments from a broad universe of products focusing on Portfolio Securities it believes will provide the Trust with the best return for an acceptable level of risk. The Trust may also from time to time make loans directly as determined by the Manager in its sole discretion. See "*Governance*". The return to the Trust will be primarily based on the performance of the Portfolio Securities.

SUBSCRIPTION PRICE: NET ASSET VALUE PER UNIT

MINIMUM SUBSCRIPTION: \$5,000 for Class A Units and Class F Units and US\$5,000 for Class U Units

Management of the Trust: The Manager is the trustee and the manager of the Trust and, therefore, is responsible for the day-to-day affairs and investment decisions of the Trust. In consideration of the services provided to the Trust, the Manager is entitled to receive a management fee (the "**Management Fee**").

Purchases of Securities: The closing of the Offering (the "**Closing**") is expected to occur in late June (the "**Closing Date**") or on such other date that the Trust and the Agents may mutually agree upon.

The subscription price for the Class A Units and the Class F Units which will be issued at the Closing will be \$10.00 per Class A Unit and Class F Unit, respectively, and US\$10.00 per Class U Unit and thereafter the Units will be issued at a subscription price equal to the applicable Net Asset Value per Unit calculated prior to the pricing of the Offering.

CIBC World Markets Inc., National Bank Financial Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., Raymond James Ltd., Industrial Alliance Securities Inc., Cormark Securities Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., Haywood Securities Inc., Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the "**Agents**"), have agreed to conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*". The Trust will pay a fee to the Agents equal to 5.25% (\$0.525) of the issue price for each Class A Unit sold pursuant to the Offering and 2.25% (\$0.225 or US\$0.225) of the issue price for each Class F Unit or Class U Units, respectively, sold pursuant to the Offering (collectively, the "**Agents' Fees**").

The Trust is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. The Trust is not an investment fund under Canadian securities laws and is not subject to rules and regulations that apply to investment funds. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. See "*Risk Factors*".

There is no guarantee that an investment in the Trust will earn any positive return. A subscription in the Trust is appropriate only for investors who have the capacity to absorb the loss of some or all of their investment. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of losing all of their investment in the Trust. There is no market through which the Units may be sold and none is expected to develop. Transfer of the Units is subject to approval by the Manager and the Units are also subject to resale restrictions under applicable securities legislation. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. There are certain additional risk factors associated with investing in the Units. See "*Risk Factors*".

Investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units. See “Risk Factors”.

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

Other than under the heading “*Certain Canadian Federal Income Tax Considerations*” and “*Risk Factors – Canadian Income Tax Risks*”, references to the “Trust” in this Offering Memorandum include its subsidiaries, unless the context otherwise requires.

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GLOSSARY OF TERMS

“Accredited Investor”	<i>means an “accredited investor” as defined under National Instrument 45-106 – Prospectus Exemptions or section 73.3 of the Securities Act (Ontario), as applicable.</i>
“Agency Agreement”	<i>means the agency agreement between the Trust and the Agents to be entered into on or before the Closing Date, as it may be amended from time to time.</i>
“Agents”	<i>means CIBC World Markets Inc., National Bank Financial Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., Raymond James Ltd., Industrial Alliance Securities Inc., Cormark Securities Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., Haywood Securities Inc., Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc.</i>
“Agents’ Fees”	<i>has the meaning given to it under “Fees and Expenses Payable by the Trust – Agents’ Fees”.</i>
“allowable capital loss”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“BDC”	<i>has the meaning given to it under “Investment Objectives and Strategies – Investment Strategies”.</i>
“Business Day”	<i>means any day, other than a Saturday or a Sunday, or a day on which commercial banks in Toronto remain closed.</i>
“Capital Gains Refund”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“Cash Redemption Limit”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders”.</i>
“CDS”	<i>means CDS Clearing and Depository Services Inc., or its nominee.</i>
“CDS Participant”	<i>means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers through its Book-Entry Only System.</i>
“Class”	<i>means any class of Units authorized from time to time.</i>
“Class A Unit”	<i>means a Class A Unit of the Trust being offered under this Offering.</i>
“Class F Unit”	<i>means a Class F Unit of the Trust being offered under this Offering.</i>
“Class Net Asset Value”	<i>means the portion of the Net Asset Value attributable to each of the Classes of Units, calculated as described under “Valuation”.</i>
“Class Net Asset Value per Unit”	<i>means the Net Asset Value attributable to each Unit of a Class, calculated as described under “Valuation”.</i>
“Class U Unit”	<i>means a Class U Unit of the Trust being offered under this Offering.</i>
“Classes”	<i>means all classes of Units authorized from time to time.</i>
“Closing”	<i>means the closing of the Offering.</i>
“Closing Date”	<i>means the closing date for this Offering which is expected to occur in late June or on such other date as may be agreed by the Trust and the Agents.</i>
“CRA”	<i>means the Canada Revenue Agency.</i>
“Custodian”	<i>means CIBC Mellon Trust Company.</i>
“Custodian Agreement”	<i>means the custodian agreement between the Trust and CIBC Mellon Trust Company, as may be amended from time to time.</i>

“Debt Instruments”	<i>means direct or indirect investments made by the Trust that provide exposure to syndicated loans, senior secured loans, regulatory capital, mezzanine debt, structured credit and asset-based lending, consumer loans, and consumer finance.</i>
“Declaration of Trust”	<i>means the Trust’s declaration of trust to be entered into on or before the Closing Date, as it may be amended and restated from time to time.</i>
“DFA Rules”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“DPSP”	<i>means a deferred profit sharing plan, as defined in the Tax Act.</i>
“ETF”	<i>means an exchange traded fund.</i>
“Information”	<i>has the meaning given to it under “Personal Information”.</i>
“International Information Exchange Legislation”	<i>has the meaning given to it under “International Information Exchange”.</i>
“Investment Committee”	<i>means the investment committee of the Trust appointed by the Manager.</i>
“Lending Subsidiary”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Status of the Trust – Qualification as a Mutual Fund Trust”.</i>
“Liquidity Event”	<i>means an event to provide Unitholders with liquidity, which the Manager may, in its sole discretion, complete at any time.</i>
“long term loans”	<i>has the meaning given to it under “Valuation Policies – Valuation Principles”.</i>
“LRE”	<i>has the meaning given to it under “Risk Factors – Canadian Income Tax Risks – Income Tax Matters Affecting the Trust”.</i>
“Management Fee”	<i>means a management fee calculated and payable monthly to the Manager, which is a percentage of the Class Net Asset Value, in respect of each Class of Units.</i>
“Manager”	<i>means Purpose Investments Inc., a corporation incorporated under the laws of the Province of Ontario, or any successor thereto appointed pursuant to the terms of the Declaration of Trust.</i>
“material fact”	<i>means a fact that would reasonably be expected to have a significant effect on the market price or value of the Units.</i>
“Maturity Redemption”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders – Maturity Redemptions”.</i>
“Maturity Redemption Condition”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders – Maturity Redemption”.</i>
“Maturity Redemption Date”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders – Maturity Redemptions”.</i>
“Maturity Redemption Price”	<i>has the meaning given to it under “Redemption of Units – Maturity Redemptions”.</i>
“Minimum Distribution Requirements”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Status of the Trust – Qualification as a Mutual Fund Trust”.</i>
“Misrepresentation”	<i>means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this Offering Memorandum or any amendment hereto not misleading in light of the circumstances in which it was made.</i>
“Net Asset Value” or	<i>means the net asset value of the Trust, calculated as described under “Valuation</i>

“NAV”	<i>Policies – Net Asset Value”.</i>
“Notes”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders”.</i>
“Offering”	<i>means the offering of Class A Units, Class F Units and Class U Units under this Offering Memorandum.</i>
“Offering Jurisdictions”	<i>means each of the provinces and territories of Canada.</i>
“OIF Rules”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“Portfolio”	<i>has the meaning given to it under “The Trust”.</i>
“Portfolio Funds”	<i>has the meaning given to it under “Investment Objectives and Strategies – Investment Strategies”.</i>
“Portfolio Securities”	<i>has the meaning given to it under “Investment Objectives and Strategies – Investment Strategies”.</i>
“Quarterly Redemption Date”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders”.</i>
“RDSP”	<i>means a registered disability savings plan, as defined in the Tax Act.</i>
“Redemption Price”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders”.</i>
“Redemption Request”	<i>has the meaning given to it under “Redemption of Units – Redemption at the Option of Unitholders”.</i>
“Reference Exchange Ratio”	<i>On a particular date means the daily U.S. dollar / Canadian dollar rate of exchange as quoted by the Bank of Canada on the date or, if for any reason this rate of exchange is not available, such other published rate selected by the Manager.</i>
“Registered Plans”	<i>means collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act.</i>
“RESP”	<i>means a registered education savings plan, as defined in the Tax Act.</i>
“RRIF”	<i>means a registered retirement income fund, as defined in the Tax Act.</i>
“RRSP”	<i>means a registered retirement savings plan, as defined in the Tax Act.</i>
“SIFT Rules”	<i>means the provisions of the Tax Act providing for a tax on certain income earned by a “SIFT partnership” or distributed by a “SIFT trust”, as those terms are defined in the Tax Act.</i>
“SIFT trust”	<i>means a specified investment flow-through trust, as defined in the Tax Act.</i>
“Subscription Agreement”	<i>means the subscription agreement and any ancillary agreements required to be completed for a purchase of securities of the Trust, in the form prescribed by the Manager from time to time.</i>
“substituted property”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“Tax Act”	<i>means the Income Tax Act (Canada) and the regulations thereunder, as amended.</i>
“Tax Proposals”	<i>has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations”.</i>

“Tax Treaties”	<i>has the meaning given to it under “Risk Factors – Canadian Income Tax Risks – Income Tax Matters Affecting the Trust”.</i>
“taxable capital gain”	<i>has the meaning given to it under “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”.</i>
“TFSA”	<i>means a tax-free savings account, as defined in the Tax Act.</i>
“Trust”	<i>means Purpose Specialty Lending Trust.</i>
“Trust Liability”	<i>has the meaning given to it under “Liability of Trustees and Unitholders”.</i>
“Trustee”	<i>means Purpose Investments Inc., a corporation incorporated under the laws of the Province of Ontario, or any successors thereto appointed pursuant to the terms of the Declaration of Trust.</i>
“Unitholder”	<i>means the holder of one or more Units.</i>
“Units”	<i>means the units of each Class of units of the Trust, which may be issued from time to time.</i>
“USD” or “US\$”	<i>means U.S. dollars.</i>
“Valuation Agent”	<i>means CIBC Mellon Trust Company, or such other entity as is appointed by the Manager as the party responsible for calculating the Net Asset Value of the Trust.</i>
“Valuation Date”	<i>means the last Business Day of each month, or if not a Business Day, the following Business Day, or such other day or days as determined from time to time by the Manager.</i>
“\$”	<i>means Canadian dollars, unless otherwise expressly specified.</i>

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Trust believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Trust and expectations regarding the Liquidity Event) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Manager based on information currently available to such persons. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Trust to differ materially from those discussed in the forward-looking statements and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Trust. Factors that could cause actual results or events to differ materially from current expectations include, among other things, volatility in financial markets, fluctuations in currency exchange rates and interest rates, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled "Risk Factors" in this Offering Memorandum.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Trust disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any information or representation which is given or received must not be relied upon.

Subscribers are encouraged to consult with their independent legal and tax advisors prior to signing the Subscription Agreement to purchase Units and to carefully review the Declaration of Trust.

OFFERING MEMORANDUM SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information contained elsewhere in this Offering Memorandum. Capitalized terms used in this Offering Memorandum have defined meanings. Please refer to "Glossary of Terms" for a list and the meaning of defined terms used herein.

The Issuer: Purpose Specialty Lending Trust (the "**Trust**") is a trust formed and organized under the laws of the Province of Ontario and governed by a declaration of trust to be entered into on or before the Closing Date, as it may be amended and restated from time to time (the "**Declaration of Trust**"). The address of the Trust and the Manager's principal office is 130 Adelaide Street West, Suite 1700, Toronto, Ontario, Canada M5H 3P5.

The Trust is not an investment fund under Canadian securities laws and is not subject to Canadian policies and regulations that apply to investment funds.

Offering: The Trust proposes to offer Class A Units and Class F Units under this Offering Memorandum at a subscription price of \$10.00 per Class A Unit and Class F Unit, respectively, and US\$10.00 per Class U Unit at the Closing and thereafter the Units may be issued at a subscription price equal to the applicable Net Asset Value per Unit calculated prior to the pricing of the Offering.

The Class A Units and Class F Units are denominated in Canadian dollars, while the Class U Units are designed for investors wishing to make their investment in U.S. dollars. The Class F Units and Class U Units are designed for fee-based and/or institutional accounts and differ from the Class A Units as the Agents' Fees payable on the Class F Units and Class U Units are lower than the Agents' Fees payable on the Class A Units. Accordingly, the Net Asset Value per Unit of each Class will not be the same as a result of the different fees allocated to each Class of Units. The Net Asset Value per Class U Unit will be reported in U.S. dollars.

Each Unit of a Class represents an undivided ownership interest in the assets attributable to that Class of Units. 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 and the consent of the Manager.

Minimum Issue: \$10,000,000

Maximum Issue: \$75,000,000

Price: \$10.00 for each Class A Unit and Class F Unit, respectively, and US\$10.00 for each Class U Unit.

Minimum Purchase: Class A Units: \$5,000
Class F Units: \$5,000
Class U Units: US\$5,000

The Manager may, in its sole discretion, waive or modify the foregoing minimum purchase requirements, subject to applicable securities laws.

Investment Objective of the Trust: The investment objective of the Trust is to seek to provide holders of Units (the "**Unitholders**") with an attractive total return through distributions and capital appreciation by investing directly in or obtaining exposure to investments within the

private debt and specialty lending sectors as well as business development companies (the “**Portfolio**”).

**Investment Strategy
of the Trust:**

The Trust will seek to achieve its investment objective by investing directly in or obtaining exposure to loans, instruments, securities and other assets within the private debt and specialty lending sectors. It is initially expected that the Trust will gain exposure to these sectors by allocating the Trust’s assets to investment vehicles, including private funds, registered funds or other products (the “**Portfolio Funds**”) managed by third party managers or the Manager. The Trust will provide investors an opportunity to access Portfolio Funds advised by world class managers to which individual investors may not otherwise be able to obtain exposure. The Trust is also expected to invest initially in business development companies (“**BDC**” and together with the Portfolio Funds and other investments of the Trust, the “**Portfolio Securities**”) which are U.S. publicly traded companies created by statute that generally invest in small and midsized companies. The Manager will select investments from a broad universe of products focusing on Portfolio Securities it believes will provide the Trust with the best return for an acceptable level of risk. The Trust may also from time to time make loans directly as determined by the Manager in its sole discretion. See “*Governance*”.

The private debt market has grown in prominence following the financial crisis as a result of regulators and policymakers engaging in financial market re-regulation in an attempt to create a more stable global financial system, including by imposing restrictions on certain types of lending by banks. Such re-regulation aims to ensure that deposit taking institutions maintain defined capital and liquidity requirements in order to safeguard client deposits. The unintended consequences of regulatory reform have restricted bank lending resulting in a funding shortfall in both public and private markets. The Manager believes that the next wave of regulatory reform will increase the funding shortfall, providing a unique opportunity in the private lending sector.

The Manager believes that the transition from banks to institutional investors as a primary source of financing for certain sectors and types of borrowers is a long term trend, which represents a shift in lending dynamics and a unique opportunity for investors. The Manager believes that private debt provides an attractive opportunity for investors as it provides significantly higher yields relative to other debt assets with similar ratings to compensate for lower liquidity. In addition, private debt provides investors with a diversification strategy due to low correlation to other assets. In an environment where credit spreads are at historically low levels, skill and differentiation in approach will be necessary to add value.

A continuing search for alternative sources of income has led to a continued growth and maturation of the private debt sector. As part of this growth, asset managers have developed internal expertise in various sub-sectors. Due to this specialization and need for expertise, the Manager believes it is beneficial to implement a private debt strategy through different managers which specialize in various sub-sectors to provide diversification to investors.

The Trust will initially focus on a fund-of-funds approach, where it will invest with multiple managers. By diversifying across managers, investors will benefit from different asset managers who have developed internal expertise in various sectors. The Manager expects to acquire securities of the Portfolio Funds directly from such Portfolio Funds or, if opportunity exists, by way of secondary market purchases.

The Trust may invest up to 30% of its Net Asset Value in Business Development Companies. Business Development Companies or BDCs are defined as “investment companies, formed pursuant to the Small Business Investment Incentive Act of 1980, which make investments in mostly private US mid-market companies in the form of

long term debt or equity capital.” BDCs have grown in popularity since the recent recession as the lack of traditional capital from commercial banks, other secured lenders and private equity funds has caused capital starved companies to consider alternative funding sources, like a BDC. As a financier of almost last resort to borrowers, a BDC is similar in concept to the better known venture capital fund. A BDC allows individual investors, at low investment minimums, to invest in the same type of private companies as do large institutions, endowments and pension funds.

BDCs invest in several kinds of debt, including mezzanine debt and collateralized loan obligations or pools of leveraged loans. BDCs perform an important function in helping private mid-market companies finance their growth, and in doing so often provide managerial assistance to the borrower. Most companies looking to work with BDCs have credit ratings which are below investment grade or have no rating at all.

The Manager evaluates equity securities primarily on the BDC’s or other issuer’s ability to sustain its current dividend and secondarily considers the potential for capital appreciation. The Manager intends to allocate the Trust’s assets among BDCs that, in its view, are paying attractive rates of distribution and appear capable of sustaining that distribution level over time. The Manager incorporates into its assessment, among other factors, dividend yield, price to book, financial operations, portfolio of investments and management quality. The Manager will also consider the amount of leverage employed by a BDC before deciding to invest in its securities. In selecting BDCs, the Manager generally seeks to invest in securities with relatively high distribution rates, and that it believes will continue to pay distributions at those rates for the foreseeable future. When selecting securities for the Trust, the Manager may utilize fundamental, technical and other related methodologies to determine the intrinsic value of a security. Examples of fundamental methodologies include consideration of a stock’s financial statements, economic factors that might impact the stock, and the qualitative and quantitative factors. Technical methodologies generally refers to the consideration of past market data, primarily using price and volume data. The Manager expects that it will sell a security if, in the judgment of the Manager, the security’s income potential has been compromised, an issuer’s fundamentals have deteriorated or may deteriorate or a more attractive investment opportunity is identified.

The Manager has identified the following Portfolio Securities in which the Trust may initially invest: Brookfield Credit Opportunities Fund, Brookfield Super-Core Infrastructure Partners, Monroe Capital Private Credit Fund III, Oaktree Middle Market Private Debt, Onex Senior Credit Fund, Onex Credit Lending Partners I LP, VPC Specialty Finance Fund (USD), Ares Capital Corporation, Apollo Investment Corp., Goldman Sachs BDC Inc., and Monroe Capital Corp. (the “**Indicative Portfolio**”). The Manager will invest in and may obtain exposure to the Portfolio Securities in such way as it determines is most efficient for the Trust and may hold the Portfolio Securities indirectly.

The Portfolio may or may not include the Portfolio Securities referenced above and will include securities or other assets that are not included in the Indicative Portfolio. The Manager will actively manage the Portfolio to seek to meet the Trust’s investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Manager’s assessment of market conditions and opportunities.

The Trust will not raise additional capital until 80% of the Net Asset Value of the Trust is invested in accordance with its investment strategies and investment restrictions. The Manager will rely on the Trust’s investment committee (the “**Investment Committee**”), which will provide recommendations to the Manager with respect to investment opportunities including third party managers which the Investment Committee believes are suitable for the Trust. The Manager will consider the

Investment Committee's recommendations, but will make the ultimate investment decision on behalf of the Trust. The Investment Committee will also assist the Manager in monitoring the Trust's investments on an ongoing basis. The current members of the Investment Committee are Peter Shippen and Vlad Tasevski, but may be replaced by the Manager at any time. The Manager expects to add additional members to the Investment Committee from time to time in the future.

The return to the Trust will be primarily based on the performance of the Portfolio Securities. The Net Asset Value per Unit of each Class of Units will vary depending on the performance of the Portfolio and will also vary depending on the expenses allocated to, and distributions paid in respect of, the particular Class of Units.

The Trust may invest cash pending investment, allocated for capital calls from any of the Portfolio Funds, pending reinvestment or distribution thereof or at any time deemed appropriate by the Manager in short-term debt instruments, money market funds or similar temporary instruments or use additional listed vehicles such as, but not limited to, exchange traded funds, including funds managed by the Manager. See "*Investment Objectives and Strategies*".

Liquidity Event: The Manager may, in its sole discretion, determine to complete a liquidity event of the Trust (the "**Liquidity Event**") which may include a listing of the Class A Units on a Canadian stock exchange or the exchange of the Class A Units for securities listed on a Canadian stock exchange. There is no guarantee that a Liquidity Event will be completed during the term of the Trust. Fees and expenses associated with the Liquidity Event will be paid by the Trust. See "*Liquidity Event*".

Leverage: The Trust may employ leverage and otherwise incur indebtedness up to a maximum of 15% of the Net Asset Value of the Trust. Leverage employed by the Portfolio Funds will not be included in the Trust's leverage amount, but the Manager will consider the leverage used by the Portfolio Funds when determining the amount of leverage to be employed by the Trust. Initially, the Manager does not expect the Trust to employ leverage. See "*Risk Factors - Leverage and Borrowing Risk*".

Currency Hedging: It is expected that the investments in the Portfolio Securities will be primarily denominated in U.S. dollars or other foreign currencies and the Portfolio Securities and distributions or dividends paid by the Portfolio Securities will be denominated in U.S. dollars. The Trust is and distributions paid by the Trust to holders of Class A Units and Class F Units will be denominated in Canadian dollars. Distributions paid by the Trust to holders of Class U Units will be denominated in U.S. dollars.

The Manager initially intends to hedge substantially all of the Trust's interest in the Portfolio Securities denominated in U.S. dollars attributable to the Class A Units and Class F Units back to the Canadian dollar. There is no guarantee that it will be possible to remove all currency risks.

The value of the Portfolio attributable to the Class U Units will not be hedged.

Distributions and Targeted Yield Payout: The Trust intends to make quarterly distributions to holders of Class A Units, Class F Units and Class U Units. The Trust will not have a fixed quarterly distribution amount, but distributions are initially targeted to be 8.0% per annum on the initial subscription price of \$10.00 per Unit (\$0.20 per Class A Unit and Class F Unit per quarter or US\$0.20 per Class U Unit per quarter). The initial distribution to Unitholders subscribing under this Offering is anticipated to be payable to Unitholders of record on September 30, 2018.

There can be no assurance as to the amount of targeted distributions in the future, if any. There is no assurance that the Trust will continue to meet its investment objective.

See “*Distributions*” and “*Risk Factors*”.

Termination:

The Manager may, at its discretion, terminate the Trust without the approval of the Unitholders, by giving not less than 60 days’ written notice to the Unitholders. See “*Declaration of Trust – Termination*”.

Redemption at the Option of Unitholders:

Subject to certain requirements, a Unitholder may request that the Trust redeem his or her Class A Units, Class F Units or Class U Units at 97% of the Net Asset Value per Unit of the applicable Class (the “**Redemption Price**”), as at the last Business Day of any calendar quarter (each a “**Quarterly Redemption Date**”), provided that a written or electronic request for redemption (a “**Redemption Request**”) is received by the Manager no later than 4:00 p.m. (Toronto time) on a date which is not less than 15 calendar days prior to the applicable Quarterly Redemption Date.

Where the total amount payable by the Trust in respect of the redemption of Units for any Quarterly Redemption Date exceeds \$50,000 (the “**Cash Redemption Limit**”), the Manager may, in its discretion, and subject to all necessary regulatory approvals, pay and satisfy the excess of the aggregate Redemption Price for the Units tendered for redemption over the Cash Redemption Limit by the issuance of unsecured, interest-bearing promissory notes of the Trust (the “**Notes**”). Any promissory note of the Trust issued to Unitholders in connection with a redemption of Units will be illiquid, may not be qualified investments for Registered Plans and may give rise to adverse consequences to a Registered Plan or the holder or subscriber of or the annuitant under that plan. Furthermore, holding any promissory note of the Trust may have different tax consequences than holding the Units directly. Accordingly, prospective investors should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units. See “*Certain Canadian Federal Income Tax Considerations - Eligibility for Investment*”.

Payment of the Redemption Price will be paid to the redeeming Unitholder on or about the later of: (i) the last Business Day of the month following the Quarterly Redemption Date; and (ii) the fifth Business Day after the day on which the Net Asset Value per Unit used to calculate the Redemption Price is available. The Redemption Price will be paid by wire transfer or cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada payable to the Unitholder who exercised the right of redemption with respect to Class A Units or Class F Units and in U.S. dollars payable to the Unitholder who exercised the right of redemption with respect to Class U Units.

As there is currently no market through which the Units may be sold, redemptions may be an important source of liquidity for Unitholders seeking to realize on their investment prior to the Maturity Redemption Date.

Maturity Redemptions:

In addition, Class A Units, Class F Units and Class U Units may be redeemed by the Unitholder on June 30, 2023 and, if no Liquidity Event has occurred prior to the relevant date, on June 30th each and every five years thereafter (each, a “**Maturity Redemption Date**”) and such Unitholders will receive a price per Unit (the “**Maturity Redemption Price**”) equal to 100% of the Class Net Asset Value per Class A Unit, 100% of the Class Net Asset Value per Class F Unit or 100% of the Class Net Asset Value per Class U Unit, as applicable, calculated as of the relevant Maturity Redemption Date (the “**Maturity Redemption**”). Any Unitholder who wishes to redeem his, her or its Class A Units, Class F Units or Class U Units on the Maturity Redemption Date will be required to deliver notice of such redemption to the Manager at least 12 months prior to the relevant Maturity Redemption Date. The Maturity Redemption Price shall be paid by wire transfer or by cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada with respect to Class A Units and Class F Units and in U.S. dollars with respect to Class U Units payable to the Unitholder who exercised the right of redemption or by such other manner of payment

permitted by the Manager no later than 60 days following the applicable Maturity Redemption Date.

Notwithstanding the foregoing, if a Liquidity Event occurs prior to January 1, 2023, Class A Units, Class F Units and Class U Units (or such other securities into which these units were exchanged or converted) may be redeemed on June 30, 2023, if and only if the units of the Trust listed on a stock exchange trade on such exchange at an average discount to the announced Net Asset Value per unit greater than 5% on a volume weighted basis for the four months ending on May 31, 2023 (the “**Maturity Redemption Condition**”). The Manager will issue a press release prior to June 15, 2023 stating the average discount to the Net Asset Value per unit of the trading price and whether the Maturity Redemption Condition has been triggered. Any Unitholder wishing to redeem his, her or its Class A Units, Class F Units or Class U Units (or such other securities into which these units were exchanged or converted) will be required to deliver notice of such redemption to the Manager prior to June 30, 2022 and the redemption request will be fulfilled by the Trust only if the Maturity Redemption Condition is triggered. If a Liquidity Event occurs, the Trust will not provide any additional Maturity Redemptions (other than the initial redemption on June 30, 2023 available if and only if the Maturity Redemption Condition is triggered).

Conversion:

A holder of Class F Units or Class U Units may convert such Class F Units or Class U Units into Class A Units on a monthly basis based on the Net Asset Value per Unit of such Units. See “*Conversion of Class F Units and Class U Units*”.

Organization and Management of the Trust:

Organization and Management of the Trust	Name and Municipality of Residence	Services Provided to the Trust
Trustee and Manager	Purpose Investments Inc. 130 Adelaide Street West, Suite 1700 Toronto, Ontario M5H 3P5	Manages the overall business and operations of, and provides or arranges for all administration services required by, the Trust.
Custodian and Valuation Agent	CIBC Mellon Trust Company Toronto, Ontario	Provides custody and valuation services.
Registrar and Transfer Agent	TSX Trust Company Toronto, Ontario	Maintains the securities register and the register of transfers of securities.
Auditor	Ernst & Young LLP Toronto, Ontario	Provides audit services.

Eligibility for Investment:

Provided the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Units, if issued on the date hereof, would be qualified investments under the Tax Act for trusts governed by RRSPs, RRIFs, RESPs, RDSPs, DPSPs and TFSA. Unitholders planning to hold their Units in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own tax advisor to determine whether the Units are “prohibited investments” for such Registered Plans. See “*Certain Canadian Federal Income Tax Considerations - Eligibility for Investment*”.

Closing Date:

The closing date for this Offering which is expected to occur in late June or on such other date as may be agreed by the Trust and the Agents (the “**Closing Date**”).

Risk Factors:

An investment in Units is subject to certain risk factors, including:

Risks Associated with an Investment in the Trust

- general investment risk;
- there is no guarantee that an investment in the Units will earn any positive return;
- there can be no assurance that the Trust will be able to achieve its investment objective;
- the Trust has no operating or performance history upon which prospective investors can evaluate the Trust's likely performance;
- fund of funds risk;
- Unitholders will not have rights in any of the Portfolio Securities;
- investment in additional Portfolio Securities;
- investment in BDCs;
- class risk;
- no advice to investors;
- there is no formal market for the Units and one is not expected to develop immediately or at all;
- potential conflicts of interest by the Manager;
- risk of capital depletion;
- fees and expenses of the Trust;
- expenses and fees associated with investments in the Portfolio Funds;
- risk related to performance-based incentive compensation;
- the Trust or a Portfolio Fund may hold cash for extended periods;
- the Trust or a Portfolio Fund may have limited assets;
- nature of the Trust;
- possible effect of redemptions;
- possible inability to satisfy Redemption Price in cash;
- possible negative impact of regulation;
- potential indemnification obligations;
- reliance on Manager and track record;
- risk of currency rate fluctuations;
- risk of the Trust not being insured by the Canada Deposit Insurance Corporation;
- multiple classes of Units;
- risks of changes in applicable laws;
- changes in investment strategies;
- risk of difficulties in valuing the Trust's investments;

Tax Risks

- tax consequences generally;
- risk that the Trust is a SIFT trust;

Canadian Income Tax Risks

- income tax matters affecting the Trust;
- computation of income of the Trust;

Risks Associated with the Trust, the Portfolio and the Investment Strategies

- risks associated with reliance on an investment manager and the availability of investments for the Trust;
- general risk of debt instruments;
- risks associated with stressed and distressed investments;
- director liability;
- counterparty and settlement risk;
- custody risk and broker or dealer insolvency;
- risk associated with investing in debt securities;
- diversification and concentration risk;
- risk of difficulties in valuing Portfolio Funds' investments;
- defaulting on capital calls made by Portfolio Funds;
- risks associated with illiquidity positions;
- general litigation risk;
- failure to meet commitments;
- foreign investment risk;
- general economic and market conditions;
- risks associated with investing in highly volatile markets;
- general investment and trading risk;
- issuer-specific changes;
- leverage and borrowing risks;
- refinancing of debt obligations;
- liquidity risk;
- nature of investments;
- risk of substantial portfolio turnover;
- use of derivatives;
- ability to make distributions;
- fluctuations in operating results;
- deployment of the Offering proceeds;
- changes in laws or regulations;
- conflicts of interest;

- competition and portfolio concentration risks;
- special situations;

Risks of Investments in Loans

- borrower default and inadequacy of collateral;
- loan default rates;
- prepayment risk;
- fraud risk;
- risks associated with certain debt investments;
- risks associated with second lien loans;
- risks associated with subordinated loans; and
- risks associated with mezzanine loans.

See “Risk Factors”.

Fees and Expenses

The Trust will pay the following fees and expenses, which will therefore reduce the value of your investment in the Trust.

<u>Type of Fee</u>	<u>Amount and Description</u>
Fees Payable to the Agents:	\$0.525 (5.25%) per Class A Unit, \$0.225 (2.25%) per Class F Unit and US\$0.225 (2.25%) per Class U Unit (the “Agents’ Fees”).
Expenses of the Offering:	In addition to the Agents’ Fees, the Trust will pay all of the expenses in connection with the Offering, subject to a maximum of 1.5% of the gross proceeds of the Offering.
Ongoing Expenses:	The Trust is responsible for the payment of all ongoing administrative fees and expenses relating to its operation.
	See “Investment Objectives and Strategies – Indicative Portfolio”.
Management Fee:	The Trust will pay the Manager a management fee that is accrued monthly on the last Business Day of each month (a “Valuation Date”) and calculated and payable monthly in arrears in respect of Class A Units, Class F Units and Class U Units at a rate equal to 1/12 of 0.50% (approximately 0.50% per annum) of the Net Asset Value of the Class A Units, Class F Units and Class U Units, as applicable, plus applicable federal and provincial taxes (including HST) (together, the “Management Fee”).

By obtaining exposure to the Portfolio Funds, the Trust indirectly will be subject to the management and incentive fees, administrative fees and expenses payable at the Portfolio Fund level. The average management fee payable by the Portfolio Funds included in the Indicative Portfolio is approximately 1.15% per annum. See “Fees and Expenses”.

The Trust may also invest in vehicles advised by the Manager or make loans directly as determined by the Manager in its sole discretion. Nevertheless, it is expected that the Trust will invest initially through the Portfolio Funds and the Trust will make loans directly or invest in vehicles advised by the Manager only when it has the required expertise and experience. Notwithstanding the foregoing, there will be no duplication or double counting of fees to the Manager if an investment is made in vehicles which are managed by the

Manager or one of its affiliates.

PRIVATE DEBT MARKET OVERVIEW

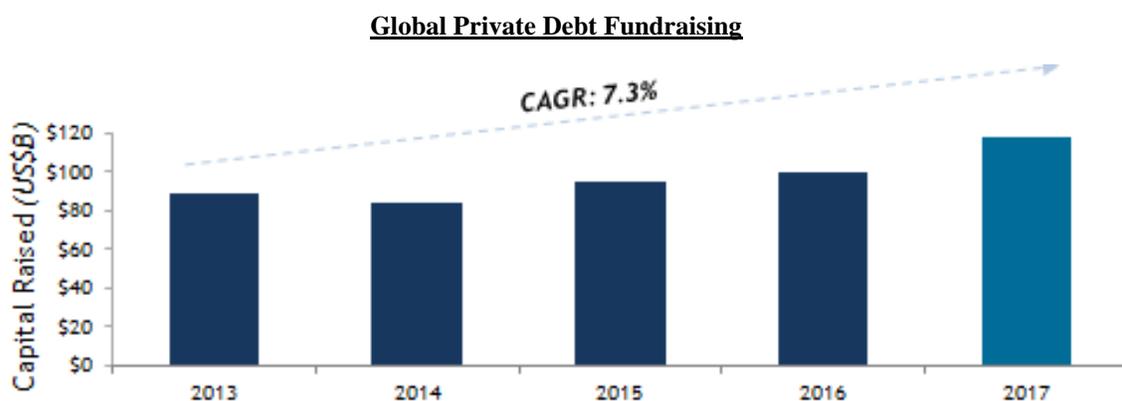
The private debt market has grown in prominence following the financial crisis as a result of regulators and policymakers engaging in financial market re-regulation in an attempt to create a more stable global financial system, including by imposing restrictions on certain types of lending by banks. Such re-regulation aims to ensure that deposit taking institutions maintain defined capital and liquidity requirements in order to safeguard client deposits. The unintended consequences of regulatory reform have restricted bank lending resulting in a funding shortfall in both public and private markets. The Manager believes that the next wave of regulatory reform will increase the funding shortfall, providing a unique opportunity in the private lending sector.

The number of commercial banks in the U.S. has fallen by more than 2,000 from 2005 to 2015, a nearly 30% decline¹. From 1990 to 2008, over 2,000 new banks were formed. In contrast, only seven new banks were formed from 2009 to 2015, and only one since 2011².

The Manager believes that the transition from banks to institutional investors as a primary source of financing for certain sectors and types of borrowers is a long term trend, which represents a shift in lending dynamics and a unique opportunity for investors. The Manager believes that private debt provides an attractive opportunity for investors due to significantly higher yields relative to other debt assets with similar ratings to compensate for lower liquidity. In addition, private debt provides investors with a diversification strategy due to low correlation to other assets.

The private debt market can be broadly defined as being comprised of privately negotiated instruments that take place outside of the traditional banking network. These loans tend to be illiquid as they do not generally have a secondary market. However, from time to time, a secondary market for such assets may exist. Nonetheless, due to their illiquidity, private debt may provide a superior return relative to publicly traded debt with a similar risk profile. Typically, small and mid-sized companies who, because of size, have limited access to liquid capital markets, finance their businesses through private debt. Nevertheless, the size of the market is significant. For example, the National Center for the Middle Market estimates that the U.S. middle market, defined as companies with annual revenues between US\$10 million and US\$1 billion, is US\$4.3 trillion, which is equivalent in size to the world's fifth largest economy.

As illustrated below, global private debt fundraising has increased in the last three years with US\$118.7 billion in commitments raised in 2017, the most of any year on records. The growth has been underpinned by a variety of sub-strategies and particularly direct lending vehicles.



Source: PitchBook, 1Q 2018 Private Equity Analyst Note: Welcome to the Private Debt Show.

¹ Source: Federal Reserve Bank of Richmond Economic Brief, “Explaining the Decline in the Number of Banks since the Great Recession”, Roisin McCord, Edward Simpson Prescott, and Tim Sablik, March 2015.

² Source: Federal Reserve Board Staff Working Paper, “Where Are All the New Banks?” Robert. M. Adams, Jacob Gramlich, 2014-113.

The investable universe of private debt can be divided further into various sub-categories which provide unique characteristics and return drivers. The sub-categories set out below are illustrative and are not intended to be, nor should they be construed to be, a forecast or indication of the strategies or types of investments that will be included in the Portfolio. The Manager will manage the investments of the Trust and therefore the composition of the Portfolio and the type of strategies to which the Trust will obtain exposure will vary from time to time, and may differ substantially from the sub-categories set out below.

Specialty Lending

A sub-category that captures various types of activities and loans including consumer loans, small and mid-size company loans, advances against corporate trade receivables and/or purchases of corporate trade receivables, consumer finance, supply chain financing, senior secured loans to primarily middle market private companies, syndicated loans, regulatory capital, mezzanine debt, structured credit and asset-based lending. Such debt instruments may be subordinated in nature, or may be second lien, mezzanine or unsecured loans. Such capital is typically used by lenders to support expansion and growth initiatives, recapitalizations and asset financing, in both sponsored and non-sponsored transactions.

There are different sub-sectors within the specialty finance industry including sub and near-prime unsecured consumer lending, merchant cash advance, legal settlement finance, online pawn, sub-prime auto and title lending. The Manager believes that this sector remains underserved because fewer traditional lenders are focused on mid-sized companies and, more importantly, are unable to get comfortable with perceived regulatory risk driven by recent legislation.

Specialty Finance

Specialty Finance generally refers to niche strategies such as funding of litigation, films, insurance or global trade, leading to an uncorrelated return profile relative to liquid credit strategies. It may also include investing in securities issued by smaller lenders such as consumer, automobile borrowing or other niche lending gaps due to a lack of traditional lenders post financial regulation. As specialty finance is viewed as having a medium-high risk profile, it will typically provide higher expected returns.

Real Estate and Mortgages

Real estate and mortgage is a category which includes loans advanced to borrowers in the real estate sector and mortgages including mezzanine loans, bridge loans, participation loans, mortgage backed securities, real estate backed liens and residential mortgages. More specifically, these may include (i) loans advanced to owners as operators and/or developers or redevelopers of retail, industrial, office, single family, multifamily or other commercial properties, (ii) funding residential mortgages, (iii) selected participation or co-investment with other lenders in advancing loans and (iv) select mortgage backed securities and real estate backed liens. Due to its characteristics, this category typically provides an illiquidity premium to investors.

Mezzanine Debt

Mezzanine loans are subordinated debt instruments that represent a claim on a company's assets which is senior only to the company's common and preferred equity, but subordinated to senior or any second lien loans.

Direct Lending

Direct lending generally refers to lending to middle market and other private companies or private debt of public companies.

Peer-to-Peer Lending

Peer-to-peer lending generally refers to the practice of lending money to individuals or business through online services that act as intermediaries to match lenders with borrowers. The combination of mobile connectivity, big data analytics, and new distribution channels has enabled such platforms to develop efficient and effective ways to analyze and categorize credit risk across numerous asset classes.

Asset Based Lending

An asset based loan is defined as a business loan which is secured by assets as collateral. The collateral may include inventory, accounts receivable and/or other balance sheet assets. The loan is typically structured to work as a revolving line of credit as it is often used by businesses to meet various cash flow needs.

Distressed Debt

Distressed debt includes securities of companies or government entities that are experiencing financial or operation difficulties. Distressed debt investment opportunities involve credit instruments that are trading at a significant discount with a greater than average spread relative to other entities in the same industry. There are various investment strategies within distressed debt including debt trading (purchasing debt obligations in anticipating of reselling those securities over a relatively short period of time at a higher valuation), active / non-control strategies (longer holdings with a view to accumulate position to influence bankruptcy negotiations to maximize returns) and distressed credit restructuring (long-term approach with a view to gain control of a company in order to restructure it).

Business Development Companies

Business Development Companies or BDCs are defined as “investment companies, formed pursuant to the Small Business Investment Incentive Act of 1980, which make investments in mostly private US mid-market companies in the form of long term debt or equity capital.” BDCs have grown in popularity since the recent recession as the lack of traditional capital from commercial banks, other secured lenders and private equity funds has caused capital starved companies to consider alternative funding sources, like a BDC. As a financier of almost last resort borrowers, a BDC is similar in concept to the better known venture capital fund. A BDC allows individual investors, at low investment minimums, to invest in the same type of private companies as do large institutions, endowments and pension funds.

BDCs invest in several kinds of debt, including mezzanine debt and collateralized loan obligations or pools of leveraged loans. BDCs perform an important function in helping private mid-market companies finance their growth, and in doing so often provide managerial assistance to the borrower. Most companies looking to work with BDCs have credit ratings which are below investment grade or have no rating at all.

THE TRUST

Purpose Specialty Lending Trust (the “**Trust**”) is a trust formed and organized under the laws of the Province of Ontario and governed by a declaration of trust to be entered into on or before the Closing Date, as it may be amended and restated from time to time (the “**Declaration of Trust**”). The address of the Trust and the Manager’s principal office is 130 Adelaide Street West, Suite 1700, Toronto, Ontario, Canada M5H 3P5. The Trust is not an investment fund under Canadian securities laws and is not subject to the rules and regulations that apply to investments funds.

The investment objective of the Trust is to seek to provide holders of Units (the “**Unitholders**”) with an attractive total return through distributions and capital appreciation by investing directly in or obtaining exposure to investments within the private debt and specialty lending sectors.

The Trust proposes to offer Class A Units, Class F Units and Class U Units under this Offering Memorandum. The subscription price for the Class A Units, Class F Units and Class U Units which will be issued at the Closing will be \$10.00 per Class A Unit and Class F Unit, respectively, and US\$10.00 per Class U Unit and thereafter the Units will

be issued at a subscription price equal to the applicable Net Asset Value per Unit calculated prior to the pricing of the Offering.

The Class A Units and Class F Units are denominated in Canadian dollars, while the Class U Units are designed for investors wishing to make their investment in U.S. dollars. The Class F Units and Class U Units are designed for fee-based and/or institutional accounts and differ from the Class A Units as the Agents' Fees payable on the Class F Units and Class U Units are lower than the Agents' Fees payable on the Class A Units. Accordingly, the Net Asset Value per Unit of each Class will not be the same as a result of the different fees allocated to each Class of Units.

The Class A Units, Class F Units and Class U Units have the same investment objective, strategy and restrictions and differ only in respect of the amounts of Agents' Fees payable in respect of their investment, and because the Class U Units are denominated in U.S. dollars. Additional Classes may be offered at the Manager's discretion from time to time for net proceeds per Unit of a Class of not less than 100% of the Net Asset Value per Unit of that Class most recently calculated prior to setting the subscription price for such issuance.

Each Unit of a Class represents an undivided ownership interest in the assets attributable to that Class of Units. 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 and consent of the Manager.

Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Units.

Liquidity Event

The Manager may, in its sole discretion, determine to complete a liquidity event of the Trust (the "**Liquidity Event**") which may include a listing of the Class A Units on a Canadian stock exchange or the exchange of the Class A Units for securities listed on a Canadian stock exchange, subject to any regulatory approval that may be required. There is no guarantee that a Liquidity Event will be completed during the term of the Trust. Fees and expenses associated with the Liquidity Event will be paid by the Trust.

If the Manager determines to complete a Liquidity Event, it is expected that the Trust will prepare and file an offering prospectus for the issue of additional units of the Trust to be issued pursuant to the Liquidity Event. The Manager may effect such changes to the Declaration of Trust as it deems necessary or desirable in order to give effect to the Liquidity Event. No Unitholder approval will be required to approve the Liquidity Event. Notwithstanding the foregoing, the issue price of additional Units to be issued pursuant to the Liquidity Event will not, as far as reasonably practicable, be a price that causes dilution to holders of Units at the time of pricing or be a price that is less than the most recent net asset value per Unit of that Class, as applicable, calculated prior to the pricing of the offering. Fees and expenses associated with the Liquidity Event will be paid by the Trust.

A holder of Class F Units or Class U Units may convert such Class F Units or Class U Units into whole Class A Units on a monthly basis based on the Net Asset Value per Unit. See "*Description of Securities – Conversion of Class F Units and Class U Units*".

INVESTMENT OBJECTIVES AND STRATEGIES

Investment Objective of the Trust

The investment objective of the Trust is to seek to provide Unitholders with an attractive total return through distributions and capital appreciation by investing directly in or obtaining exposure to the Portfolio.

Investment Strategies

The Trust will seek to achieve its investment objective by investing directly in or obtaining exposure to loans, instruments, securities and other assets within the private debt and specialty lending sectors. It is initially expected that the Trust will gain exposure to these sectors by allocating the Trust's assets to investment vehicles, including

private funds, registered funds or other products managed by third party managers or the Manager. The Trust will provide investors an opportunity to access Portfolio Funds advised by world class managers to which individual investors may not otherwise be able to obtain exposure. The Trust may also invest BDCs which are U.S. publicly traded companies created by statute that generally invest in small and mid-sized companies. The Manager will select investments from a broad universe of products focusing on Portfolio Securities it believes will provide the Trust with the best return for an acceptable level of risk. The Trust may also from time to time make loans directly as determined by the Manager in its sole discretion. See “*Governance*”.

The private debt market has grown in prominence following the financial crisis as a result of regulators and policymakers engaging in financial market re-regulation in an attempt to create a more stable global financial system, including by imposing restrictions on certain types of lending by banks. Such re-regulation aims to ensure that deposit taking institutions maintain defined capital and liquidity requirements in order to safeguard client deposits. The unintended consequences of regulatory reform have restricted bank lending resulting in a funding shortfall in both public and private markets. The Manager believes that the next wave of regulatory reform will increase the funding shortfall, providing a unique opportunity in the private lending sector.

The Manager believes that the transition from banks to institutional investors as a primary source of financing for certain sectors and types of borrowers is a long term trend, which represents a shift in lending dynamics and a unique opportunity for investors. The Manager believes that private debt provides an attractive opportunity for investors as it provides significantly higher yields relative to other debt assets with similar ratings to compensate for lower liquidity. In addition, private debt provides investors with a diversification strategy due to low correlation to other assets. In an environment where credit spreads are at historically low levels, skill and differentiation in approach will be necessary to add value.

A continuing search for alternative sources of income has led to a continued growth and maturation of the private debt sector. As part of this growth, asset managers have developed internal expertise in various sub-sectors. Due to this specialization and need for expertise, the Manager believes it is beneficial to implement a private debt strategy through different managers which specialize in various sub-sectors to provide diversification to investors.

A portion of the Portfolio is expected to be exposed to floating rate loans, which the Manager believes should provide a hedge against a rising interest environment. In addition, many loans also contain origination and other fees and may have additional potential upside from minority equity positions or warrants to generate attractive returns for the Portfolio Funds.

The Trust will initially focus on a fund-of-funds approach, where it will invest with multiple managers. By diversifying across managers, investors will benefit from different asset managers who have developed internal expertise in various sectors. The Manager expects to acquire securities of the Portfolio Funds directly from such Portfolio Funds or, if opportunity exists, by way of secondary market purchases.

Some or all of the Portfolio Funds to which the Trust will obtain exposure will be closed-end funds that employ a capital call structure (i.e., investors make capital commitments to fund a maximum amount of capital to the fund, which commitments are drawn down in instalments over a period of time). Pending capital calls from any such private funds, the Manager may invest the cash necessary to meet such capital calls in such assets as it determines in its sole discretion, including in short-term debt instruments, money market funds or similar temporary instruments or use additional listed vehicles such as, but not limited to, exchange traded funds, including funds managed by the Manager.

The Trust may invest up to 30% of its assets in Business Development Companies. Business Development Companies or BDCs are defined as “investment companies, formed pursuant to the Small Business Investment Incentive Act of 1980, which make investments in mostly private US mid-market companies in the form of long term debt or equity capital.” BDCs have grown in popularity since the recent recession as the lack of traditional capital from commercial banks, other secured lenders and private equity funds has caused capital starved companies to consider alternative funding sources, like a BDC. As a financier of almost last resort borrowers, a BDC is similar in concept to the better known venture capital fund. A BDC allows individual investors, at low investment minimums, to invest in the same type of private companies as do large institutions, endowments and pension funds.

BDCs invest in several kinds of debt, including mezzanine debt and collateralized loan obligations or pools of leveraged loans. BDCs perform an important function in helping private mid-market companies finance their growth, and in doing so often provide managerial assistance to the borrower. Most companies looking to work with BDCs have credit ratings which are below investment grade or have no rating at all.

The Manager evaluates equity securities primarily on the BDC's or other issuer's ability to sustain its current dividend and secondarily considers the potential for capital appreciation. The Manager intends to allocate the Trust's assets among BDCs that, in its view, are paying attractive rates of distribution and appear capable of sustaining that distribution level over time. The Manager incorporates into its assessment, among other factors, dividend yield, price to book, financial operations, portfolio of investments and management quality. The Manager will also consider the amount of leverage employed by a BDC before deciding to invest in its securities. In selecting BDCs, the Manager generally seeks to invest in securities with relatively high distribution rates, and that it believes will continue to pay distributions at those rates for the foreseeable future. When selecting securities for the Trust, the Manager may utilize fundamental, technical and other related methodologies to determine the intrinsic value of a security. Examples of fundamental methodologies include consideration of a stock's financial statements, economic factors that might impact the stock, and the qualitative and quantitative factors. Technical methodologies generally refers to the consideration of past market data, primarily using price and volume data. The Manager expects that it will sell a security if, in the judgment of the Manager, the security's income potential has been compromised, an issuer's fundamentals have deteriorated or may deteriorate or a more attractive investment opportunity is identified.

Indicative Portfolio

The Manager has identified the following Portfolio Securities in which the Trust may initially invest: Brookfield Credit Opportunities Fund, Brookfield Super-Core Infrastructure Partners, Monroe Capital Private Credit Fund III, Oaktree Middle Market Private Debt, Onex Senior Credit Fund, Onex Credit Lending Partners I LP, VPC Specialty Finance Fund (USD), Ares Capital Corporation, Apollo Investment Corp., Goldman Sachs BDC Inc. and Monroe Capital Corp. (the "**Indicative Portfolio**"). The Indicative Portfolio is illustrative of the issuers that would have made up the Portfolio had it existed on May 14, 2018.

Issuer	Strategy	% of the Indicative Portfolio
Monroe Capital Private Credit Fund III	Focused on directly-originated, senior secured loans to lower middle market borrowers located in the U.S. and Canada.	16%
Oaktree Middle Market Private Debt	Primarily focused on directly originated senior secured loans made to performing middle-market borrowers located in North America.	16%
VPC Specialty Finance Fund (USD)	Comprised primarily of investments in the specialty lending market through origination peer-to-peer platforms as well as privately negotiated loans to lower middle market companies.	12%
Brookfield Credit Opportunities Fund	Opportunistic global credit strategy that includes investments in equities, credit and distressed debt.	10%
Onex Credit Lending Partners I LP	Targets senior secured first lien corporate loans and other loan investments in private equity sponsor-owned portfolio companies and, selectively, other borrowers.	10%
Brookfield Super-Core Infrastructure Partners	Invests globally in long-duration super-core infrastructure assets with a focus on income,	8%

Issuer	Strategy	% of the Indicative Portfolio
	diversification and inflation protection. Targets investments in the renewable power, transportation, utilities and energy sectors, Brookfield's main sectors of focus within infrastructure.	
Onex Senior Credit Fund	Targets senior secured, first-line leveraged loans of non-investment grade companies mainly in the U.S., as well as Canada and Europe.	8%
BDCs <ul style="list-style-type: none"> - Ares Capital Corporation - Apollo Investment Corp. - Goldman Sachs BDC Inc. - Monroe Capital Corp. 	Public companies that provide financing to small and medium sized businesses	20%

The following is a description of the entities which manage (directly or through one of their subsidiaries) the Portfolio Funds in the Indicative Portfolio.

Monroe Capital LLC

Monroe Capital LLC (“**Monroe**”) is a private credit asset management firm specializing in direct lending and opportunistic private credit investing. Since 2004, Monroe has provided private credit solutions to borrowers in the U.S. and Canada. Monroe’s middle market lending platform provides senior and junior debt financing to businesses, special situation borrowers and private equity sponsors. Investment types include unitranche financings, cash flow, asset based and enterprise value based loans and equity co-investments. Monroe is committed to being a value-added and user-friendly partner to business owners, senior management, private equity and independent sponsors.

Oaktree Capital Management, L.P.

Oaktree Capital Management, L.P. (“**Oaktree**”) is a leading global alternative investment management firm with expertise in credit strategies. The firm was formed in 1995 by a group of individuals who had been investing together since the mid-1980s in high yield bonds, convertible securities, distressed debt, real estate, control investments and listed equities. Today, Oaktree comprises over 900 employees in Los Angeles, New York, Stamford, Houston, London, Paris, Frankfurt, Amsterdam, Dublin, Luxembourg, Dubai, Hong Kong, Tokyo, Singapore, Seoul, Beijing, Shanghai and Sydney. Oaktree has 35 portfolio managers with an average experience of 23 years and over 813 years of combined industry experience.

Victory Park Capital Advisors, LLC

Victory Park Capital Advisors, LLC (“**VPC**”) is an investment firm with a focus on alternative credit and a commitment to delivering attractive risk-adjusted returns and capital preservation for its clients. VPC provides privately negotiated debt and equity capital solutions to small and middle market companies across a wide range of industries. VPC targets fundamentally sound businesses in need of liquidity and/or capital structure transformation and often takes a leadership role in the financial restructuring process. VPC’s offerings leverage the firm’s special situations and credit structuring expertise and differentiated deal origination capabilities. VPC was founded in 2007 and is headquartered in Chicago, with resources in New York, Los Angeles and London. VPC is privately held and a Registered Investment Advisor with the U.S. Securities and Exchange Commission.

Brookfield Asset Management Inc.

Brookfield Asset Management Inc. (“**Brookfield**”) is a leading global alternative asset manager, focused on investing in long-life, high quality assets across real estate, infrastructure, renewable power and private equity. Brookfield’s investments include one of the largest portfolios of office properties in the world, an industry-leading infrastructure business spanning utilities, transportation, energy, communications infrastructure and sustainable resources, and one of the largest pure-play renewable power businesses that includes more than 200 hydroelectric facilities as well as several high quality business services and industrial companies. These businesses form the backbone of the global economy, supporting the endeavors of individuals, corporations and governments worldwide. Brookfield has 100 offices in 30 countries and manages US\$283 billion in assets under management as at December 31, 2017.

Onex Credit Partners, LLC

Onex Credit Partners, LLC (“**Onex**”) invests primarily in non-investment grade debt through its collateralized loan obligations, private debt fund and other credit strategies. Onex practises value-oriented investing, employing a bottom-up, fundamental and structural analysis of the underlying borrowers. Onex seeks to generate strong risk-adjusted and absolute returns across market cycles. As of December 31, 2017, Onex managed approximately \$9.6 billion of assets across its various strategies, of which approximately \$840 million is Onex capital.

By obtaining exposure to the Portfolio Funds, the Trust indirectly will be subject to the management and incentive fees, administrative fees and expenses payable at the Portfolio Fund level. The average management fee payable by the Portfolio Funds included in the Indicative Portfolio is approximately 1.15% per annum. The Manager will seek to negotiate lower management fees with the managers of the Portfolio Funds.

The Portfolio may or may not include the Portfolio Securities referenced above and will include securities or other assets that are not included in the Indicative Portfolio. The Manager will actively manage the Portfolio to seek to meet the Trust’s investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Manager’s assessment of market conditions and opportunities.

The return to the Trust will be primarily based on the performance of the Portfolio Securities. The Net Asset Value per Unit of each Class of Units will vary depending on the performance of the Portfolio and will also vary depending on the expenses allocated to, and distributions paid in respect of, the particular Class of Units.

The Trust may invest cash pending investment, allocated for capital calls from any of the Portfolio Funds, pending reinvestment or distribution thereof or at any time deemed appropriate by the Manager in short-term debt instruments, money market funds or similar temporary instruments or use additional listed vehicles such as, but not limited to, exchange traded funds, including funds managed by the Manager.

Investment Committee

The Manager will rely on the Investment Committee, which will provide recommendations to the Manager with respect to investment opportunities including third party managers which the Investment Committee believes are suitable for the Trust. The Manager will consider the Investment Committee’s recommendations, but the Manager will make the ultimate investment decision on behalf of the Trust.

In carrying out its initial screening of prospective investments, the Investment Committee will undertake a comprehensive due diligence process to ensure that the prospective investment meets the Trust’s investment objectives and investment restrictions, and will consider the following factors as part of its consideration:

- experience of the portfolio manager or the management team;
- historical performance of the investment;
- exit strategy / liquidity;
- fee structure;

- regulatory environment;
- tax structure and treatment for the Trust and the Unitholders; and
- such other factors it considers relevant.

Where it is considered advisable, the Investment Committee will engage other professionals with particular expertise for assistance and advice with respect to investment opportunities. If, following this review, the Investment Committee determines that an investment opportunity is viable, the Investment Committee will make a recommendation to the Manager and will provide the Manager with an investment memorandum for each investment recommended. The Manager will consider and may undertake further review and evaluation of the Investment Committee's recommendation. Based on this information and its own review, the Manager will make the ultimate investment decision on behalf of the Trust.

The Investment Committee will also assist the Manager in monitoring the Trust's investments on an ongoing basis. Biographies of the current members of the Investment Committee are set out below. The Manager expects to add additional members to the Investment Committee from time to time in the future.

Peter Shippen, Portfolio Manager of Purpose Investments Inc.

Mr. Shippen is a Portfolio Manager with Purpose Investments Inc. Mr. Shippen was the President of Redwood Asset Management Inc. ("**Redwood**") since September 2009. Redwood was acquired by Purpose Investments Inc. in 2016. Prior to that, he was an executive officer and a Director of Ark Fund Management and its affiliated entities from September 2007 until its amalgamation with Redwood on January 1, 2010. From July 2002 until August 2007, Mr. Shippen worked at TD Waterhouse Canada Inc., most recently as Vice President, Fund Research and Product Due Diligence. Mr. Shippen is a CFA charterholder, holder of the CAIA designation and earned a BA, Economics from Wilfrid Laurier University.

Vladimir Tasevski, Vice President of Purpose Investments Inc.

Mr. Tasevski is Vice President of Purpose Investments Inc., where he has broad involvement in implementation of the firm's key initiatives and works closely with the President on corporate development and strategy. Prior to joining Purpose, Mr. Tasevski was a Vice President at BlackRock in Toronto, which he joined following the acquisition of Claymore Investments, Inc. in March 2012. Mr. Tasevski previously spent five years at Claymore Investments, Inc. in a generalist role where he gained broad experience in the areas of product development, operations and sales. Mr. Tasevski is a CFA charterholder and has a Bachelor of Commerce degree from the University of Toronto. He is an active member of the Rotman Commerce alumni community and is also the head coach of the University of Toronto Men's Varsity Waterpolo Team. In 2012, Mr. Tasevski was a recipient of the Arbor Award as recognition for his contributions and outstanding personal service to the University of Toronto.

Leverage

The Trust may employ leverage and otherwise incur indebtedness up to a maximum of 15% of the Net Asset Value of the Trust. Leverage employed by the Portfolio Funds will not be included in the Trust's leverage amount, but the Manager will consider the leverage used by the Portfolio Funds when determining the amount of leverage to be employed by the Trust. Initially, the Manager does not expect the Trust to employ leverage.

Currency Hedging

It is expected that the investments in the Portfolio Securities will be primarily denominated in U.S. dollars or other foreign currencies and the Portfolio Securities and distributions or dividends paid by the Portfolio Securities will be denominated in U.S. dollars. The Trust is and distributions paid by the Trust to holders of Class A Units and Class F Units will be denominated in Canadian dollars. Distributions paid by the Trust to holders of Class U Units will be denominated in U.S. dollars.

The Manager initially intends to hedge substantially all of the Trust's interest in the Portfolio Securities denominated in U.S. dollars attributable to the Class A Units and Class F Units back to the Canadian dollar. There is no guarantee that it will be possible to remove all currency risks.

The value of the Portfolio attributable to the Class U Units will not be hedged.

General

The above-described investment strategies and operating policies which may be pursued by the Trust are not intended to be exhaustive and other strategies and/or policies may also be employed. The actual strategies or policies utilized will depend on market conditions and the relative attractiveness of the available opportunities. The Manager may, in its sole and absolute discretion, use strategies or policies for the Trust other than those described above, or discontinue the use of any strategy or policy without advance notice to the Unitholders. Changes to the investment strategies and operating policies of the Trust can be made without prior approval of the Unitholders. If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust enacts any law, regulation or requirement which is in conflict with any investment or operating policy of the Trust then in force, such policy will be deemed to have been amended to the extent necessary to resolve any such conflict. **There can be no assurance that the Trust's investment objective will be achieved. Investment results may vary substantially over time.**

INVESTMENT RESTRICTIONS OF THE TRUST

The Trust is and will be invested in accordance with its investment objective, investment strategy and investment restrictions as set forth and subject to modification as described herein. The following investment limits and restrictions shall apply to ensure that the diversification of the Portfolio is maintained and that concentration risk is limited.

Subject to the foregoing, the Trust shall be subject to the following investment restrictions after the initial investment of assets:

- (a) no more than 30% of the Net Asset Value of the Trust at the time of investment may be invested in Portfolio Funds managed by one manager or such manager's affiliates;
- (b) the Trust will not employ leverage exceeding 15% of the Net Asset Value of the Trust;
- (c) no more than 30% of the Net Asset Value of the Trust at the time of investment may be invested in BDCs;
- (d) not more than 10% of the Net Asset Value of the Trust at the time of investment may be invested in securities of any one BDC;
- (e) the Trust will not invest in any Portfolio Fund that is a partnership for purposes of the Tax Act unless the liability of the Trust as a member of such partnership is limited by the operation of any law governing the arrangement in respect of the partnership;
- (f) the Trust will not make or hold any investment or conduct any activity that would result in the Trust failing to qualify as a "unit trust" or a "mutual fund trust" within the meaning of the Tax Act;
- (g) the Trust will not hold (i) securities of any non-resident corporation or trust or other entity (or of a partnership which holds such securities) if the Trust (or partnership) would be required to include any significant amounts in income pursuant to the offshore investment fund property rules in section 94.1 of the Tax Act, (ii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act, or (iii) any interest in a trust (or a partnership which holds such an interest) which would

require the Trust (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act;

- (h) the Trust will not:
- (i) hold “securities” of a “subject entity”, other than a “portfolio investment entity” (each as defined in the SIFT Rules) or a Lending Subsidiary, if the Trust holds securities of the subject entity that have a total fair market value that is greater than 10% of the “equity value” of the subject entity;
 - (ii) hold “securities” of a “subject entity”, other than a “portfolio investment entity” (each as defined in the SIFT Rules), if, together with all of the securities that the Trust holds of entities affiliated with the particular subject entity, such securities have a total fair market value that is greater than 50% of the equity value of the Trust for the purposes of the Tax Act;
 - (iii) acquire any property that is a “Canadian real, immovable or resource property” for purposes of the Tax Act if at any time in the taxation year the total fair market value of such property held by the Trust is greater than 50% of the equity value of the Trust for the purposes of the Tax Act; or
 - (iv) hold property that the Trust, or a person or partnership with whom the Trust does not deal at arm’s length, uses at that time in the course of a business carried on in Canada;
- (i) the Trust will not engage in securities lending that does not constitute a “securities lending arrangement” for purposes of the Tax Act;
- (j) the Trust will not invest in any security that would be a “tax shelter investment” within the meaning of the Tax Act;
- (k) the Trust will not make or hold any investments in any entity that would be a “foreign affiliate” of the Trust for purposes of the Tax Act; and
- (l) the Trust will not acquire or continue to hold any property that would be “taxable Canadian property” (as such term is defined in the Tax Act if the definition were read without reference to paragraph (b) thereof).

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Trust will not be considered a violation of the restriction (except for the restrictions in paragraphs (g) and (h)). As described under “*Investment Objectives and Strategies – Leverage*”, leverage employed by the Portfolio Funds will not be included in the Trust’s leverage calculation for purposes of the restriction set out in paragraph (b).

The Trust may also invest cash pending investment, allocated for capital calls from any of the Portfolio Funds, pending reinvestment or distribution thereof or at any time deemed appropriate by the Manager in short-term debt instruments, money market funds or similar temporary instruments or use additional listed vehicles such as, but not limited to, exchange traded funds, including funds managed by the Manager. In addition, for the first 90 days following the closing of an offering, the Trust may hold securities which do not comply with restrictions in paragraphs (a) and (c).

FEES AND EXPENSES

Fees and Expenses Payable by the Trust

The following is a summary of the fees and expenses payable by the Trust. The fees and expenses payable by the Trust will reduce the value of your investment in the Trust.

Agents' Fees

The Trust will pay a fee to the Agents equal to 5.25% (\$0.525) of the issue price for each Class A Unit sold pursuant to the Offering and 2.25% (\$0.225 or US\$0.225) of the issue price for each Class F Unit or Class U Unit, respectively, sold pursuant to the Offering (the “**Agents' Fees**”).

Offering Expenses

In addition to the Agents' Fees, the Trust will pay all of the expenses in connection with the Offering, subject to a maximum of 1.5% of the gross proceeds of the Offering.

Management Fee

The Trust will pay the Manager a management fee that is accrued monthly on the last Business Day of each month (a “**Valuation Date**”) and calculated and payable monthly in arrears in respect of: (i) Class A Units at a rate equal to 1/12 of 0.50% (approximately 0.50% per annum) of the Net Asset Value of the Class A Units, plus applicable federal and provincial taxes (including HST); (ii) Class F Units at a rate equal to 1/12 of 0.50% (approximately 0.50% per annum) of the Net Asset Value of the Class F Units, plus applicable federal and provincial taxes (including HST); and (iii) Class U Units at a rate equal to 1/12 of 0.50% (approximately 0.50% per annum) of the Net Asset Value of the Class U Units, plus applicable federal and provincial taxes (including HST) (together, the “**Management Fee**”). The Management Fee is paid in consideration of the Manager providing management and administrative services to the Trust. The services include, but are not limited to, the making of investment portfolio decisions and services related to ongoing administration, marketing and oversight and compliance matters for the Trust.

By obtaining exposure to the Portfolio Funds, the Trust indirectly will be subject to the management and incentive fees, administrative fees and expenses payable at the Portfolio Fund level. The average management fee payable by the Portfolio Funds included in the Indicative Portfolio is approximately 1.15% per annum. The Manager will seek to negotiate lower management fees with the managers of the Portfolio Funds.

The Trust may also invest in vehicles advised by the Manager or make loans directly as determined by the Manager in its sole discretion. Nevertheless, it is expected that the Trust will invest initially through the Portfolio Funds and the Trust will make loans directly or invest in vehicles advised by the Manager only when it has the required expertise and experience. Notwithstanding the foregoing, there will be no duplication or double counting of fees to the Manager if an investment is made in vehicles which are managed by the Manager or one of its affiliates.

Ongoing Expenses

The Trust is responsible for the payment of all administrative fees and expenses relating to its operation, including but not limited to: (i) all regulatory filing fees; trustee fees; registrar and transfer agent fees and expenses; fees and expenses associated with conversion of Units; fees and expenses associated with a Liquidity Event; audit fees; accounting fees; administration fees, including advertising, marketing and promotional expenses; insurance premiums; fees associated with the Trust's bank accounts; operational expenses; record keeping and legal fees and expenses, custody, prime broker and safekeeping charges; Unitholder communication; mailing, printing and servicing costs (including proxy solicitation material, financial and other reports, as well as conducting and convening meetings of Unitholders); all taxes, assessments or other governmental charges levied against the Trust; interest expense, (if any); the cost of consulting and other professional fees relating to particular investments of the Trust; third party investment due diligence and monitoring expenses; data, statistical services, research,

organizational costs, distribution costs, and all reasonable extraordinary or non-recurring expenses which are directly related to the maintenance and management of the Trust, along with all reasonable extraordinary or non-recurring expenses; and (ii) its indirect *pro rata* share of fees and expenses of the Portfolio Funds (including management and incentive fees), which may include Portfolio Funds managed by the Manager or its affiliates. In addition, the Trust will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Trust.

The Trust is generally required to pay HST on most operating expenses that it pays.

The Manager may cap the operating expenses of the Trust on an annual basis and may, on its own accord, pay for certain operating expenses of the Trust in order to maintain the operating expenses at a reasonable level.

Each Class of Units is responsible for the expenses specifically related to that Class and a proportionate share of expenses that are common to all Classes.

DESCRIPTION OF SECURITIES

Units

An investment in the Trust is represented by Units. Investors will subscribe for Units that can be purchased from time to time. The Trust is permitted to have an unlimited number of Classes of Units having such terms and conditions as the Manager may determine.

The Trust proposes to offer Class A Units, Class F Units and Class U Units under this Offering Memorandum. The Class A Units, Class F Units and Class U Units have the same investment objective, strategy and restrictions, and differ only in respect of the amounts of Agents' Fees payable in respect of their investment and because the Class U Units are denominated in U.S. dollars. Additional Classes may be offered at the Manager's discretion from time to time for net proceeds per Unit of a Class of not less than 100% of the Net Asset Value per Unit of that Class most recently calculated prior to setting the subscription price for such issuance. Notwithstanding the foregoing, the Trust will not raise additional capital until 80% of the Net Asset Value of the Trust is invested in accordance with its investment strategies and investment restrictions.

Each Unit of a Class represents an undivided ownership interest in the assets attributable to that Class of Units. 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 and the consent of the Manager.

The Manager, in its discretion, will determine the number of Classes of Units and establish the attributes of each Class, including the designation of each Class, the initial offering price for the first issuance of Units of the Class, any minimum initial or subsequent investment thresholds, any minimum account balances, valuation frequency, fees and expenses of the Class, sales or redemption charges payable in respect of the Class, redemption rights and any additional Class specific attributes. The Manager may add additional Classes of Units at any time. The Manager may also, upon providing a Unitholder with 30 days' prior written notice, re-designate Units of a Class issued to the Unitholder as Units of another Class having an aggregate equivalent Class Net Asset Value per Unit.

All Units of the same Class shall be entitled to participate *pro rata*: (i) in any payments or distributions made by the Trust to the Unitholders of the same Class (other than any amount payable by the Trust which represents capital gains allocated and designated to a redeeming Unitholder); and (ii) upon liquidation of the Trust, in any distributions to Unitholders of the same Class of net assets of the Trust remaining after satisfaction of outstanding liabilities of such Class. All Units will be issued as fully paid and non-assessable. There are no pre-emptive rights attaching to Units. Fractional Units will carry the same rights and will be subject to the same conditions as whole Units in the proportion which they bear to a whole Unit. Outstanding Units of any Class may be subdivided or consolidated in the Manager's discretion on 21 days' prior written notice.

The Manager may, at any time, amend the Declaration of Trust and exchange the Units into such securities of the Trust which are listed on a Canadian stock exchange.

Conversion of Class F Units and Class U Units

A holder of Class F Units or Class U Units may convert such Class F Units or Class U Units into whole Class A Units on a monthly basis or, in the future, into such other securities of the Trust which are listed on a Canadian stock exchange based on their relative net asset values and such other terms as determined by the Manager. Class F Units may be converted into Class A Units on a monthly basis on the last Business Day of such month (the “**Conversion Date**”) by delivering a notice to CDS (at its office in the City of Toronto) and surrendering such Class F Units by 3:00 p.m. (Toronto time), as the case may be, at least five Business Days prior to the applicable Conversion Date. As the Net Asset Value per Unit will not be determined until after the applicable Conversion Date, the Trust will initially confirm the conversion of such Class F Units or Class U Units into Class A Units and a subsequent notice, after the Net Asset Value per Unit as of the Conversion Date is determined, will confirm the number of Class A Units into which such Class F Units or Class U Units were converted.

For each Class F Unit so converted, the holder will receive that number of whole Class A Units that is equal to the Net Asset Value per Class F Unit determined as of the close of business on the Conversion Date divided by the Net Asset Value per Class A Unit determined as of the close of business on the Conversion Date.

For each Class U Unit so converted, the holder will receive that number of whole Class A Units equal to the Net Asset Value per Class U Unit (expressed in Canadian dollars based on the Reference Exchange Rate on the Business Day immediately preceding the Conversion Date) determined as of the close of business on the Conversion Date divided by the Net Asset Value per Class A Unit determined as of the close of business on the Conversion Date.

As no fractional Class A Units will be issued upon any conversion, any remaining fraction of a Class F Unit or of a Class U Unit, as applicable, will be redeemed at the Net Asset Value per Class F Unit or Net Asset Value per Class U Unit determined as of the close of business on the Conversion Date.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units will not constitute a disposition of the Class F Units for the purposes of the Tax Act. In contrast, a conversion of Class U Units into whole Class A Units by a Unitholder will likely constitute a disposition of such Class U Units for the purposes of the Tax Act and, as a result, will likely result in a capital gain (or capital loss) for the Unitholder. The redemption of any fraction of a Class F Unit or Class U Unit will result in a capital gain (or capital loss) for the redeeming Unitholder. See “*Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders*”.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, CIBC World Markets Inc., National Bank Financial Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., Raymond James Ltd., Industrial Alliance Securities Inc., Cormark Securities Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., Haywood Securities Inc., Mackie Research Capital Corporation, Manulife Securities Incorporated, PI Financial Corp. and Rothenberg Capital Management Inc. (collectively, the “**Agents**”), have agreed to conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Trust and accepted by the Agents pursuant to the “accredited investor” exemptions from the prospectus requirement under Canadian securities laws set forth in section 73.3 of the *Securities Act* (Ontario) and section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) in the relevant provinces and territories of Canada. The Closing is expected to occur in late June (the “**Closing Date**”) or on such other date that the Trust and the Agents may mutually agree upon.

Assuming completion of the Offering, the Trust will pay a fee to the Agents equal to 5.25% (\$0.525) of the issue price for each Class A Unit sold pursuant to the Offering and 2.25% (\$0.225 or US\$0.225) of the issue price for each Class F Unit or Class U Unit, respectively, sold pursuant to the Offering and will reimburse the Agents for their expenses. While the Agents have agreed to use their best efforts to sell the Class A Units, Class F Units and Class U Units offered hereby, the Agents will not be obligated to purchase any Units which are not sold. The offering price for the Class A Units and Class F Units is fixed at \$10.00 per Unit, respectively, and US\$10.00 for the Class U Units with respect to the initial Closing and thereafter at the Net Asset Value per Unit and, together with the aggregate number of Class A Units, Class F Units and Class U Units offered under the Offering, was determined by negotiation between the Trust and the Agents. The Offering consists of a maximum offering of up to \$75,000,000.

The minimum subscription for the Class A Units and Class F Units is \$5,000 and the Class U Units is US\$5,000. Under the terms of the Agency Agreement, the Agents may, at their reasonable discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement.

The Class A Units, Class F Units and Class U Units have not been nor will they be registered under the Securities Act or the securities laws of any state in the U.S. and, subject to certain exemptions, may not be offered or sold or otherwise transferred or disposed of in the U.S.

The Manager may in its sole discretion accept or reject any subscriptions for Units in whole or in part. Settlement of funds for the subscription shall be as set out in the Subscription Agreement. In the event of a rejection of a subscription, the Manager shall forthwith return any subscription without interest or deduction.

Book-Entry Only System

Registration of interests in, and transfers of, the Units will be made only through non-certificated interests issued under the book-entry only system. On the Closing Date, non-certificated interests representing the aggregate number of Class A Units, Class F Units and Class U Units subscribed for under the Offering will be recorded in the name of CDS, or its nominee, on the register of the Trust. Units must be purchased, converted, transferred and surrendered for redemption through a CDS Participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by, CDS or the CDS Participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholder will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

The Trust, the Manager and the Agents will not have any liability for (i) records maintained by CDS relating to the beneficial interests in the Units or the book-based entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

REDEMPTION OF UNITS

Redemption at the Option of Unitholders

A Unitholder may at any time request that the Trust redeem his or her Class A Units, Class F Units or Class U Units for an amount equal to 97% of the Net Asset Value per Unit of the applicable Class (the “**Redemption Price**”), as at the last Business Day of any calendar quarter (each a “**Quarterly Redemption Date**”), provided that a written or electronic request for redemption (a “**Redemption Request**”) is received by the Manager no later than 4:00 p.m. (Toronto time) on a date which is not less than 15 calendar days prior to the applicable Quarterly Redemption Date. Each Redemption Request must specify the number of Units to be redeemed and must be accompanied by the certificates, if any, representing the Units to be redeemed. On the applicable Quarterly Redemption Date, all rights to and under the Units tendered for redemption shall immediately cease, provided that the Unitholders thereof shall retain the right to receive distributions thereon which have been declared payable to Unitholders of record prior to the Redemption Date and the right to receive the Redemption Price.

The Redemption Price will be paid to the redeeming Unitholder on or about the later of: (i) the last Business Day of the month following the Quarterly Redemption Date; and (ii) the fifth Business Day after the day on which the Net Asset Value per Unit used to calculate the Redemption Price is available. The Redemption Price will be paid by wire transfer or cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada payable to the Unitholder who exercised the right of redemption with respect to the Class A Units or Class F Units and in U.S. dollars payable to the Unitholder who exercised the right of redemption with respect to the Class U Units. However, where the total amount payable by the Trust in respect of the redemption of Units for any Quarterly Redemption Date exceeds \$50,000 (the “**Cash Redemption Limit**”), the Manager may, in its discretion, and subject to all necessary regulatory approvals, pay and satisfy the excess of the aggregate Redemption Price for the Units tendered

for redemption over the Cash Redemption Limit by the issuance of unsecured, interest-bearing promissory notes of the Trust (the “Notes”). Any promissory note of the Trust issued to Unitholders in connection with a redemption of Units will be illiquid, may not be qualified investments for Registered Plans and may give rise to adverse consequences to a Registered Plan or the holder or subscriber of or the annuitant under that plan. Furthermore, holding any promissory note of the Trust may have different tax consequences than holding the Units directly. Accordingly, prospective investors should consult their own tax advisors before deciding to exercise the redemption rights attached to the Units.

As there is currently no market through which the Units may be sold and no market may develop, redemptions may be an important source of liquidity for Unitholders seeking to realize on their investment prior to the Maturity Redemption Date.

Maturity Redemptions

In addition, Class A Units, Class F Units and Class U Units may be redeemed by the Unitholder on June 30, 2023 and, if no Liquidity Event has occurred prior to the relevant date, on June 30th each and every five years thereafter (each, a “**Maturity Redemption Date**”) and such Unitholders will receive a price per Unit (the “**Maturity Redemption Price**”) equal to 100% of the Class Net Asset Value per Class A Unit, 100% of the Class Net Asset Value per Class F Unit or 100% of the Class Net Asset Value per Class U Unit, as applicable, calculated as of the relevant Maturity Redemption Date (the “**Maturity Redemption**”). Any Unitholder who wishes to redeem his, her or its Class A Units, Class F Units or Class U Units on the Maturity Redemption Date will be required to deliver notice of such redemption to the Manager at least 12 months prior to the relevant Maturity Redemption Date. The Maturity Redemption Price shall be paid by wire transfer or by cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada with respect to Class A Units and Class F Units and in U.S. dollars with respect to Class U Units payable to the Unitholder who exercised the right of redemption or by such other manner of payment permitted by the Manager no later than 60 days following the applicable Maturity Redemption Date.

Notwithstanding the foregoing, if a Liquidity Event occurs prior to January 1, 2023, Class A Units, Class F Units and Class U Units (or such other securities into which these units were exchanged or converted) may be redeemed on June 30, 2023, if and only if the units of the Trust listed on a stock exchange trade on such exchange at an average discount to the announced Net Asset Value per unit greater than 5% on a volume weighted basis for the four months ending on May 31, 2023 (the “**Maturity Redemption Condition**”). The Manager will issue a press release prior to June 15, 2023 stating the average discount to the Net Asset Value per unit of the trading price and whether the Maturity Redemption Condition has been triggered. Any Unitholder wishing to redeem his, her or its Class A Units, Class F Units or Class U Units (or such other securities into which these units were exchanged or converted) will be required to deliver notice of such redemption to the Manager prior to June 30, 2022 and the redemption request will be fulfilled by the Trust only if the Maturity Redemption Condition is triggered. If a Liquidity Event occurs, the Trust will not provide any additional Maturity Redemption (other than the initial redemption on June 30, 2023 available if and only if the Maturity Redemption Condition is triggered).

Suspension of Redemptions

The Manager may suspend or limit the redemption of Units during any period in which (i) valuation of the Portfolio is unable to be calculated; (ii) there exists a state of affairs under which liquidation by the Trust of part or all of its investments is not reasonable or practicable or would be prejudicial to the Trust; or (iii) not postponing or suspending such redemption would materially adversely affect the existing Unitholders. In no case, however, may any such period last longer than 120 days. The applicable redemption price will be adjusted by changes in the applicable Class Net Asset Value per Unit during the period of suspension or limitation and calculated as at the Valuation Date on which the redemption occurs.

The suspension will terminate on the first day on which the condition giving rise to the suspension ceases to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of a suspension of redemptions made by the Manager is conclusive.

In the event that the suspension lasts beyond a Quarterly Redemption Date, the investor will receive a Redemption Price equal to 97% of the applicable Class Net Asset Value per Unit on the Valuation Date immediately after the suspension is lifted applicable on such date. Should the suspension be lifted prior to the Redemption Date, the investor will receive a Redemption Price equal to 97% of the applicable Class Net Asset Value per Unit on such Quarterly Redemption Date.

Subscriptions for Units (including Units of any affected Class) may be accepted during any period when the ability of the Trust to redeem Units is suspended.

Mandatory Redemptions by the Trust

Partial redemptions that reduce the aggregate Net Asset Value of a Unitholder's Units below the minimum balance of \$1,000 or US\$1,000 may result in the Manager requiring a mandatory redemption of all Units held by such Unitholder. The Manager may also require the mandatory redemption of Units under other circumstances. Any such mandatory redemption will be made at the applicable redemption price per Unit equal to 100% of the Class Net Asset Value per Unit for the applicable Class calculated as of the next Valuation Date following the issuance of a notice of the mandatory redemption to the affected Unitholder.

Allocations to Redeeming Unitholders

Pursuant to the Declaration of Trust, the Trust may allocate and designate as payable any capital gains realized by the Trust as a result of any disposition of property of the Trust undertaken to permit or facilitate the redemption of Units to a Unitholder whose Units are being redeemed. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

VALUATION POLICIES

Net Asset Value

The Net Asset Value of the Trust is the value of all assets of the Trust less its liabilities. The Net Asset Value of the Units will vary depending on the performance of the investments.

The Net Asset Value of the Trust and of each Class of Units will be calculated and determined by the Valuation Agent for purposes of redemptions, conversion and subscription for Units and calculation of the Management Fee. A separate Class Net Asset Value will be calculated for each Class of Units. The Net Asset Value of the Trust and the Class Net Asset Value for each Class of Units, as at the relevant Valuation Date, will be calculated by the Valuation Agent on or about the twenty fifth Business Day following the last Business Day of each month. The last Business Day of each month (or any other date as determined by the Manager) will be the Valuation Date.

The Class Net Asset Value per Unit of any Class of Units on a Valuation Date is obtained by dividing (i) the then fair market value of the assets of the Trust less the aggregate amount of its accrued liabilities, in each case attributable to that Class of Units, by (ii) the total number of Units of the Class outstanding at the time the calculation is made on the Valuation Date. The result is adjusted to a maximum of four decimal places. The Net Asset Value of the Trust and of each Class may also be calculated as of any such other day or days as determined from time to time by the Manager.

The Net Asset Value of the Trust, the Net Asset Value per Class A Units and the Net Asset Value per Class F Unit will be calculated in Canadian dollars and the Net Asset Value per Class U Unit will be calculated in U.S. dollars.

Valuation Principles

In determining the NAV of the Trust or any Class of Units, as the case may be, the Trust will use the following principles:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, are valued at the full amount or at what the Manager considers to be the fair value;
- (b) bonds, debentures and other debt securities shall be marked-to-market based on prices obtained from a recognized pricing service at the Valuation Date. Short-term investments, including notes and money market instruments, shall be recorded at their fair value;
- (c) any security that is listed or dealt in on a stock exchange shall be valued at the closing sale price (or such other value as the securities regulatory authorities may permit) last reported on the Valuation Date on the principal stock exchange on which such security is traded, or, if no reliable closing sale price is available at that time, the security shall be fair valued;
- (d) securities of any funds held by the Trust shall be valued at the reported net asset value of that fund available at the relevant Valuation Date;
- (e) foreign currency accounts shall be expressed in Canadian dollars on the following basis: (i) investments and other assets shall be valued by applying the applicable exchange rate at the end of the relevant valuation period; and (ii) purchases and sales of investments, income and expenses shall be recorded by applying the applicable exchange rate on the dates of such transactions;
- (f) the Trust's holdings shall be valued in Canadian dollars before the NAV of the Trust or the Units, as the case may be, is calculated;
- (g) forward foreign exchange contracts shall be valued as the difference between the value of the contract on the date the contract was originated and the value of the contract on the Valuation Date. Foreign exchange options shall be valued at their quoted market value. When the contract or option closes or expires, a realized foreign exchange gain or loss shall be recognized;
- (h) forward contracts shall be valued as the difference between the current price and the purchase price (i.e. the mark-to-market value of the contract);
- (i) clearing corporation options shall be valued at their current market value;
- (j) should the Trust write a covered clearing corporation option, the premium received shall be considered a deferred credit with a value equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss. Deferred credits will be deducted to arrive at the Net Asset Value of the Trust;
- (k) futures contracts shall be valued at the outstanding current margin payable or receivable;
- (l) bullion, coins, certificates or other evidences of precious metals shall be valued at their current market value;
- (m) restricted securities shall be valued according to reported quotations in common use, or according to the following method, whichever is less: restricted securities shall be valued at that percentage of the market value of unrestricted securities which the Trust paid to acquire them, provided that if the time period during which the restrictions on these securities will apply is known, the price may be adjusted to reflect this time period;
- (n) all other assets shall be valued at the Manager's best estimate of fair value; and
- (o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Valuation Agent to be inappropriate under the circumstances, then,

notwithstanding the foregoing rules, the Valuation Agent shall make such valuation as it considers fair and reasonable.

The value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides. The Manager may also determine the fair value of securities in the following circumstances: (a) when there is a halt trade on a security which is normally traded on an exchange; (b) on securities that trade on markets that have closed prior to the time of calculation of the NAV of the Trust and for which there is sufficient evidence that the closing price on the market is not the most appropriate value at the time of valuation; and (c) when there are investment or currency restrictions imposed by a country that affect the Trust's ability to liquidate the assets held in that country or country's market.

Notwithstanding the foregoing, the value of the Trust's interests in Portfolio Funds will be based on the valuations provided to the Trust by the Portfolio Funds and the Portfolio Funds will value the securities in their portfolios in accordance with their own existing valuation policies and procedures. A significant portion of the interests in the Portfolio Funds are expected to be highly illiquid and will not have market quotations. Accordingly, there can be no assurance that the value of any interests in a Portfolio Fund would in fact be realized by the Trust or the applicable Portfolio Fund on the eventual disposition of such investment.

Each Portfolio transaction will be reflected in the calculation of NAV no later than the calculation of NAV next made after the date on which the transaction becomes binding. The issue of Units will be reflected in the calculation of NAV next made after the issue date for such Units. The redemption of Units will be reflected in the calculation of NAV next made after the exchange request or redemption request is accepted. The NAV per Unit of a Class determined in accordance with the principles set out above may differ from the NAV per Unit determined under International Financial Reporting Standards.

DISTRIBUTIONS

The Trust intends to make quarterly distributions to holders of Class A Units, Class F Units and Class U Units. The Trust will not have a fixed quarterly distribution amount, but distributions are initially targeted to be 8.0% per annum on the initial subscription price of \$10.00 or US\$10.00 per Unit (\$0.20 or US\$0.20 per Unit per quarter or \$0.80 or US\$0.80 per Unit per annum). The distributions on Class A Units and Class F Units will be paid in Canadian dollars and the distributions on Class U Units will be paid in U.S. dollars. The initial distribution to Unitholders subscribing under this Offering is anticipated to be payable to Unitholders of record on September 30, 2018.

There can be no assurance as to the amount of targeted distributions in the future, if any. There is no assurance that the Trust will continue to meet its investment objective. See "Risk Factors".

If, in any taxation year, after the ordinary distributions, there would remain in the Trust additional net income or net realized capital gains, the Trust will, at the end of the taxation year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions in such year to Unitholders as is necessary to ensure that the Trust will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the relevant Class and/or cash. Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units held by a Unitholder after such distribution will be equal to the number of Units held by the Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution. See "*Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders*".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering Memorandum. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Trust and holds Units as capital property. Generally, the Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances. This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary is based on the facts set out in this Offering Memorandum, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced and not withdrawn by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and an understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof.

This summary assumes that the Tax Proposals will be enacted as currently proposed although no assurance can be given that the Tax Proposals will be enacted in the form publicly announced or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law or administrative policy or assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations.

This summary also assumes that the Trust will comply with its investment restrictions at all relevant times.

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

For purposes of the Tax Act, Unitholders will be required to compute all amounts, including the adjusted cost base of Class U Units and proceeds of disposition, in Canadian dollars in accordance with the detailed rules in the Tax Act.

Status of the Trust

Qualification as a Mutual Fund Trust

This summary is based on the assumptions that the Trust will qualify or be deemed to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act, that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established, and that the Trust has not been established and will not be maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust (i) the Trust must be a Canadian resident "unit trust" for purposes of the Tax Act, which generally requires that the Units have conditions attached to them requiring the Trust to accept, at the demand

of the holder thereof and at prices determined and payable in accordance with the conditions, the surrender of the Units that are fully paid, (ii) the only undertaking of the Trust must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Trust, or (c) any combination of the activities described in (a) and (b), and (iii) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class (the “**Minimum Distribution Requirements**”). In this connection, (i) the Manager intends to cause the Trust to qualify as a unit trust throughout the life of the Trust, (ii) the Manager intends that the Trust will not undertake any lending activity itself and instead will cause any such activity to be carried on by one or more subsidiaries (each, a “**Lending Subsidiary**”) such that the Trust’s undertaking will conform with the restrictions for mutual fund trusts, and (iii) the Manager intends to file the necessary election so that the Trust will qualify as a mutual fund trust from its inception in 2018 and that it has no reason to believe that the Trust will not comply with the Minimum Distribution Requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”) and at all times thereafter, thereby permitting the filing by the Trust of such election.

If the Trust were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of the Trust.

SIFT Rules

The income tax treatment of the Trust (and Unitholders in respect of their investment in Units) will depend on whether the Trust is a SIFT trust.

Generally, the Trust will only be a SIFT trust if investments in the Trust are listed or traded on a stock exchange or other public market and the Trust holds one or more “non-portfolio properties” as defined in the SIFT Rules. The Units are not (and, prior to a Liquidity Event, will not be) listed or traded on a stock exchange, and, prior to a Liquidity Event, the Manager expects that no Units are (or will be) listed or traded on any other public market (including any trading system or organized facility on which securities that are qualified for public distribution are listed or traded, but not including a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer).

For this purpose, in any given taxation year, “non-portfolio properties” of the Trust will generally include (but are not limited to) securities (as defined for the purposes of the SIFT Rules) of certain issuers if, at any time in that taxation year, the Trust held securities of such an issuer that had a fair market value greater than 10 percent of the “equity value” (as defined in the SIFT Rules) of the issuer. It is expected that the securities of any Lending Subsidiary held by the Trust would constitute a “non-portfolio property” of the Trust. Provided that the Trust complies with its investment restrictions as described in this Offering Memorandum, none of the securities of the Portfolio Funds or BDCs held by the Trust should be “non-portfolio property” of the Trust.

If a Liquidity Event is consummated, the Class A Units or securities for which the Class A Units are exchanged will be listed and traded on a stock exchange, in which case the SIFT Rules may apply to the Trust. The Manager intends to consider the impact of the SIFT Rules when making and disposing of investments in any Lending Subsidiary.

Taxation of the Trust

The Trust will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in that year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable to Unitholders in each taxation year (including any deemed taxation year) to ensure that the Trust will not be liable for non-refundable income tax under Part I of the Tax Act, after taking account of any loss carryforwards and capital gains refunds, for

each year. However, if the Trust is a SIFT trust in a taxation year, it will not be entitled to deduct any part of amounts payable to Unitholders in respect of its “non-portfolio earnings” (as defined in the Tax Act), and the Trust will generally be liable to tax under Part I of the Tax Act in respect of such amounts, in accordance with the SIFT Rules, at a combined federal and provincial tax rate comparable to that applicable to a corporation. In general, the “non-portfolio earnings” of the Trust for a taxation year of the Trust in which the Trust is a SIFT trust will include the Trust’s income (other than taxable dividends received by the Trust) from, and net realized taxable capital gains from the disposition of, “non-portfolio properties”.

In computing its income for tax purposes, the Trust is required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security in the Portfolio.

With respect to indebtedness, the Trust is required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Trust before the end of that year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Trust’s income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Trust. Upon the actual or deemed disposition of indebtedness, the Trust will be required to include in computing its income for the year of disposition all interest that accrued on such indebtedness from the last interest payment date to the date of disposition except to the extent such interest was included in computing the Trust’s income for that or a preceding taxation year and such interest will not be included in the proceeds of disposition for purposes of computing any capital gain or loss.

With respect to a Portfolio Fund that is a limited partnership whose securities are included in the Portfolio and held as capital property for the purposes of the Tax Act, the Trust is required to include or, subject to certain restrictions, is entitled to deduct, in computing its income, its share of the net income or loss for purposes of the Tax Act of the Portfolio Fund allocated to the Trust for the fiscal period of the Portfolio Fund ending in the Trust’s taxation year, whether or not a distribution is received. For purposes of determining the amount of the Trust’s capital gain (including a deemed capital gain) or capital loss from the disposition of such securities, in general, the adjusted cost base of such securities is the cost of such securities to the Trust plus the share of the income and capital gains of the Portfolio Fund for purposes of the Tax Act allocated to the Trust for fiscal years of the Portfolio Fund ending before the particular time less the share of non-capital losses and capital losses of the Portfolio Fund for purposes of the Tax Act allocated to the Trust for fiscal years of the Portfolio Fund ending before the particular time, and less the Trust’s share of any distributions received from the Portfolio Fund before the particular time. If the adjusted cost base to the Trust of the securities of such a Portfolio Fund would otherwise be less than zero at the end of the fiscal year of the limited partnership, the negative amount is deemed to be a capital gain realized by the Trust and the Trust’s adjusted cost base of such securities is increased by the amount of such deemed capital gain to zero.

To the extent the Trust holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a SIFT trust and held as capital property for purposes of the Tax Act, the Trust will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Trust by such trust in the year, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Trust will effectively retain their character in the hands of the Trust. The Trust will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Trust except to the extent that the amount was included in calculating the income of the Trust or was the Trust’s share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Trust. If the adjusted cost base to the Trust of such units becomes a negative amount at any time in a taxation year of the Trust, that negative amount will be deemed to be a capital gain realized by the Trust in that taxation year and the Trust’s adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in the Trust’s portfolio that is a SIFT trust (which will generally include Canadian resident income trusts, other than certain real estate investment trusts, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of its “non-portfolio earnings” (as defined in the Tax Act). Any non-portfolio earnings that are distributed by a SIFT trust to its unitholders will be taxed at a combined

federal and provincial tax rate comparable to that applicable to a corporation. An amount in respect of non-portfolio earnings that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an “eligible dividend” that is eligible for the enhanced gross-up and dividend tax credit.

The Tax Act contains offshore investment fund property rules (the “**OIF Rules**”) which, in certain circumstances, may require the Trust to include an amount in income in each taxation year in respect of the acquisition and holding of securities of a “non-resident entity” as defined in the OIF Rules if it may reasonably be concluded that one of the main reasons for the Trust acquiring, holding or having such securities was to derive a benefit from portfolio investments (which for this purpose include shares of the capital stock of one or more corporations, indebtedness and interests in one or more corporations, trusts, partnerships, organizations, funds or entities or any combination of the foregoing) in such a manner that the taxes, if any, on the income, profits and gains from such portfolio investments for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Trust.

In making the determination in the preceding paragraph, the OIF Rules provide that regard must be had to all of the circumstances, including (i) the nature, organization and operation of any non-resident entity and the form of, and the terms and conditions governing, the Trust’s interest in, or connection with, any such non-resident entity, (ii) the extent to which any income, profits and gains that may reasonably be considered to be earned or accrued, whether directly or indirectly, for the benefit of any non-resident entity are subject to an income or profits tax that is significantly less than the income tax that would be applicable to such income, profits and gains if they were earned directly by the Trust, and (iii) the extent to which any income, profits and gains of any non-resident entity for any fiscal period are distributed in that or the immediately following fiscal period.

If applicable, the OIF Rules generally require the Trust to include in the Trust’s income for each taxation year in which the Trust owns securities of the applicable non-resident entity the amount, if any, by which (i) the total of all amounts each of which is the product obtained when the Trust’s “designated cost” (as defined in the Tax Act) of such securities at the end of a month in the year is multiplied by 1/12 of the aggregate of the prescribed rate of interest (two percent at the date of this Offering Memorandum) for the period including that month plus two percent exceeds (ii) any distributions or other amounts included in computing the Trust’s income for the year (other than a capital gain) from such securities determined without reference to the OIF Rules. Any amount required to be included in computing the Trust’s income in respect of securities of a non-resident entity under these provisions will be added to the adjusted cost base and the designated cost of such securities to the Trust. The prescribed rate of interest is linked to the yield on 90-day Government of Canada Treasury Bills and is adjusted quarterly. There is a risk that the prescribed rate of interest will increase which would require the Trust to include additional amounts in computing its income if the OIF Rules apply at a particular time.

The investment restrictions of the Trust prohibit the Trust from making any investment that could result in the Trust being required to include significant amounts in income pursuant to the OIF Rules.

The Trust is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Trust and not reimbursed are deductible by the Trust rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. Generally, the Trust is also entitled to deduct reasonable administrative expenses and interest payable by it on money borrowed to purchase securities in the Portfolio. The Trust may not deduct interest on any borrowed funds to the extent such funds are used by the Trust to fund redemptions of Units. Any losses incurred by the Trust may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Trust in accordance with the detailed rules in the Tax Act.

Upon the actual or deemed disposition of a security in the Portfolio, the Trust will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Trust were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Trust will purchase the Portfolio securities with the objective of receiving dividends, distributions and income thereon and will take the position that gains and losses realized on the

disposition thereof are capital gains and capital losses. The Trust intends to make an election under subsection 39(4) of the Tax Act, if available, so that all securities in the Portfolio that are “Canadian securities” (as defined in the Tax Act) will be deemed to be capital property to the Trust.

Generally, subject to the DFA Rules discussed below, the Trust will include gains and deduct losses on income account in connection with investments made through certain derivatives, except where such derivatives are used to hedge securities in the Portfolio held on capital account provided there is sufficient linkage, and will recognize such gains or losses for tax purposes at the time they are realized by the Trust.

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Trust in a taxation year on the disposition of securities in the Portfolio that are capital property of the Trust must be included in computing the Trust’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Trust in a taxation year must be deducted against any taxable capital gains realized by the Trust in the year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may be carried back and deducted by the Trust in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

The Trust will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale or other disposition of securities in the Portfolio in connection with the redemption of Units.

The Trust intends to enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities in the Portfolio. The cost and proceeds of disposition of securities, distributions and all other amounts are determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by the Trust may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Subject to the DFA Rules discussed below, gains or losses in respect of currency hedges entered into in respect of amounts invested in the Portfolio will constitute capital gains and capital losses to the Trust if the securities in the Portfolio are capital property to the Trust provided there is sufficient linkage.

Rules in the Tax Act (the “**DFA Rules**”) target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply to any derivatives to be utilized by the Trust, gains realized on the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Trust may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust’s income from such investments, such excess may generally be deducted by the Trust in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax that (i) is characterized as “non-business income tax” under the Tax Act paid by the Trust does not exceed 15% of such amount and has not been deducted in computing the Trust’s income or (ii) is characterized as “business income tax” under the Tax Act paid by the Trust, subject to the application of the SIFT Rules, the Trust may designate in respect of a Unitholder a portion of its foreign source income that can reasonably be considered to be part of the Trust’s income distributed to such Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. A foreign tax credit or deduction may not be available in respect of certain foreign tax paid in connection with the Trust’s investments in certain partnerships.

A loss realized by the Trust on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Trust acquires a property (a “**substituted property**”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Trust owns the substituted property 30 days after

the original disposition. If a loss is suspended, the Trust cannot deduct the loss from the Trust's capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Trust's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year, except to the extent that such amount is not deductible by the Trust in computing its income by virtue of the SIFT Rules.

If the Trust is a SIFT trust in a particular taxation year, a Unitholder will be deemed to have received an eligible dividend from a taxable Canadian corporation to the extent that any amount paid or payable, or deemed to have been paid or payable, to the Unitholder in that taxation year by the Trust is not deductible in computing the income of the Trust by virtue of the SIFT Rules.

Generally, subject to the application of the SIFT Rules, provided that appropriate designations are made by the Trust, such portion of the net realized taxable capital gains of the Trust, the foreign source income of the Trust and the taxable dividends received or deemed to be received by the Trust on shares of taxable Canadian corporations as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. Amounts designated as taxable dividends from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules, including the enhanced gross-up and dividend tax credit applicable to dividends designated as eligible dividends.

Under the Tax Act, the Trust is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year to the extent necessary to enable the Trust to utilize, in that year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Trust will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by such amount. The non-taxable portion of the Trust's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Unitholder in the year, that is paid or payable (whether in cash or in Units) to the Unitholder in that taxation year will not be included in the Unitholder's income for the year. Any other amount that is not deemed to be a dividend under the SIFT Rules in excess of the Unitholder's share of the Trust's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income, but will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Any losses of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Holders of Class A Units pay higher Agents' Fees than holders of Class F Units and Class U Units in respect of their investment in the Trust. As a result, the tax characterization of distributions will vary between the two classes such that a higher percentage of the distribution to the holders of Class A Units will be characterized as return of capital rather than income (including net realized taxable capital gains).

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units will not constitute a disposition of the Class F Units for the purposes of the Tax Act. In contrast, a conversion of Class U Units into whole Class A Units by a Unitholder will likely constitute a disposition of such Class U Units for the purposes of the Tax Act and, as a result, will likely result in a capital gain (or capital loss) for the Unitholder. The redemption of any fraction of a Class F Unit or Class U Unit will result in a capital gain (or capital loss) for the redeeming Unitholder.

On the disposition or deemed disposition of a Unit (whether on a redemption or otherwise), a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (which do not include any

amount of capital gains made payable by the Trust to the Unitholder in connection with a redemption) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. On a redemption of Units in consideration for the Notes, the Unitholder's proceeds of disposition will be equal to the fair market value of such Notes, less any amount of capital gains made payable by the Trust to the Unitholder in connection with a redemption. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired (including on a distribution in the form of Units), the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of the same class owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains from the Trust will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units.

Pursuant to the Declaration of Trust, the Trust may allocate and designate as payable any capital gains realized by the Trust as a result of any disposition of property of the Trust undertaken to permit or facilitate the redemption of Units of the Trust to a Unitholder whose Units are being redeemed. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder and therefore the redeeming Unitholder's proceeds of disposition.

A taxable capital gain realized by a Unitholder or a taxable capital gain designated in respect of a Unitholder in a taxation year of the Unitholder will be included in the Unitholder's income for that year and an allowable capital loss realized by the Unitholder in a taxation year of the Unitholder must be deducted from taxable capital gains realized by the Unitholder or designated by the Trust in respect of the Unitholder in the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

In general terms, net income of the Trust paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by the Unitholder on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Tax Implications of the Trust's Distribution Policy

The Net Asset Value per Unit of the Trust will, in part, reflect any income and gains of the Trust that have been earned or been realized, but have not been made payable at the time Units of the Trust were acquired. Accordingly, a Unitholder of the Trust who acquires Units of the Trust, including on a distribution of Units, may become taxable on the Unitholder's share of such income and gains of the Trust. In particular, an investor who acquires Units of the Trust at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units.

Taxation of Registered Plans

Distributions received by "Registered Plans" on Units while the Units are a qualified investment for such Registered Plans will generally be exempt from income tax in the Registered Plan, as will capital gains realized by the Registered Plan on the disposition of such Units. Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Eligibility for Investment

Provided the Trust qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for a trust governed by an RRSP, RRIF, DPSP, RDSP, RESP or TFSA.

Unitholders should consult their own tax advisors regarding the status of the Notes received on a redemption of Units as qualified investments.

Notwithstanding that the Units may be qualified investments for Registered Plans, if Units are “prohibited investments” for a trust governed by a TFSA, RRSP, RRIF, RDSP or RESP, the holder of the TFSA or the RDSP, the subscriber of the RESP or the annuitant under the RRSP or RRIF, as the case may be, would be subject to a penalty tax as set out in the Tax Act in respect of any Units held by such TFSA, RRSP, RRIF, RESP or RDSP. The Units will generally not be a “prohibited investment” for a TFSA, RRSP, RRIF, RESP or RDSP unless the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm’s length with the Trust for purposes of the Tax Act or (ii) has a “significant interest” as defined in the Tax Act in the Trust. Generally, a holder, subscriber or annuitant, as the case may be, will not have a significant interest in the Trust unless the holder, subscriber or annuitant, as the case may be, owns interests as a beneficiary under the Trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Trust, either alone or together with persons and partnerships with which the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length. In addition, the Units will generally not be a “prohibited investment” if the Units are “excluded property” as defined in the Tax Act for a TFSA, RRSP, RRIF, RESP or RDSP.

Holders, subscribers or annuitants should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be excluded property.

INTERNATIONAL INFORMATION EXCHANGE

The Tax Act includes provisions which implement the Organization for Economic Co-operation and Development Common Reporting Standard and the Canada-United States Enhanced Tax Information Exchange Agreement (the “**International Information Exchange Legislation**”). Pursuant to the International Information Exchange Legislation, certain “Canadian financial institutions” (as defined in the International Information Exchange Legislation) are required to have procedures in place, in general terms, to identify accounts held by residents of foreign countries or by certain entities organized in, or the “controlling persons” of which are resident in, a foreign country (or, in the case of the U.S., of which the holder or any such controlling person is a citizen) and to report required information to the CRA. Such information would be exchanged by the CRA on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is resident (or of which such holder or person is a citizen, where applicable), where such countries (including the U.S.) have agreed to a bilateral information exchange with Canada to which the International Information Exchange Legislation applies. Under the International Information Exchange Legislation, Unitholders may be required to provide certain information regarding their tax status for the purpose of such information exchange (which information exchange is expected to occur beginning in 2018 or, in the case of the U.S., is already occurring), unless the investment is held within a Registered Plan.

REPORTING TO UNITHOLDERS

The Trust will prepare annual audited financial statements and interim financial reports for the Trust. The Trust will deliver to Unitholders audited annual financial statements within 90 days of the Trust’s year-end and unaudited semi-annual financial statements within 60 days of the end of each period. Unitholders will be given the option to receive or not receive annual and interim financial statements and have the ability to change their selection at any time by contacting the Manager.

Unitholders will receive the applicable required tax form(s) and any other information necessary for Unitholders to complete income tax returns under the Tax Act within the applicable time required by law.

LIABILITY OF TRUSTEES AND UNITHOLDERS

On December 16, 2004, the *Trust Beneficiaries’ Liabilities Act, 2004* (Ontario), came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (a) the trust is a reporting issuer under the *Securities Act* (Ontario) and (b) the trust is governed by the laws of Ontario. The Trust will be a reporting issuer under the *Securities Act* (Ontario) following the closing of the Liquidity Event, if any, and is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

The Declaration of Trust provides that no Unitholder will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever, whether constituting extra-contractual or contractual liability or arising in tort, contract or otherwise, to any person in connection with the Trust's property or our affairs ("**Trust Liability**"). Only the Trust's assets are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each Unitholder will be entitled to be reimbursed out of the Trust's assets in respect of any payment of such Trust Liability made by such Unitholder.

MATERIAL AGREEMENTS

The material agreements of the Trust include:

- (a) the Declaration of Trust described below under "Declaration of Trust";
- (b) the Management Agreement described below under "Management Agreement"; and
- (c) the Agency Agreement described under "Plan of Distribution".

THE MANAGER OF THE TRUST

The Trustee has appointed the Manager to be responsible for the day-to-day undertaking of the Trust, including providing or arranging for the provision of investment management and certain administrative services required by the Trust.

Purpose Investments Inc., a corporation incorporated under the laws of the Province of Ontario on August 28, 2012, is the manager and portfolio manager of the Trust. The address, phone number, email address and website of Purpose is 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5, 1-877-789-1517, info@purposeinvest.com and www.purposeinvest.com. The Manager manages the Trust pursuant to the terms of the Management Agreement.

The names, municipalities of residence, position with the Manager and principal occupation of the directors and officers of the Manager are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation Held for the Past Five Years</u>
SOM SEIF Toronto, Ontario	President, Chief Executive Officer, Chairman of the Board of Directors & Director	President and Chief Executive Officer, Claymore Investments, Inc.
SCOTT BARTHOLOMEW Milton, Ontario	Chief Financial Officer, Chief Operating Officer, Secretary, Chief Compliance Officer & Director	Director, BlackRock Investments Inc., Vice President of Operation and Chief Compliance Officer of Claymore Investments, Inc.
VLADIMIR TASEVSKI Toronto, Ontario	Vice President & Director	Vice President, BlackRock Investments Inc.

The following is a brief description of the background of the directors of the Manager and employees of the Manager who are responsible for the management of the Trust:

Som Seif

Som Seif is the Founder, President and Chief Executive Officer of Purpose, which he formed following the sale of Claymore Investments, Inc. ("**Claymore**") to BlackRock Investments Inc. ("**BlackRock**") in March 2012. Mr. Seif started Claymore in Canada in January 2005 and was the former President and Chief Executive Officer leading the

implementation of the company's business development and corporate strategies. Over the seven years of its operation, Claymore organically grew to \$8 billion in assets and established itself as a Canadian leader in bringing intelligent, low-cost exchange-traded funds to investors through its family of thirty four exchange-traded funds across broad asset classes.

Prior to joining Claymore, Mr. Seif was an investment banker with RBC Capital Markets, where he worked since 1999. He played a key role in developing the structured products group at RBC Capital Markets in both Canada and the U.S., where he structured and raised capital for both Canadian and U.S. asset managers.

Mr. Seif is a CFA charterholder and has a Bachelor of Applied Science with an emphasis on Industrial and Systems Engineering from the University of Toronto.

Scott Bartholomew

Scott Bartholomew is the Chief Financial Officer and Chief Operating Officer of Purpose. He has over 20 years of experience in the Canadian investment fund industry. Mr. Bartholomew was an integral part in the development of the Canadian mutual fund services business during his 14 years at State Street Fund Services Toronto Inc. as Assistant Vice-President of Fund Administration. From 2008 until 2012, Mr. Bartholomew ran the operations for Claymore and, in 2011, Mr. Bartholomew became the Chief Compliance Officer of Claymore. Upon the sale of Claymore to BlackRock in 2012, Mr. Bartholomew assisted BlackRock in the transition and integration of the Claymore business, leaving BlackRock in late 2012 to start Purpose with other partners. He has a Bachelor of Commerce from Ryerson University and is a CFA charterholder.

Vladimir Tasevski

Vladimir Tasevski is the Vice President of Purpose. He has over 10 years of experience in the investment management industry. Mr. Tasevski was a Vice President at BlackRock in Toronto, which he joined following the acquisition of Claymore. At Claymore, Mr. Tasevski spent 5 years in a generalist role where he gained broad experience in the areas of product development, marketing, sales and operations. He is a CFA charterholder and has a Bachelor of Commerce degree from the University of Toronto and was a recipient of the U of T Arbor Award in 2012.

Management Agreement

Pursuant to the Management Agreement, the Manager is required to:

- (a) manage the overall activities of the Trust;
- (b) provide or arrange for investment management and administrative services for the Trust including, but not limited to, all investment services and all services related to issuing, distributing and redeeming Units of the Trust; and
- (c) provide all necessary information to Unitholders.

The Manager may delegate its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Trust to do so. The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and to exercise the care, diligence and skill of a reasonably prudent professional manager in comparable circumstances.

The Trust may terminate the Management Agreement at any time, without notice, including if Purpose fails to perform its duties under the Management Agreement, becomes bankrupt or insolvent or fails to maintain any registration or qualification it needs to act as manager of the Trust, if any. Purpose may resign as manager of the Trust provided that Unitholders approve of the new manager. Unitholder approval is not required if the new manager is an affiliate of Purpose, but 60 days' notice of the new manager will be given to Unitholders.

Purpose will be deemed to have resigned as the manager of the Trust if it ceases to (i) be resident in Canada for purposes of the Tax Act; or (ii) carry out its functions of managing the Trust in Canada.

The Manager has no obligation to the Trust other than to render services under the Management Agreement honestly, in good faith and in the best interests of the Trust and to exercise the degree of care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

The Management Agreement provides that the Manager will not be liable in any way to the Trust if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Trust has agreed to indemnify the Manager for any losses as a result of the performance of its duties under the Management Agreement. However, the Manager will incur liability in cases of wilful misconduct, bad faith, negligence or disregard of its duties or standards of care, diligence and skill.

THE TRUSTEE

The Trust is governed by the Declaration of Trust, which sets out the investment objective and investment restrictions of the Trust. The material provisions of the Declaration of Trust are set out below.

Declaration of Trust

Purpose Investment Inc. is the trustee and manager 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 Manager.

Purpose is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

Purpose may resign as trustee of the Trust upon 60 days' notice to the Unitholders. If the Trustee resigns, it may appoint its successor, but unless its successor is an affiliate of the Trustee, its successor must be approved by the Unitholders. If the Trustee is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Trustee, the Unitholders may remove the Trustee and appoint a successor trustee.

Purpose must be removed as trustee of the Trust if it ceases to (i) be resident in Canada for purposes of the Tax Act; (ii) carry out its functions of managing the Trust in Canada; or (iii) exercise the main powers and discretions of the trustee of the Trust in Canada.

Termination

The Manager may, at its discretion, terminate the Trust without the approval of the Unitholders, by giving not less than 60 days' written notice to the Unitholders.

VALUATION AGREEMENT

The Manager has retained CIBC Mellon Trust Company, from its principal offices in Toronto, Ontario, to carry out the valuation services for the Trust.

CUSTODIAN AGREEMENT

The Manager has entered into an agreement for custodial services with CIBC Mellon Trust Company (the "**Custodian**") located in Toronto, Ontario (the "**Custodian Agreement**"), as may be amended from time to time. As custodian, CIBC Mellon Trust Company may hold cash and securities of the Trust. The Custodian Agreement may be terminated upon at least 90 days' prior written notice by the Manager or the Custodian.

PROMOTER

Having taken the initiative in founding and organizing the Trust, the Manager is the promoter of the Trust within the meaning of securities legislation of certain provinces and territories.

AUDITORS

The auditors of the Trust are Ernst & Young LLP located in Toronto, Ontario. Ernst & Young LLP is independent of the Trust in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

FISCAL YEAR END

The fiscal year-end of the Trust is May 31.

GOVERNANCE

Conflicts of Interest

The services of the Manager and its affiliates are not exclusive to the Trust and nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar services to other investment funds and clients (whether or not their investment objectives, strategies or criteria are similar to those of the Trust) or from engaging in other activities. The Manager therefore will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Trust and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Trust and its other clients and at all times the Manager will ensure a fair and equitable allocation of its management time, services, functions and investment opportunities between the Trust and any other such persons it provides services to.

The Management Agreement acknowledges that the Manager may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from arm's length parties for comparable services.

Securities held indirectly by the Trust may also be held by other funds or clients for which the Manager or its affiliates provide investment advice. Because of different investment objectives or other factors, a particular security may be bought for one or more funds or clients when one or more other funds or clients are selling the same security. If opportunities for purchase or sale of securities by the Manager arise for consideration at or about the same time, for various funds, transactions in such securities will be effected, insofar as feasible, for the respective funds or clients on an equitable basis, in accordance with the Manager's trade allocation policy in effect from time to time.

Also, the Valuation Agent or other service provider engaged to calculate the Net Asset Value of the Trust may consult from time to time with the Manager, and defer to the Manager, when valuing a specific security to which the general valuation rules cannot or should not be applied. See "*Valuation Policies – Net Asset Value*". This can create a conflict of interest for the Manager, as the Manager's remuneration is dependent upon the Net Asset Value of the Trust. However, the Manager must discharge its duties according to a standard of care that requires it to act in the best interests of the Trust, and will be held accountable under the Management Agreement if it fails to do so on an on-going basis, by sourcing investment opportunities for its own account or the account of others.

The Manager may enter into agreements with the Portfolio Funds and may be entitled to earn a fee for providing services to the Portfolio Funds and to earn various fees from borrowers on loans under its administration. It will be expected that the Manager will render its services under an agreement honestly and in good faith and use commercially reasonable efforts to perform its duties and responsibilities under such an agreement in a conscientious, reasonable and competent manner. However, the Manager, its affiliates and their respective officers, employees and agents, may at any time engage in promoting or managing other entities or investments that may compete directly or indirectly with the Trust, may be an investor in the Portfolio Funds or may be an affiliated or

related party to the Manager, the Trust, the Portfolio Funds or any of the affiliates of the Manager. Whenever a conflict of interest arises between the Trust or any of the Portfolio Funds, on the one hand, and the Manager on the other hand, the parties involved, in resolving that conflict or determining any action to be taken or not taken, will be entitled to consider the relative interests of all of the parties involved in the conflict or that will be affected by such action, any customary or accepted industry practices and such other matters as the parties deem appropriate in the circumstances.

The Trust may also invest in vehicles advised by the Manager or make loans directly as determined by the Manager in its sole discretion. Nevertheless, it is expected that the Trust will invest initially through the Portfolio Funds and the Trust will make loans directly or invest in vehicles advised by the Manager only when it has the required expertise and experience. Notwithstanding the foregoing, there will be no duplication or double counting of fees to the Manager if an investment is made in vehicles which are managed by the Manager or one of its affiliates.

The Manager has been engaged to direct the business, operations and affairs of the Trust and will be paid fees for its services as set out herein.

Proceeds of Crime (Money Laundering) Legislation

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

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

LEGAL MATTERS

Blake, Cassels & Graydon LLP, located at 199 Bay Street, Suite 4000 Toronto, Ontario, Canada M5L 1A9 is counsel to the Trust.

RISK FACTORS

There are risks associated with an investment in the Trust, as a result of, among other considerations, the nature and operations of the Trust and how it obtains exposure to the Portfolio. An investment in Units should only be made after consultation with independent qualified sources of investment and tax advice. An investment in the Trust is not intended as a complete investment program. There is a risk that an investment in the Trust will be lost entirely or in part. Only investors who do not require immediate liquidity of their investment and who can reasonably afford a substantial impairment or loss of their entire investment should consider the purchase of Units. The following does not purport to be a complete summary of all the risks associated with an investment in the Trust.

Risks Associated with an Investment in the Trust

General Investment Risk

The Net Asset Value of the Trust will vary directly with the market value and return of the Portfolio, which in turn will vary directly with the market value and return of the Portfolio.

No Guaranteed Return

There is no guarantee that an investment in the Units will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Trust's

portfolio. Investment in the Units is more volatile and risky than some other forms of investments. All prospective Unitholders should consider an investment in the Trust within the overall context of their investment policies.

Achievement of the Investment Objective

There can be no assurance that the Trust will be able to achieve its investment objective. There is no assurance that the information set out herein, including any discussion of the Trust's investment objective will be, in any respect, indicative of how it will perform (either in terms of profitability or low correlation with other investments) in the future. Past performance is not indicative of future results.

An investment in the Units is risky and speculative, and should be considered only by persons financially able to maintain their investment and who can bear the risk of losing all of their investment in the Trust.

No Operating History

Although all persons involved in the management and administration of the Trust, including the service providers to the Trust, have significant experience in their respective fields of specialization, the Trust has no operating and performance history upon which prospective investors can evaluate the Trust's likely performance.

Fund of Funds Risk

The Trust may invest directly in, or obtain exposure to, other investments as part of its investment strategy. Consequently, the Trust is also subject to the risk of the underlying issuers. As the Trust may allocate its assets to additional Portfolio Securities from time to time, such Portfolio Securities may pursue strategies that are subject to risks that are not described herein. Unitholders will generally not have an opportunity to evaluate the Manager's decisions regarding the addition or removal of an underlying issuer or an opportunity to redeem Units prior to any such decision.

If a Portfolio Fund suspends redemptions, the Trust may be unable to value part of the Portfolio and may be unable to redeem its investment in such Portfolio Fund, which may have an adverse impact on the Trust's ability to satisfy redemption requests from the Unitholders.

Unitholders Will Not Have any Direct Interest in the Portfolio Funds

The Trust will invest indirectly through the Portfolio Funds and the Unitholders will not be partners or unitholders of the Portfolio Funds or the BDCs and will not have any direct or indirect voting rights in any of the Portfolio Securities. Moreover, none of the Unitholders, the Trust or the Manager has the ability to control the management or operations of the Portfolio Securities.

Indicative Portfolio

The Manager has identified some issuers in which the Trust may invest from time to time. However, the Manager will, with input from the Investment Committee and without prior notice to the Unitholders, introduce additional issuers and remove or substitute any existing Portfolio Securities. Any such decision will be based on factors deemed relevant by the Manager with input from the Investment Committee.

Each investment in the Portfolio will be managed without regard to the activities of the other Portfolio Securities. As a result, two or more Portfolio Securities may make the same investments or utilize the same or similar investment strategies, which could result in the Trust being highly concentrated in one strategy or investment. If the investments or investment strategies of one or more Portfolio Securities are moderately or highly correlated, the Trust may be subject to more significant losses during periods of adverse market conditions than would be the case if such investments or investment strategies were less correlated.

Any additional underlying investment added to the Portfolio may have terms (including, without limitation, fee and other compensation arrangements and/or redemption and minimum hold period provisions) that are different from

the terms that apply to the investments identified for the Indicative Portfolio. Notwithstanding the foregoing, the Manager may introduce additional underlying investments to the Portfolio and/or remove or substitute any Portfolio Securities from the Portfolio and the Unitholders will not have an opportunity to evaluate the Manager's decisions regarding the addition or removal of an investment, or an opportunity to redeem Units prior to such decision.

Investment in BDCs

BDCs invest primarily in debt (senior, mezzanine and subordinated loans, both on a secured and unsecured basis) and equity securities of smaller and developing companies, as well as financially troubled companies, most of which are privately held and lack publicly available information. As a result, investments in BDCs may be categorized as more risky and speculative. In addition, investing in small- and medium-sized companies may be more volatile than investing in large-capitalization companies since they have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. BDCs are thus exposed to significant credit risk when they make loans to, or hold debt securities issued by, portfolio companies. Such loans or debt securities are generally non-rated but regarded as below investment grade. Returns on investments in securities of these companies could trail the returns on investments in securities of larger companies; which may affect the market prices of BDCs.

Class Risk

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

No Advice to Investors

The Manager, advisors, bank, legal counsel, accountants and other service providers who provide advice and other services to the Trust are accountable to the Trust only and not to the Unitholders themselves. Each prospective investor should consult his, her or its own legal, tax and financial advisors regarding the desirability of an investment in the Trust.

Illiquidity of Units

There is no formal market for the Units and one is not expected to develop immediately or at all. This Offering is not qualified by way of prospectus and, consequently, the resale of the Class A Units, Class F Units and Class U Units is subject to restrictions under applicable securities legislation. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of a redemption of their Class A Units, Class F Units or Class U Units, which redemption will be subject to the limitations described under "*Redemption of Units*". There is no guarantee that the Liquidity Event will occur on a timely basis or at all.

Potential Conflicts of Interest by the Manager

The Manager is required to satisfy a standard of care in exercising its duties with respect to the Trust. However, neither the Manager, its officers, directors or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Trust. The Manager and its officers, employees and affiliates may undertake financial, investment or professional activities which give rise to conflicts of interest with the Trust. Nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies or criteria are similar to those of the Trust and/or the Portfolio Funds) or from engaging in other activities.

Certain conflicts of interest may arise due to the various items mentioned under "*Governance – Conflicts of Interest*". Certain inherent conflicts of interest arise from the fact that the Manager and its affiliates may carry on investment activities for other clients (including investment funds sponsored by the Manager or its affiliates) or on a

proprietary basis in which the Trust will have no interest. Future investment activities by the Manager, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Manager and its affiliates may also engage in the promotion, management or investment management or other services in relation to separate competitive investment products, managed accounts or any other funds. These competitive vehicles may have investment policies similar to those of the Trust or the Portfolio Funds and the Manager or its affiliates may be compensated in a different manner in respect of those vehicles. The Manager or its affiliates follow procedures designed to ensure an appropriate allocation of available investment opportunities among the Trust and competitive vehicles.

Furthermore, the Manager and its affiliates may be related parties of one or more of the Trust and the Portfolio Funds.

Capital Depletion Risk

Class A Units, Class F Units and Class U Units are designed to provide cash flow to investors. Where this cash flow exceeds the net income and net realized capital gains attributable to that Class of Units, it will include a return of capital. A return of capital means a portion of the cash flow given back to a Unitholder is generally money that was invested in a Trust as opposed to the returns generated by such investment. Such distributions should not be confused with “yield” or “income”. Returns of capital that are not reinvested will reduce the total Net Asset Value of the particular Class of Units. Additionally, returns of capital will reduce the total assets of the Trust available for investment, which may reduce the ability of the Trust to generate future income. No conclusions should be drawn about the Trust’s performance from the amount of such distributions.

Fees and Expenses of the Trust

The Trust is obligated to pay a Management Fee and other administration and operating expenses regardless of whether the Trust realizes a profit. Under certain circumstances, the Trust may be subject to significant indemnification obligations in respect of the Manager or certain affiliated parties.

Expenses and Fees Associated with Investments in Portfolio Funds

The Trust will bear expenses and fees which include, without limitation, through its investment in each Portfolio Fund, the Trust’s allocable portion of such Portfolio Fund’s expenses and fees. Accordingly, Unitholders will incur expenses and fees of a similar kind at multiple levels which would not otherwise arise in connection with investments made directly in such Portfolio Funds. In addition, each Portfolio Fund may, from time to time, increase the amount of certain fees charged with respect to any class of interests therein including, without limitation, classes of interests purchased by the Trust. Moreover, direct or indirect changes in the Trust’s percentage allocations among Portfolio Funds or the introduction of new Portfolio Funds into the Portfolio may result in increased allocations of the Trust’s portfolio to Portfolio Funds that incur higher expenses including, without limitation, higher fees, allocations or other compensation than the Portfolio Funds whose allocations have been reduced or eliminated, which will result in the Unitholders, indirectly through the Trust’s investment in Portfolio Funds, bearing such higher expenses without having received prior notice of such changes. Unitholders will generally not have an opportunity to evaluate the Manager’s decisions regarding the addition or removal of an underlying investment, or an opportunity to redeem Units prior to any such decision. The fees and expenses payable by the Portfolio Funds will reduce the value of your investment in the Trust.

Performance-Based Incentive Compensation

Certain Portfolio Funds may make incentive allocations or pay an incentive fee to its managing member, general partner or an affiliate, as applicable, attributable to investments made by such Portfolio Fund. Since each Portfolio Fund has its own particular investment program, there may often be times when the Trust will bear an incentive allocation in respect of its indirect investment in a particular Portfolio Fund for a particular period. In addition, since the incentive allocation attributable to the Trust’s indirect investment will generally be determined separately with respect to each series of interests in such Portfolio Fund held by the Trust there may be times when the Trust will

bear an incentive allocation in respect of its indirect investment in one or more such series of interests for a measurement period even though the Trust's overall investment in the applicable Portfolio Fund depreciated during such period. Moreover, since the performance-based allocations to which a Portfolio Fund's managing member or general partner, as applicable, is entitled, as applicable, are calculated on a basis that includes unrealized appreciation of such Portfolio Fund's assets, such allocations may be greater than if they were based solely on realized gains and losses.

The performance-based compensation arrangements entered into between the Trust and each Portfolio Fund, on the one hand, and the Manager and its managing member or general partner, as applicable, on the other hand, may create an incentive for such entity to make investments on behalf of the Trust or the Portfolio Fund, as applicable, that are riskier or more speculative than would be the case if such arrangements were not in effect.

The Trust or Portfolio Securities May Hold Cash for Extended Periods

The Trust or Portfolio Securities may accept large amounts of capital on any subscription date, including on the Closing Date. There may be a significant period of time before the Manager or Portfolio Securities are able to invest all or substantially all of such capital, and the performance of the Trust may suffer during any period in which its assets are not substantially invested in accordance with its principal investment strategies.

The Trust or a Portfolio Fund May Have Limited Assets

The Trust or a Portfolio Fund may have limited assets, which may limit the Trust's or such Portfolio Fund's ability to trade in certain instruments that typically require minimum account balances for investment. As a result, until such time as it receives additional investments, the Trust or such Portfolio Fund may be limited with respect to the investment strategies it is able to employ and may be unable to diversify its portfolio across investment strategies or instruments. The Trust or a Portfolio Fund may also face similar constraints if its asset size decreases as a result of redemptions.

Nature of the Trust

The Trust is not an investment fund under Canadian securities laws and as a result is not subject to rules and regulations that apply to investment funds. Furthermore, the Trust is not being offered by a prospectus and subscribers will not have the benefit of a review of this Offering and this Offering Memorandum by any securities regulatory authority or regulatory body.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Trust to liquidate positions more rapidly than otherwise desirable to raise the necessary cash or may result in the Trust failing to meet commitments in order to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Possible Inability to Satisfy Redemption Price in Cash

The Trust expects to invest a substantial portion of its assets at all times in securities of underlying investment vehicles including private funds managed by third party managers in order to obtain exposure to the private debt and specialty lending sectors. There will very likely be no secondary market for the securities of the underlying funds owned by the Trust and it is expected that the redemption rights associated with the securities of the underlying funds will be limited or non-existent. Accordingly, even though the Units are redeemable, where redemptions exceed the Cash Redemption Limit, the Trust may satisfy portion of the Redemption Price by issuing Notes. Any promissory note of the Trust issued to Unitholders in connection with a redemption of Units will be illiquid, may not be a qualified investment for Registered Plans and may give rise to adverse consequences to a Registered Plan or the holder or subscriber of or the annuitant under that plan. While the Trust will attempt to sell underlying securities to fund redemption requests in cash there can be no assurance that the Trust will be able to satisfy the Redemption

Price in cash for any or all redemption requests received and an investment in Units should only be considered by investors who can bear the risk of such illiquidity of their investment in the Trust.

Possible Negative Impact of Regulation

The regulatory environment is evolving and changes to it may adversely affect the Trust and the Portfolio Securities. To the extent that regulators adopt practices of regulatory oversight that create additional compliance, transaction, disclosure or other costs that increase the costs of operating the Trust or impact the costs of operating the Portfolio, returns of the Trust 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 Portfolio Securities and the Trust. The effect of any future regulatory or tax change on the portfolio of the Portfolio Securities and the Trust is impossible to predict.

Potential Indemnification Obligations

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

Reliance on Manager and Track Record

The success of the Trust is primarily dependent upon the skill, judgment and expertise of the Manager and their principals.

In the event of the loss of the services of the Manager, or of a key person of the Manager, the business of the Trust may be adversely affected.

Currency Risk

Exchange rate fluctuations could cause the value of the Trust to diminish or increase. Where possible, the Trust will attempt to mitigate U.S. dollar exchange risk of the Portfolio attributable to the Class A Units and Class F Units, however, no assurance can be given that such efforts will be successful.

Investments of the Trust that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Manager initially intends to hedge substantially all of the Trust's interest in the Portfolio Securities denominated in U.S. dollars attributable to the Class A Units and Class F Units back to the Canadian dollar. There is no guarantee that it will be possible to remove all currency risks. The value of the Portfolio attributable to the Class U Units will not be hedged as the Class U Units are denominated in U.S. dollars.

Units are not Insured

The Trust is not a member institution of the Canada Deposit Insurance Corporation and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Units are redeemable at the option of the Unitholder, but only under certain circumstances as described herein.

Risks Arising from Multiple Classes of Units

The Management Fees determined with respect to a particular Class of Units are charged against the Net Asset Value of that Class. However, all other expenses of the Trust generally are allocated among all Classes of Units, and

a creditor of the Trust may seek to satisfy its claims from the assets of the Trust as a whole, even though its claims relate only to a particular Class of Units.

Changes in Applicable Law

Applicable laws, regulations or taxation arrangements may change at any time and may adversely affect the Trust. Furthermore, the interpretation of such laws, regulations or taxation arrangements may differ from jurisdiction to jurisdiction and/or be construed differently by a court of law from the legal advice obtained by the Manager.

Changes in Investment Strategies

The Manager may alter the investment strategies of the Trust without the prior approval of Unitholders if the Manager determines that such change is in the best interests of the Trust.

Valuation of the Trust's Investments

Valuation of the Trust'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 could be adversely affected. Independent pricing information may not be available regarding certain of the Trust's securities and other investments. Valuation determinations are made in good faith in accordance with the Declaration of Trust as described herein.

The Trust 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 Trust to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of its Units while the Trust 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 Trust. 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 Manager in respect of a redemption. In addition, there is a risk that an investment in the Trust by a new Unitholder (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 Manager. 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 Manager. The Trust does not intend to adjust the Net Asset Value retroactively.

Tax Risks

Tax Consequences Generally

It is the responsibility of any person interested in purchasing Units to inform himself/herself as to any tax consequences from such investment which are relevant to his/her particular circumstances. An investor should therefore seek his/her own separate tax advice in relation to the acquisition, holding and disposition of Units. None of the Manager, the Trust, or any of their counsel or other advisors, are responsible for any Canadian tax liability (or any related penalties, interest or other additions to tax) applicable to an investor in the Trust or for the effect of Canadian taxes (or any related penalties, interest or other additions to tax) on the investment returns of the Trust.

Canadian Income Tax Risks

Income Tax Matters Affecting the Trust

If the Trust fails to meet or ceases to meet the conditions to qualify as a mutual fund trust under the Tax Act described under the heading "*Certain Canadian Federal Income Tax Considerations – Status of the Trust*", the income tax considerations described under the heading "*Certain Canadian Federal Income Tax Considerations – Taxation of the Trust*" would be materially and adversely different in certain respects. There can be no assurance

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

The SIFT Rules apply to Canadian trusts and partnerships that are listed or traded on a stock exchange or other public market and that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. The Units will not initially be listed or traded on any stock exchange or other public market. However, if a Liquidity Event is consummated, the Class A Units or securities for which the Class A Units are exchanged will be listed and traded on a stock exchange, in which case the SIFT Rules may apply to the Trust. See “*Certain Canadian Federal Income Tax Considerations*”.

In determining its income for tax purposes, the Trust will treat gains or losses on the disposition of interests in the Portfolio Funds as capital gains and losses. The Trust may use derivative instruments for hedging purposes. Subject to the discussion below regarding the DFA Rules, gains or losses realized on such derivatives will be treated and reported for purposes of the Tax Act on capital account provided there is sufficient linkage. Designations with respect to the Trust’s income and capital gains will be made and reported to Unitholders on this basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If the foregoing dispositions or transactions of the Trust are not on capital account, the net income of the Trust for tax purposes and the taxable component of distributions to Unitholders could increase.

The DFA Rules target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply to any derivatives to be utilized by the Trust, gains realized on the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Trust intends to invest in foreign securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on distributions and interest paid or credited to persons who are not resident in such countries. While the Trust intends to make its investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in selected foreign securities may subject the Trust to foreign taxes on distributions and interest paid or credited to the Trust or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Trust will generally reduce the value of the Trust. To the extent that such foreign tax that (i) is characterized as “non-business income tax” under the Tax Act paid by the Trust does not exceed 15% of such amount and has not been deducted in computing the Trust’s income or (ii) is characterized as “business income tax” under the Tax Act paid by the Trust, subject to the application of the SIFT Rules, the Trust may designate in respect of a Unitholder a portion of its foreign source income that can reasonably be considered to be part of the Trust’s income distributed to such Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. A foreign tax credit or deduction may not be available in respect of certain foreign tax paid in connection with the Trust’s investments in certain partnerships.

There may be disagreements with the CRA in connection with certain positions taken by the Trust with respect to its or the Portfolio Funds’ classification or status for income tax purposes, the nature of the income earned by the Trust, the deductions, determinations or computations made by the Trust or other filing positions. A successful challenge of any such position taken by the Trust may adversely affect the Trust and/or the Unitholders.

Computation of Income of the Trust

With respect to an issuer that is a limited partnership whose securities are included in the Portfolio, the Trust is required to include or, subject to certain restrictions, is entitled to deduct, in computing its income for purposes of the Tax Act, its share of the net income or loss for tax purposes of the issuer computed for purposes of the Tax Act allocated to the Trust for the fiscal period of the issuer ending in the Trust’s taxation year, whether or not a distribution is received. The Manager will endeavour to obtain sufficient information from each issuer in its

Portfolio that is a limited partnership to be able to compute the Trust's income or loss for purposes of the Tax Act, although no assurances can be provided in this regard. Any redetermination of the Trust's income for purposes of the Tax Act by the CRA may result in the Trust (i) being required to restate the income and gains distributed to each Unitholder in prior years, which could result in Unitholders who were resident in Canada for purposes of the Tax Act being required to amend their Canadian income tax returns for the years of such redetermination and being subject to a greater or lesser liability under the Tax Act than originally reported, and (ii) being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability for unremitted withholding taxes may reduce the NAV and NAV per Unit of the Trust.

Risks Associated with the Trust, the Portfolio Funds and their Investment Strategies

Reliance on an Investment Manager and Availability of Investments

As the source of some of a Portfolio issuer's investments is through its investment manager, such issuer is exposed to adverse developments in the business and affairs of such investment manager, to their management and financial strength, to their ability to operate its businesses profitably and to their ability to retain deal flow. The ability of an issuer to make investments in accordance with its objectives and investment policies depends upon the availability of suitable investments and the amount of funds available.

There can be no assurance that the yields on the loans currently invested in by Portfolio Securities will be representative of yields to be obtained on future investments of such Portfolio Securities. The services of an investment manager and its directors and officers are not exclusive to a specific issuer. The Manager, its directors and officers, its affiliates, may, at any time, engage in promoting or managing other entities or investments including those that may compete directly or indirectly with a Portfolio Fund. The manager may have sole discretion in determining which investments they will make available to a Portfolio Fund for investment.

General Risk of Debt Instruments

The Trust may invest directly or indirectly through Portfolio Securities in underlying debt securities that are affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. Periods of increasing interest rates may cause the value of an investment in the Trust to decrease. The NAV of the Trust will fluctuate with interest rate changes, as well as other factors, such as changes to maturities, the credit ratings of fixed income investments and the corresponding changes in the value of the securities to which the Portfolio Securities and the Trust are exposed.

Stressed and Distressed Investments

The Trust and the Portfolio Securities may invest in stressed and distressed securities of issuers that are experiencing financial or business difficulties, in many cases of a significant nature, including issuers involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in positive returns to the Portfolio Securities, they involve a substantial degree of risk. Among the risks inherent in such investments is the difficulty of obtaining reliable information as to the true financial condition of such issuers. Any one or all of such issuers may be unsuccessful in their reorganization and their ability to improve their operating performance. In the case of liquidations, the proceeds realized through the liquidation process may be significantly less than originally projected at the time of investment. Distressed and certain stressed investments may be adversely affected by provincial, territorial, state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of distressed and stressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers experiencing significant business and financial difficulties is unusually high. There is no assurance that the investment manager will correctly evaluate the intrinsic value of any or all of the issuers, the securities, loans and other financial instruments of which the Trust or the Portfolio Securities may acquire. There is also no assurance that the investment manager will correctly evaluate how such value will be distributed among the different classes of

creditors, or that the investment manager will have properly assessed the steps and timing thereof in the bankruptcy or liquidation process. In any reorganization or liquidation proceeding relating to an issuer in which an issuer in the Portfolio invests, the Trust may lose its entire investment, may be required to accept cash or securities with a value less than the Trust's original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Portfolio's investments may not compensate the Trust adequately for the risks assumed.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the investment manager. Although it is generally not expected, to the extent the investment manager becomes involved in such proceedings, the Trust or the Portfolio Securities may have more active participation in the affairs of the issuer. In addition, involvement by the investment manager in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Trust's ability to liquidate its position in the securities of the issuer.

Director Liability

In certain circumstances, the Trust may receive the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Trust's representatives, and ultimately the Trust, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Counterparty and Settlement Risk

Some of the markets in which a Portfolio Fund effects 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 a Portfolio Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing such Portfolio Fund to suffer a loss. In addition, in the case of a default, a Portfolio Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Portfolio Fund has concentrated its transactions with a single or small group of counterparties. A Portfolio Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of a Portfolio Fund to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Portfolio Fund.

Custody Risk and Broker or Dealer Insolvency

A Portfolio Fund does not control the custodianship of all of its securities and other assets. A portion of a Portfolio Fund's assets may be held in one or more accounts maintained for the Portfolio Fund by its custodians, an investment manager, prime brokers or at other brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of the brokers' insolvency. However, the practical effect of these laws and their application to a Portfolio Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible scenarios involving the insolvency of a prime broker or any sub-custodians, agents, affiliates, or an investment manager, it is impossible to generalize about the effect of their insolvency on a Portfolio Fund and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in the loss of all or a substantial portion of a Portfolio Fund's assets held by or through such prime broker and/or the delay in the payment of redemption proceeds.

Debt Securities

The Trust, either directly or through a Portfolio issuer, may invest in bonds or other debt securities including, without limitation, bonds, notes and debentures issued by corporations. Debt securities pay fixed, variable or

floating rates of interest. The value of debt securities in which the Trust may invest will change in response to fluctuations in interest rates. In addition, the value of certain debt securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies and the banking sector. Debt 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 debt securities are not held to maturity, the Trust may suffer a loss at the time of sale of such securities.

Diversification and Concentration Risk

The ability of the Trust to diversify its investments depends on the ultimate size of the Trust relative to the size of the available investment opportunities. The Manager expects the Portfolio Funds to make investments in diverse industries, but unforeseen circumstances may cause it to limit the number of investments, which could affect a Portfolio Fund's ability to meet its investment objective. Furthermore, a Portfolio Fund may take more concentrated investment holdings in specialized industries, market sectors or in a limited number of companies. Investors should assume that the insolvency of any of these companies would result in the loss of all or a substantial portion of such Portfolio Fund's assets held by or through such companies and/or the delay in the payment of redemption proceeds, and may have a material adverse effect on the Trust.

The composition of the loans in a Portfolio Fund or a BDC may vary widely from time to time and may be concentrated by type of loan, industry or geography, resulting in the portfolio of loans being less diversified than anticipated. A lack of diversification may result in a Portfolio Fund, BDC and the Trust being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography.

Valuation of the Portfolio Funds' Investments

Valuation of a Portfolio Fund's investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the net asset value of the Portfolio Fund could be adversely affected. Independent pricing information regarding certain investments may not be available at times.

A Portfolio Fund may 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 designated by the Portfolio Fund to any such investment differs from its actual value, the net asset value of the Portfolio Fund and, as a result, the Net Asset Value of the Trust, may be understated or overstated as the case may be.

In light of the foregoing, there is a risk that a securityholder of a Portfolio Fund, including the Trust, who redeems all or part of his, her or its units while such Portfolio Fund holds such investments will be paid an amount less than such securityholder would otherwise be paid if the actual value of such investments is higher than the value designated by such Portfolio Fund. Similarly, there is a risk that such securityholder of such Portfolio Fund might, in effect, be overpaid if the actual value of such investments is lower than the value designated by such Portfolio Fund. In addition, there is risk that an investment in a Portfolio Fund by a new securityholder of such Portfolio Fund including the Trust (or an additional investment by an existing securityholder of such Portfolio Fund) could dilute the value of such investments for the other securityholders of such Portfolio Fund if the actual value of such investments is higher than the value designated by such Portfolio Fund. Furthermore, there is a risk that a new securityholder of a Portfolio Fund (or an existing securityholder of a Portfolio Fund that makes an additional investment) could pay more to purchase securities of such Portfolio Fund than he or she might otherwise be required to pay if the actual value of such investments is lower than the value designated by such Portfolio Fund. A Portfolio Fund does not intend to adjust the net asset value per securities of such Portfolio Fund retroactively.

Capital Calls

The Trust will invest in certain Portfolio Funds which obligate the Trust to fund capital calls on such Portfolio Funds as and when called. In the event a Portfolio Fund makes a capital call and the Trust is unable to fund such amount, including because it is unable to liquidate other assets in which it has invested, such Portfolio Fund may declare the

Trust to be in default and take certain measures in connection therewith that may have a material adverse effect on the Trust.

Illiquid Positions

A Portfolio Fund may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive to liquidate the positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly. The ability of a Portfolio Fund to respond to movements may be impaired. These risks may be accentuated where a Portfolio Fund is required to liquidate positions to meet margin requests, margin calls, redemption requests or other funding requirements.

General Litigation Risk

In the normal course of an issuer's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to such investor and as a result, could have a material adverse effect on such investor's investments, liabilities, business, financial condition and results of operations and the Trust. Even if an underlying investment company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from such Portfolio Fund's business operations, which could have a material adverse effect on such Portfolio Fund's business, cash flow, financial condition and results of operations, and ability to make distributions to securityholders, including the Trust.

Failure to Meet Commitments

An issuer may commit to making future investments, commercial loans or investments in underlying vehicles in anticipation of repayment of principal outstanding under existing investments. In the event that such repayments of principal are not made in contravention of the borrowers' obligations, a Portfolio Security may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may face liability in connection with its failure to make such advances.

Similarly, following the initial investment in a company, via a commercial loan or other debt security, a Portfolio Fund may be called upon to provide additional funding, have the opportunity to increase its investment in such company or to fund additional investments through such company. There is no assurance that a Portfolio Fund will make follow-on investments or that the Portfolio Fund will have sufficient funding to make all such investments. Any decision by a Portfolio Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on the company in need of such investment.

Foreign Investment Risk

A Portfolio Fund may invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding investment opportunities and increasing portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and

- foreign governments may impose currency exchange controls that may prevent a Portfolio Fund from taking money out of the country.

General Economic and Market Conditions

The success of the Portfolio'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 Portfolio's investments. Unexpected volatility or illiquidity could impair such issuer's profitability or result in losses.

Highly Volatile Markets

The prices of financial instruments in which a Portfolio issuer's assets may be invested can be highly volatile and may be influenced by, among other things, specific corporate developments, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Investment and Trading Risks in General

All investments made by an investment manager on behalf of an issuer risk the loss of capital. An investment manager may utilize investment techniques or instruments which can, in certain circumstances, increase the adverse impact to which a portfolio may be subject. No guarantee or representation is made that an 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 Portfolio and its performance.

Issuer-Specific Changes

The value of an individual security or particular type of security or loan can be more volatile than, and can perform differently from, the market as a whole.

Leverage and Borrowing Risk

Prospective investors should be aware that the use of borrowings can have a negative effect where the underlying asset value is falling. In addition, in the event that a Portfolio Fund's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Portfolio Fund and accordingly will have an adverse effect on the Portfolio Fund's ability to make distributions to securityholders, including the Trust.

In addition, the interest expense and banking fees incurred in respect of any loan facility may exceed the capital gains and income generated by the incremental investment as a result of the leverage. There can be no assurance that the borrowing strategy employed by a Portfolio Fund will enhance returns. The use of leverage or borrowings by the Portfolio Funds is separate from the leverage which may be employed by the Trust.

Refinancing of Debt Obligations

There is no guarantee that any borrowings of an issuer will be refinanced on their maturity either on terms that are acceptable to the issuer or at all.

Liquidity Risk

Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of certain positions may be reduced. In addition, a Portfolio Fund may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce such Portfolio Fund's liquidity. During such times, a Portfolio Fund may be unable to dispose of certain financial instruments, including

longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio or to meet redemption requests. In addition, such circumstances may force such Portfolio Fund to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, such Portfolio Fund may be unable to sell such financial instruments or prevent losses relating to such financial instruments. In addition, in conjunction with a market downturn, such Portfolio Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing such Portfolio Fund's exposure to their credit risk.

Investments which are unlisted at the time of acquisition by a Portfolio Fund may remain unlisted and may therefore be difficult to value and/or realize.

Nature of the Investments

An investment in commercial loans, particularly mezzanine finance, can require a long-term commitment. Many of the investments may be highly illiquid and there can be no assurance that an issuer will be able to realize such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to the Trust. In the event a portfolio company fails to meet projections, an issuer may suffer a partial or total loss of capital invested in that company. Therefore, there can be no assurance that an issuer will be able to realize the value of its investments and distribute proceeds in a timely manner.

An issuer's income and funds available for distribution to securityholders would be adversely affected if a significant number of borrowers were unable to pay their obligations to such issuer or if such issuers were unable to invest their funds in commercial loans on economically favourable terms. On default by a borrower, an issuer may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment.

Portfolio Turnover

The Portfolio Securities have 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 investment manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Use of Derivatives

The Trust and the Portfolio Securities may use derivative instruments from time to time. The use of derivatives may present additional risks to the Portfolio. Investments in derivatives include a credit risk with respect to parties with which the Trust and the Portfolio Securities trade and may also bear the risk of settlement default. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Trust from achieving the intended hedge effect or expose the Trust to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Trust may not be able to close out a position without incurring a loss. Although the Trust has instituted policies to manage and mitigate such risks, no assurance can be given that the use of derivatives, such as the purchase or sale of forward currency agreements, puts and calls and other techniques and strategies that may be utilized by the Trust to hedge its exposure, will not result in material losses.

Ability to Make Distributions

There is no guarantee that any distributions will be paid to the Trust and thereafter to Unitholders in respect of any financial year or period. The ability to pay distributions is dependent on a number of factors, including the level of income returns generated by the Portfolio, including the Portfolio Securities.

There can be no guarantee that Portfolio will achieve the target rates of return referred to in this Offering Memorandum or that it will not sustain any capital losses.

Fluctuations in Operating Results

The Trust and the Portfolio Securities may experience fluctuations in their operating results due to a number of factors, including changes in the values of the investments made by the Trust, changes in the amount of interest paid in respect of loans in the Portfolio, changes in operating expenses, the degree to which the Trust and the Portfolio Securities encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the issuer's securities and cause the results for a particular period not to be indicative of the Trust and the Portfolio Securities' performance in a future period.

Deployment of the Offering Proceeds

An issuer may not be able to invest subscription amounts immediately and may remain in cash or other short term investments. Interim cash management is likely to yield lower returns than the expected returns from longer-term investments. There can be no assurance as to how long it will take for an issuer to invest proceeds, if at all, and the longer the period the greater the likelihood that such issuer's results of operations will be materially adversely affected.

Changes in Laws or Regulations

The Portfolio Securities, including BDCs, are subject to laws and regulations enacted by national and local governments. Any change in the laws and regulations affecting a Portfolio Fund may have a material adverse effect on the ability of the Portfolio Fund to carry on its business, successfully pursue its investment policy and on its value.

Conflicts of Interest

The managers of the Portfolio Funds or BDCs and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with a Portfolio Fund or a BDC. In particular, the managers of the Portfolio Securities and their affiliates may operate and manage other funds and provide investment management, investment advisory or other services in relation to such funds which may have similar investment policies and similar types of investments to those of the Portfolio Securities and, ultimately, the Trust.

The managers and their affiliates may carry on investment activities for other accounts in which a Portfolio Fund has no interest. The managers and their affiliates may also provide management services to other clients, including other collective investment vehicles. The managers and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, a Portfolio Fund even though their investment policies may be the same or similar. The managers and their affiliates may have economic interests in such other accounts.

Competition and Portfolio Concentration Risks

The current market in which the Trust and the Portfolio Securities may participate is competitive and rapidly changing.

There is a risk that the Trust and the Portfolio Securities will not be able to deploy their capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient manner, given the increased demand for suitable investments.

Furthermore, the Manager, investment managers of the Portfolio Funds and any of their affiliates may conduct capital raisings for other investment vehicles at the same time as they conduct any capital raisings for the Trust or the Portfolio Funds. There is also therefore a risk that the Trust or the Portfolio Funds will not be able to deploy their capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient manner, given the possible competing demand for suitable investments from other investment vehicles.

The rate of deployment of such capital would be contingent on the availability of suitable investments at that time.

The Trust and the Portfolio Funds may face increasing competition for access to investments as the alternative finance industry continues to evolve. The Trust and the Portfolio Funds may face competition from other institutional lenders, such as fund vehicles and commercial banks that are substantially larger and have considerably greater financial, technical and marketing resources than the Trust or the Portfolio Funds. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Trust or the Portfolio Funds. There can be no assurance that the competitive pressures the Trust or the Portfolio Funds face will not erode the Trust or a Portfolio Fund's ability to deploy capital and thus impact the financial condition and results of the Trust or a Portfolio Fund.

Special Situations

The Trust or a Portfolio Fund may invest in (or acquire loans to) companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. Such investments may include debtor-in-possession financing. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security with a value less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Trust or the Portfolio Funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by the Trust or a Portfolio Fund of its entire investment in such companies.

Risks of Investments in Loans

Borrower Default and Inadequacy of Collateral

The ability of the Trust and the Portfolio Securities to generate returns on loans is dependent upon payments being made by the borrowers of the loans to which the Trust or a Portfolio issuer has provided credit facilities.

Moreover, in relation to any loans which the Trust or the Portfolio Securities believes are secured by specific collateral, there can be no assurance that the liquidation of any such collateral would satisfy a borrower's obligation in the event of non-payment of principal or scheduled interest payments in respect of the loan. In addition, in the event of bankruptcy or insolvency of a borrower, the Trust or a Portfolio issuer could experience delays or limitations with respect to its ability to realize the benefits, if any, of the collateral. Moreover, the Trust or a Portfolio issuer's security interests may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the Trust or such Portfolio Fund may not have priority over other creditors as anticipated.

Loan Default Rates

Loan default rates may be significantly affected by economic downturns or general economic or political conditions beyond the Trust's or the Portfolio issuer's control. In particular, default rates on loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, energy prices, changes in consumer spending, the number of personal bankruptcies, insolvencies, disruptions in the credit markets and other factors.

Prepayment Risk

Borrowers may decide to prepay all or a portion of the remaining principal amount due under a loan at any time. In the event of a prepayment of the entire remaining unpaid principal amount of a loan acquired by the Trust or a Portfolio Fund, the Trust or such Portfolio Fund will receive such prepayment, but whilst a prepayment penalty may be payable, further interest will not accrue on such loan after the date of the prepayment. If the borrower prepays a

portion of the remaining unpaid principal balance, interest will cease to accrue on the prepaid portion and the Trust or such Portfolio Fund will not receive all of the interest payments that it expected to receive.

Fraud

Of key concern in loan and other debt investing is the possibility of material misrepresentations or omissions on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of an investment, as valuation relies upon the accuracy and completeness of representations made by issuers. Under certain circumstances, payments to the Trust or the Portfolio Securities may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Notwithstanding the due diligence conducted, fraud can still be committed and go undetected no matter how many safeguards are put in place to prevent it. The consequences of fraud are numerous and include reputational risk, loss of confidence in the Trust or the Portfolio Securities, the principals, investment managers and the Manager, loss of investment opportunities, increases in redemptions and increased regulatory scrutiny and regulation.

Certain Debt Investments

The Trust and the Portfolio Securities are not restricted from investing in second lien, subordinated, mezzanine or unsecured loans. When an issuer defaults on an unsecured loan, the holder's only recourse against the issuer is generally to accelerate the loan and enter into costly litigation to recover the outstanding principal and interest. There is no assurance that such litigation would result in full repayment of the loan to the Trust. Also, see the paragraphs headed "*Second Lien Loans*", "*Subordinated Loans*" and "*Mezzanine Loans*" below.

Second Lien Loans

Second lien loans are subject to the same risks associated with loans in general described above. However, second lien loans are subordinate in right of payment to one or more senior secured loans of the related issuer and therefore are subject to the additional risk that the cash flow of such issuer and the property securing the loan may be insufficient to repay the scheduled payments to the Trust or the Portfolio Securities after giving effect to any senior secured obligations of such issuer. Second lien loans are also expected to be more illiquid investments than senior secured loans for such reason.

Subordinated Loans

Subordinated loans are subject to the same risks associated with loans in general described above. However, because subordinated loans represent the most subordinated class of an issuer's debt structure and are expected to be unsecured, subordinated loans represent a highly leveraged investment in the issuer which (aside from equity) suffers the greatest risk of loss, including a risk of loss of the entire investment. Subordinated loans are also expected to be particularly illiquid investments.

Mezzanine Loans

Mezzanine loans are subject to the same risks associated with loans in general described above. However, mezzanine loans are not a senior secured obligation of the related issuer and may be unsecured, and therefore are subject to the additional risk that the cash flow of the related issuer and the property securing the loan (if any) may be insufficient to repay the scheduled payments to the borrower after giving effect to any senior obligations of such issuer. Mezzanine loans are also expected to be highly illiquid investments. Mezzanine loans acquired by the Trust or a Portfolio Fund will be subject to certain additional risks to the extent that such loans may not be protected by financial covenants or limitations upon additional indebtedness.

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 advisors before making a decision to invest in the Units.

PERSONAL INFORMATION

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

By purchasing the Units, the purchaser acknowledges that Information concerning the purchaser (a) will be disclosed to the relevant Canadian securities regulatory authorities, including the Ontario Securities Commission, and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws, and the purchaser consents to the disclosure of the Information; (b) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (c) is being collected for the purposes of the administration and enforcement of applicable Canadian securities legislation. By purchasing the Units, the purchaser shall be deemed to have authorized such indirect collection of Information by the relevant Canadian securities regulatory authorities.

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 tous les documents faisant foi ou se rapportant de quelque manière à la vente des parts soient rédigés en anglais seulement.

PURCHASERS' RIGHTS OF ACTION FOR DAMAGES AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers of securities pursuant to an offering memorandum (such as this Offering Memorandum) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a “Misrepresentation”. Where used herein, the term “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. Purchasers should refer to the applicable securities legislation for the particulars of these rights or consult with a legal advisor. Statutory or contractual rights of action for each of the Offering Jurisdictions are described in Schedule A hereto.

SCHEDULE A – PURCHASERS’ RIGHTS OF ACTION

Two Day Cancellation Right

Securities legislation in certain provinces and territories of Canada 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 and territories of Canada provides that a purchaser has or must be granted rights of rescission or damages, or both, where this Offering Memorandum and any amendment hereto contains a Misrepresentation. However, such rights and remedies, or notice with respect thereto, must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation.

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

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

Rights for Purchasers in Ontario

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

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

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

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

- (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
- (ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is being delivered in reliance on the exemption from the prospectus requirements contained under section 73.3 of the *Securities Act* (Ontario) (the “accredited investor exemption”). The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

These rights of action for rescission or damages are in addition to, and without derogation from, any other right the purchaser may have at law.

Rights for Purchasers in Saskatchewan

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

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

Alternatively, where the purchaser purchased securities from the issuer or a selling security holder on whose behalf the distribution is made, the purchaser may elect to exercise a right of rescission against the issuer or selling security holder, and, when the purchaser so elects, the purchaser shall have no right of action for damages against that issuer or selling security holder.

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

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

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

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

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

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

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

Section 138.2 of the Saskatchewan Act also provides that if an individual makes a verbal statement to a purchaser of a security that contains a misrepresentation relating to the security purchased, and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual. No individual is liable if that individual proves that the purchaser purchased the securities with knowledge of the misrepresentation or if that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation or if, prior to the purchase of the securities by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation. In no case is the damages amount recoverable to exceed the price at which the securities were offered to the public. The defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the security resulting from the misrepresentation relied on.

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

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the

same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

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

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

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

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

Rights for Purchasers in Manitoba

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

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

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

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

- (a) the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;

- (b) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (c) with respect to any part of the offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

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

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

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

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

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

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

Rights for Purchasers in Nova Scotia

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

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

In addition, a person or company will not be liable if that person or company proves that:

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

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

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

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

Rights for Purchasers in New Brunswick

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

- (a) the purchaser has a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every person who was a director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum, or
- (b) where the purchaser purchased the securities from the issuer or the selling security holder on whose behalf the distribution is made, the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

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

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

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

The foregoing summary is subject to the express conditions of the New Brunswick Act and the regulations promulgated thereunder and specific reference should be made to same. The rights of action for rescission or damages under the New Brunswick Act are in addition to and do not derogate from any other right the purchaser may have at law.

Rights for Purchasers in Prince Edward Island

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

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

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

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

- (c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the offering memorandum (A) did not fairly represent the report, statement or opinion of the expert, or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

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

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

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

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

Rights for Purchasers in Newfoundland and Labrador

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

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) each underwriter of the securities that is in a contractual relationship with the issuer or selling security holder on whose behalf the distribution is made;
- (c) a director of the issuer at the time the prospectus or the amendment to the prospectus was filed;
- (d) a person or company whose consent to disclosure of information in the prospectus has been filed but only with respect to reports, opinions or statements that have been made by them; and
- (e) a person or company who signed the prospectus or the amendment to the prospectus other than the persons or companies included in paragraphs (a) to (d),

Where the purchaser purchased the security from a person or company referred to in paragraph (a) or (b) above or from another underwriter of the securities, the purchaser may elect to exercise a right of rescission against the person, company or underwriter, in which case the purchaser shall have no right of action for damages against the person, company or underwriter. If the purchaser chooses to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

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

When a Misrepresentation is contained in the offering memorandum, no person or company other than the issuer, is liable:

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

The amount recoverable shall not exceed the price at which the Units were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation.

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

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

- (a) in the case of an action for rescission, 180 days after the purchaser signs the agreement to purchase the Units; or
- (b) in the case of an action for damages, before the earlier of:
 - (i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date the purchaser signs the agreement to purchase the Units.

Rights for Purchasers in Yukon

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

- (a) a right of action for damages against:
 - (i) the issuer;
 - (ii) the selling security holder on whose behalf the distribution is made;
 - (iii) every director of the issuer at the date of the offering memorandum, and
 - (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:
 - (i) the issuer; or
 - (ii) the selling security holder on whose behalf the distribution is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

Rights for Purchasers in Northwest Territories

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

- (a) a right of action for damages against

- (i) the issuer;
 - (ii) the selling security holder on whose behalf the distribution is made;
 - (iii) every director of the issuer at the date of the offering memorandum, and
 - (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:
- (i) the issuer; or
 - (ii) the selling security holder on whose behalf the distribution is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

Rights for Purchasers in Nunavut

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

- (a) a right of action for damages against
 - (i) the issuer;
 - (ii) the selling security holder on whose behalf the distribution is made;
 - (iii) every director of the issuer at the date of the offering memorandum, and
 - (iv) every person who signed the offering memorandum; and
- (b) a right of rescission against:

- (i) the issuer; or
- (ii) the selling security holder on whose behalf the distribution is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

whichever period expires first.

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

Rights for Purchasers in British Columbia, Alberta and Québec

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

General

The foregoing summary is subject to the express provisions of the applicable securities legislation of each jurisdiction and the regulations, rules and policy statements thereunder, and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law and are subject to the defences contained in those laws.

PURPOSE SPECIALTY LENDING TRUST

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